



## KING COUNTY AUDITOR'S OFFICE

# RapidRide Fare Enforcement: Efforts Needed to Ensure Efficiency and Address Equity Issues



**King County**

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### EXECUTIVE SUMMARY:

Transit cannot adequately evaluate the cost-effectiveness and outcomes of fare enforcement on RapidRide. Currently, some of the enforcement outcomes are in conflict with King County's equity and social justice goals, such as negative impacts for people experiencing housing instability. We make recommendations to Transit that will address goals and improve operational efficiency.

# RapidRide Fare Enforcement: Efforts Needed to Ensure Efficiency and Address Equity Issues

## REPORT HIGHLIGHTS

### What We Found

Transit cannot determine whether its model of fare enforcement makes sense, in terms of costs and outcomes, or identify ways to improve it. Since fare enforcement started in 2010, Transit reviewed some performance information as new lines were added, but has not developed a more robust performance management framework or reviewed the enforcement model for equity impacts.

We looked specifically at equity outcomes for riders and found that people experiencing homelessness or housing instability received nearly 25 percent of citations between 2015 and 2017. As fare enforcement expands with the expansion of RapidRide and off-board payment, these impacts will likely continue and affect more people.

We also found that the technology used by fare enforcement officers is dated and leads to time-consuming data entry, making it more difficult for fare enforcement officers to check fares.

### What We Recommend

We make a series of recommendations for Transit to align its fare enforcement model and activities with agency and county goals and monitor progress toward those goals. We also recommend that Transit prioritize the implementation of technology projects to improve the ability of officers to do their work and collect useful data. Taking these steps will help Transit improve the efficiency and effectiveness of fare enforcement and reduce negative impacts prior to expanding the service.

### Why This Audit Is Important

RapidRide is a significant and expanding part of the local transit system. In 2016, RapidRide accounted for about one in six weekday boardings on Transit. Fare enforcement costs roughly \$1.7 million a year. Fare enforcement officers are visible to hundreds of thousands of Transit passengers every year and have the ability to enforce infractions that carry monetary and criminal consequences. These officers also perform duties beyond enforcement like reporting damage to Transit facilities and responding to emergencies. This report comes right before Transit is set to expand fare enforcement activities with more RapidRide lines and off-board payment on Third Avenue in downtown Seattle.

Nearly 25 percent of citations are given to people experiencing housing instability



Source: King County Auditor's Office

# RapidRide Fare Enforcement: Efforts Needed to Ensure Efficiency and Address Equity Issues

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# Fare Evasion and Enforcement on RapidRide

## SECTION SUMMARY

**Fare enforcement is an important and highly visible part of Transit's RapidRide system, but Transit is not able to determine if it is effective.** Transit uses fare enforcement to reduce the likelihood that riders will not pay their fare, and evasion appears low compared to other jurisdictions. However, Transit is not using the most accurate method to estimate fare evasion, has not set targets for what it is trying to achieve, and is missing key performance information such as benchmarks and output measures. As a result, Transit cannot understand if its efforts are working and if enforcement resources are above or below what is actually needed. The direct costs of the current fare enforcement model are about \$1.7 million per year. This includes over \$300,000 in court costs to process evasion fines, the vast majority of which go unpaid.

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## What is the purpose of fare enforcement?

**Transit uses fare enforcement to minimize fare evasion on King County's RapidRide system.** RapidRide is King County's bus rapid transit system. A common feature of bus rapid transit is off-board fare payment, which allows riders to pay their fare before getting on the bus. Off-board fare payment speeds up service by allowing riders to board using any door on the bus, not just the front door. While this feature decreases the time buses spend loading and unloading passengers, it also may increase the risk of riders deliberately boarding without paying a valid fare. To mitigate this risk, agencies often have inspection personnel check riders for proof of payment and issue penalties to riders without a valid ticket or pass.

## How many people are evading fares on RapidRide?

**Transit's fare evasion rate appears relatively low, but the methodology for estimating fare evasion might not be accurate.** Transit estimates the RapidRide fare evasion rate based on data collected by its fare enforcement officers. According to these estimates, between 2010 and 2016, the fare evasion rate on the RapidRide system ranged from 0.9 percent on the B line to three percent on the A and F lines. These rates are similar to rates on other systems that use off-board fare payment, including light rail. For example, a review of 31 transit systems in 2012 reported an average fare evasion rate of 2.7 percent<sup>1</sup>, and Sound Transit reported monthly fare evasion rates of between 2.7 and 3.6 percent on Link light rail in 2016. Elsewhere, rates are much higher than RapidRide. For example:

- MARTA, Atlanta, Georgia (bus): 3.9 percent
- Metro Transit, Minneapolis-St. Paul, Minnesota (light rail): 8.3 to 10.4 percent
- TriMet, Portland, Oregon (light rail): 14.5 percent

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<sup>1</sup> Transit Cooperative Research Program (TCRP), Off-Board Fare Payment Using Proof-of-Payment Verification, 2012

Recent research has shown that the methods used by Transit—dividing the number of evaders by the number of patrons checked—is not a reliable way to estimate fare evasion. One reason may be because when information is collected by uniformed officers, the would-be evaders disembark before being checked. Another reason is that the deployment of officers is not random. Transit deploys more fare enforcement officers to lines where it has observed more fare evasion in the past. Since more officers are deployed in these areas than others, they will likely continue to find more fare evasion there. According to the Transit Cooperative Research Program (TCRP), a way to get a more accurate estimate is to conduct special field audits on a periodic basis.<sup>2</sup> Other transit agencies have recently demonstrated how these periodic reviews can be done and how to use the insight from these reviews to improve fare enforcement.

**Is enforcement the reason that evasion appears so low?**

**Although a link between evasion and fare enforcement is often assumed, the relationship is actually not clear.** Bus and rail systems that allow off-board fare payment generally have some type of fare enforcement. However, research has not found a correlation between fare enforcement and fare evasion: systems that have a lot of fare enforcement report fare evasion rates that are similar to those that have more limited coverage.<sup>3</sup> Research has also shown that there are certain transit riders that will evade fares no matter what the consequences. This means that no matter how many resources are deployed or fares checked, the fare evasion rate will never be zero. In addition, there are several variables that may be impacting the evasion rate that have nothing to do with fare enforcement. These include a low unemployment rate and the availability of employer-sponsored transit benefits.

**Transit has an operational target for deploying personnel, but lacks information necessary to assess the impacts of enforcement on evasion.** Transit has set some operational targets, like the number of buses that should be boarded each day, but it does not have the performance information that could be used to show a link between fare enforcement and fare evasion, such as baselines and targets. As noted earlier in this section, Transit is not using an accurate method to estimate fare evasion. In addition, Transit told us that it does not have a stated target for fare evasion, but operates under the assumption that fare evasion has not increased on RapidRide based on a study it did in 2015. However, the data it used to draw this conclusion is several years old, and because of methodology issues, the pre- and post- rates do not provide a valid comparison.<sup>4</sup> Without these basic performance management tools and valid data, it is not clear how effective fare enforcement is, how many resources are needed, or where to

<sup>2</sup> According to the TCRP, in this type of a review, researchers could accompany inspection personnel in checking for valid payment for a sample of riders at designated time periods over a two or three-day period. These reviews might be conducted annually or biannually; an agency might even conduct a special one-time audit (e.g., if it suspects that the reported evasion rate is highly inaccurate). The results of an audit can be used to identify particular problem areas (e.g., station locations and/or times of day that feature a higher-than-average evasion rate).

<sup>3</sup> Transit Cooperative Research Program Synthesis 96, "Off-Board Fare Payment Using Proof-of-Payment Verification," 2012.

<sup>4</sup> Transit conducted an internal study comparing evasion rates on pre-RapidRide lines to rates observed on RapidRide. The 2010 study was a systemwide study that relied on data collected by operators over several weeks. The 2015 study relied on observations by fare enforcement officers over the course of one year. The report found that fare evasion was lower on RapidRide. However, this conclusion is not valid since the methods for estimating fare evasion were so different.

deploy them. As a result, inefficiencies and inequities in fare enforcement will likely expand as the system grows.

### Recommendation 1

**Transit should establish a performance management system for fare enforcement, including establishing baselines, setting targets, and developing measures for outputs and outcomes.**

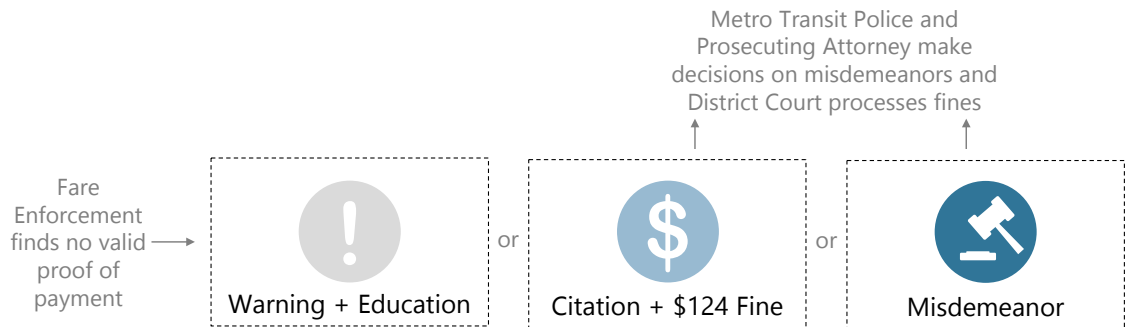
### Recommendation 2

**Transit should conduct a rigorous fare evasion study to understand the level of fare evasion on RapidRide at least every two years.**

### How does fare enforcement work?

**Transit’s fare enforcement model includes officers who check fares and warn or cite riders who cannot give proof of payment as well as courts and prosecutors who process fines and misdemeanor charges.** Transit contracts with a private company, Securitas, to provide fare enforcement officers and adopted the fare enforcement practices used on Sound Transit’s light rail system.<sup>5</sup> Transit fare enforcement officers checked almost 300,000 passengers in 2016, or about 1.4 percent of RapidRide ridership. Of those 300,000 checks, officers encountered 9,352 instances where riders could not show proof of payment. Depending on the number of times a person has been encountered by officers without valid proof of payment or deceitful behavior, officers can issue a verbal warning, a \$124 fine, or recommend a misdemeanor to Metro Transit Police. District Court then processes and attempts to collect the fines, and makes decisions on misdemeanors along with the Prosecuting Attorney’s Office.

EXHIBIT A: **RapidRide fare enforcement model includes education, monetary fines, and criminal charges.**



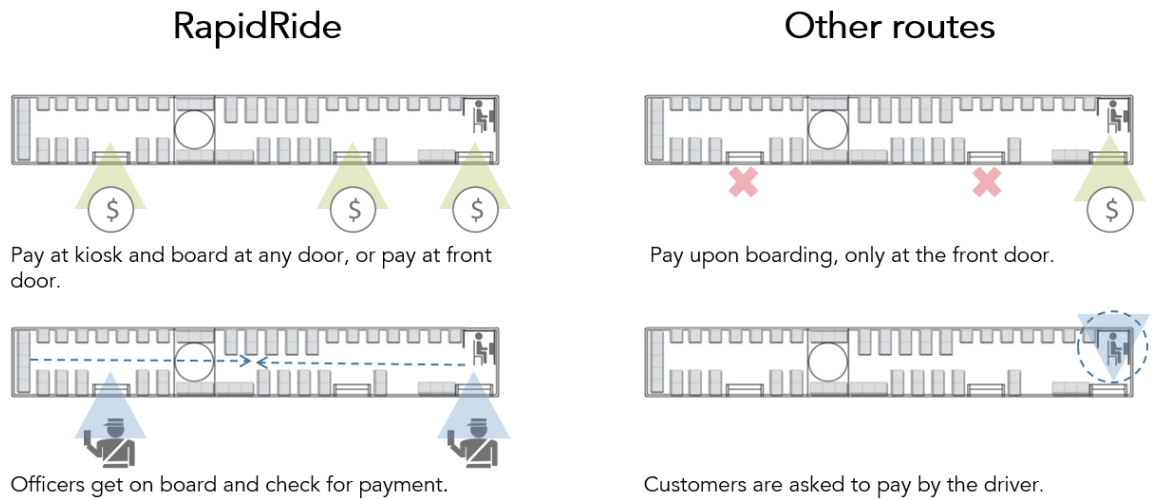
Source: King County Auditor’s Office illustration of King County Metro Transit’s processes

<sup>5</sup> Officers also provide rider education about the RapidRide system, report damage to Transit facilities, and conduct safety rides where no fare is checked, but the officers board the bus to ensure visibility to riders.

**How is it different from regular buses?**

**On regular non-RapidRide routes, the driver acts as a check on fare payment at the front door of the bus, but drivers do not issue citations.** One key difference between RapidRide and regular buses is that RapidRide fare enforcement officers can issue citations, leading to direct contact with the criminal justice system. On regular buses, operators may ask for proof of payment, but do not enforce payment and do not issue tickets for evasion. If there is a safety issue on a regular bus, like a threat against the driver or passengers, the driver could notify law enforcement, but the lack of payment alone would not lead to contact with the criminal justice system. A diagram showing this difference between RapidRide and non-RapidRide routes is shown in Exhibit B, below.

EXHIBIT B: Differences between boarding and validating fare on RapidRide and other routes.



Source: King County Auditor’s Office illustration of Transit’s processes

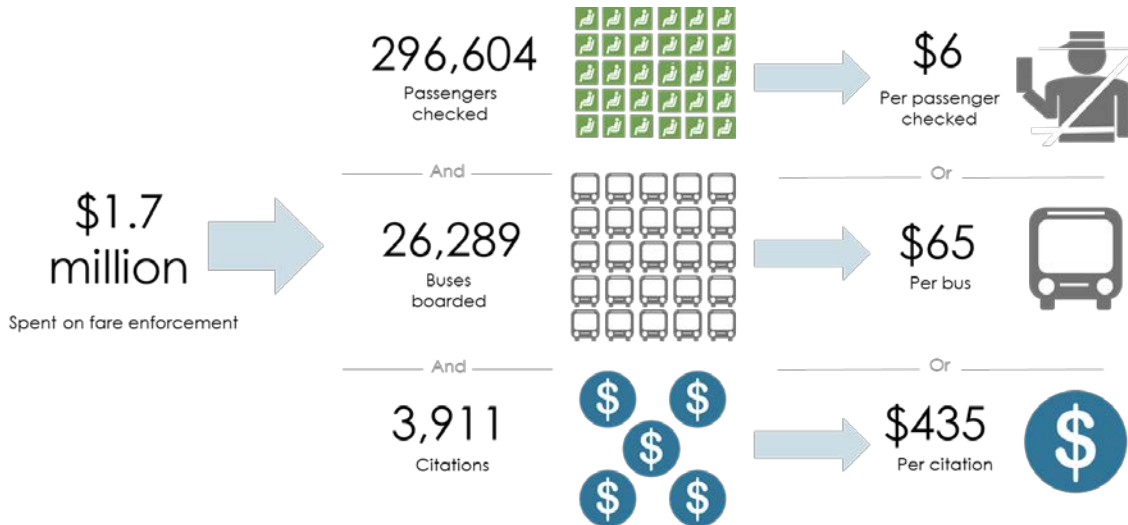
**Are there other ways to do fare enforcement?**

**This model is one of a variety of different models employed by transit agencies around the country.** Different models help meet different goals and operate under the framework of state and local laws. For example, not all enforcement models include criminal charges or fines that are processed by courts. This approach could help reduce court costs and inequitable outcomes for riders. Based on updates to state law, TriMet (which serves Portland, Oregon) recently changed its fare enforcement model to allow people to challenge or pay fines directly with the transit agency before having a ticket filed with the court system. Other agencies are required to employ sworn officers to check fares and enforce criminal law. For example, Minneapolis-St. Paul Metro Transit Police conduct fare enforcement on its light rail lines since Minnesota state law requires enforcement be done by sworn officers.

**What does fare enforcement cost?**

**Conducting fare enforcement on RapidRide costs at least \$1.7 million a year, which is equivalent to over 500,000 King County Metro Transit bus tickets.** This means that it cost Transit about \$6 to check one passenger—almost twice as much as the most expensive RapidRide fare.<sup>6</sup> Per unit costs based on passengers checked and buses boarded are displayed in the figure below.

EXHIBIT C: RapidRide fare enforcement costs on per-unit basis for 2016.



Source: King County Auditor’s Office analysis based on 2016 performance data provided by King County Metro Transit and King County District Court.

**What are the direct costs of processing infractions?**

**One fifth of fare enforcement costs are for District Court, which processes fines that largely go unpaid.** According to District Court, it takes about 40 minutes of staff time to process one citation, or a total of 1.7 full time employees (FTEs) per year. Nevertheless, very few of the fines are ever paid. For example, in 2016, District Court processed 3,515 citations, and only 94 were paid outright.<sup>7</sup> According to District Court, compared to other types of citations, this is a very low payment rate.

<sup>6</sup> At the time of writing, the most expensive RapidRide fare was \$3.25. The equivalent of \$1.7 million is 523,077 one-way, two-zone tickets to ride the bus.

<sup>7</sup> The number of citations processed by District Court (3,515) is lower than the number of citations issued by fare enforcement in 2016 (3,911). Citations processed in one calendar year may include citations that were issued in the previous year. For example, if a citation is issued in late 2016, it may not be processed until 2017.



EXHIBIT D: Only a small fraction of people actually pay their fines.

of 3,515 citations processed in 2016



Note: The number of citations processed by District Court is less than the number issued by Transit in 2016.  
 Source: King County Auditor’s Office analysis of data provided by King County District Court.

Why do so few people pay their fines?

**As we detail later in this report, a significant share of people cited for fare evasion may not have the ability to pay a \$124 fine because they are homeless or low income.** Since very few people are willing or able to pay their fines, only a small fraction of District Court’s work is offset by the fines. District Court estimated that processing fare evasion citations cost over \$343,760 in staff time in 2016, yet only \$4,338—about 1.3 percent—was returned to the county.<sup>8</sup> District Court has started charging Transit for the remainder of its costs for processing citations, and as Transit expands fare enforcement, these costs will likely grow.

What are the plans for expanding fare enforcement?

**Transit has not completed an assessment of fare enforcement needs even though the RapidRide system and all-door boardings will grow.** RapidRide is set to grow significantly in the coming years—from six lines in 2017 to 19 lines by 2025, and reaching 26 lines by 2040. In the near term, fare enforcement on non-RapidRide routes could also grow, as Transit is considering all-door boarding on Third Avenue in downtown Seattle in 2019. However, Transit has not done an analysis to determine what it needs to conduct fare enforcement on the new RapidRide lines or to cover the all-door boarding on Third Avenue. Transit told us that it has an analysis underway to assess routes that could benefit from off-board fare payment which should be available in several months. This analysis, in turn, will help Transit determine fare enforcement needs.

<sup>8</sup> According to District Court, on average only about \$30 of every infraction paid gets remitted to the county. The bulk of the funds collected by District Court go to the state of Washington and other jurisdictions.

# Equity Impacts of Fare Enforcement

## SECTION SUMMARY

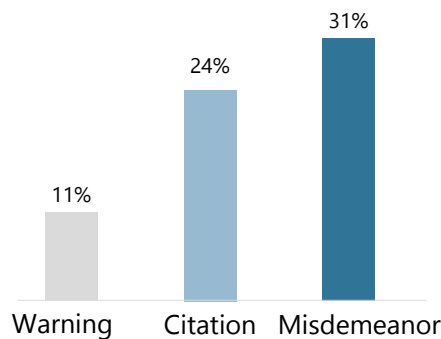
**Certain populations are or could be impacted by fare enforcement because Transit has not yet considered how its model aligns with county and agency goals, including equity and social justice.** We include examples in this section that show how the current enforcement model affects people experiencing housing instability. Additionally, Transit lacks the data needed to monitor potential impacts by race and ethnicity. As fare enforcement increases with the expansion of RapidRide and off-board payment, these impacts will likely affect more people.

## Model impacts people experiencing housing instability

**Nearly 25 percent of all citations and 30 percent of misdemeanors are given to people who are homeless or experiencing housing instability, potentially creating debt and interactions with the criminal justice system.**<sup>9</sup> Those experiencing housing instability may have difficulty paying the fare or fine, which could create additional negative impacts beyond the citation. For example, the fines for individuals experiencing housing instability totaled just over \$290,000 from 2015-2017. These fines, when unpaid, go into collections, which can then impact a person's ability to obtain housing.

Additionally, our analysis shows that as the penalty increases in severity, people experiencing housing instability make up a larger percentage of the total. As shown in Exhibit E, below, one out of every ten people given warnings were homeless or experiencing housing instability, while nearly one in three people given misdemeanors were in this category.

EXHIBIT E: **As the penalty increases in severity, people experiencing housing instability make up a larger percentage of the total.**



Note: Total warnings were 16,887, total citations were 9,721, and total misdemeanors were 433.

Source: King County Auditor's Office analysis based on data from 2015-2017 provided by King County Metro Transit.

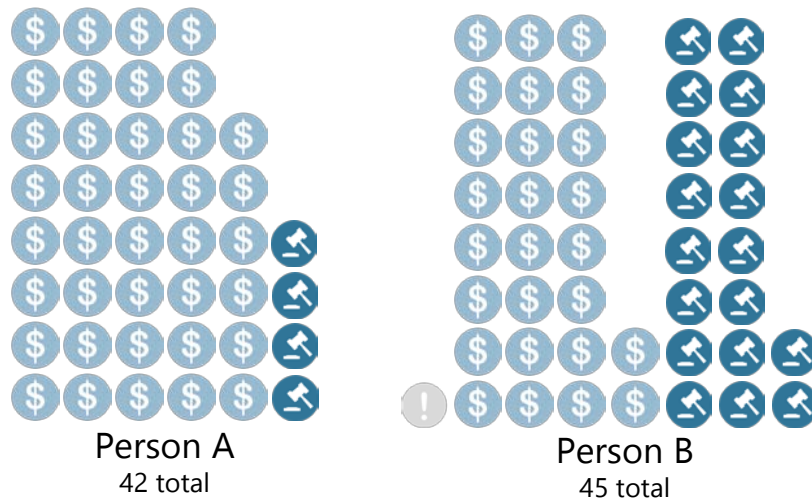
<sup>9</sup> We analyzed three years of fare enforcement data and were able to identify individuals who stated they were homeless or whose addresses match the addresses of homeless housing and service facilities. This estimate is affected by the truthfulness of self-reported addresses in the data and the limitations of our list of homeless housing resources, as the list was likely not exhaustive.

Fare enforcement encounters a small number of people frequently

**Ninety-nine people received at least 10 penalties each between 2015 and 2017, totaling about six percent of all penalties during that time.**<sup>10</sup> Almost 19,000 people received penalties between 2015 and 2017. Of those people, 99 individuals (0.5 percent) received a total of 1,589 penalties or six percent of all penalties in this time period. One person received 53 penalties over two years.

The majority of this group are people of color, people who experienced housing instability during this time, or both.<sup>11</sup> Additionally, people within this group received different amounts of warnings, citations, and misdemeanors. Exhibit F shows that of two people from this group with a similar number of penalties, one received more misdemeanors and the other more fines.

EXHIBIT F: People with a similar number of penalties received different amounts of warnings, citations, and misdemeanors.



Source: King County Auditor’s Office analysis based on data from 2015-2017 provided by King County Metro Transit.

Transit has not aligned its fare enforcement model with its multiple goals

**Impacts on equity are likely the result of multiple causes, including Transit’s lack of aligning fare enforcement with goals and a lack of specific monitoring for equity impacts.** Transit has not aligned fare enforcement activities with its multiple goals and articulated to those implementing fare enforcement how to balance those goals. In absence of that guidance, the fare enforcement staff utilizes the tools available, which are giving out warnings, citations, and misdemeanors. During interviews, officers stated they try to work with individuals they encounter frequently or who may be experiencing housing instability by using their discretion in enforcement, but their tools for working with people are limited and their primary task is to enforce fare evasion.

<sup>10</sup> Penalties include warnings, citations, and misdemeanors.

<sup>11</sup> The data used to identify people of color is a person’s race as identified by the fare enforcement officer.

Additionally, Transit's fare enforcement model has not been examined for equity impacts. The model heavily focuses on the A and E lines, which Transit believes have the highest evasion rates. However, according to a Transit report, at least one of these lines, the E line, serves an area with a high minority population.<sup>12</sup> This has left room for negative equity impacts to be inherent to the model: since Transit focuses on the E line more than other lines, it means that people of color could make up a higher proportion of citations than if enforcement was more evenly distributed.

Transit also does not consistently monitor for equity impacts. While Transit has reviewed the encounter data for infraction rates by race once, it does not do consistent monitoring and review to analyze equity impacts over time. This means that neither fare enforcement managers nor Transit can be aware of and address negative equity outcomes.

Transit has opportunities to improve in 2018 before a new contract is signed

**While Transit must work within the framework set by state law and county code, it has opportunities to improve fare enforcement's alignment with goals and principles and create mechanisms for analysis and review.** A new contract will need to be signed in 2018 and Transit needs to respond to a County Council ordinance requiring increased efforts to enroll eligible adults in the ORCA LIFT reduced fare program before July 1, 2018. In this time, Transit leaders have an opportunity to work with its fare enforcement managers to review the fare enforcement model and update the contract to address equity impacts and balance agency and county goals. Transit's Service Guidelines and the King County 2016-2022 Equity and Social Justice Strategic Plan stress the importance of addressing the equity impacts of county services.

### Recommendation 3

**Transit should review its fare enforcement model for alignment with county and agency goals and equity principles and use the results to update its model and the fare enforcement contract.**

A lack of data reduces Transit's ability to monitor for impacts by race and ethnicity

**Transit's existing data about fare enforcement encounters and a lack of consistent RapidRide ridership demographic data reduce Transit and the fare enforcement team's ability to monitor for equity impacts by race and ethnicity.** The King County Equity and Social Justice Strategic Plan stresses having data to create accountability to goals and make meaningful improvements. However, Transit's race and ethnicity categories do not match the categories used by the county demographer, and the categories used by fare enforcement do not match the categories used in Transit's own ridership surveys. See Exhibit G, below. This makes monitoring for equity impacts nearly impossible and may mask disparities in enforcement outcomes. This in turn limits Transit's ability to consider the equity outcomes of fare enforcement.

<sup>12</sup> Transit identified and analyzed route overlays with census demographic data for its 2016 King County Metro Transit Title VI Program Report. See page 20 of the report for the full methodology.

EXHIBIT G: Fare enforcement and RapidRide rider survey data on race and ethnicity is not easily comparable, hindering monitoring.

| King County Race/Ethnicity Category | RapidRide Fare Enforcement Officers (daily) | A and F Line Study (2017) | B, C, D, and E Line Study (2015) |
|-------------------------------------|---|---------------------------|----------------------------------|
| AFRICAN AMERICAN/BLACK              | Yes   | Yes                       | No                               |
| ASIAN                               | Partial (Combined)                          | Partial (Combined)        | No                               |
| HISPANIC/LATINO                     | No  | Yes                       | Yes                              |
| NATIVE AMERICAN/ALASKAN NATIVE      | Yes   | Yes                       | No                               |
| PACIFIC ISLANDER/NATIVE HAWAIIAN    | Partial (Combined)                          | Partial (Combined)        | No                               |
| WHITE                               | Yes   | Yes                       | Yes                              |
| MULTIPLE RACE                       | No  | No                        | No                               |

Source: King County Auditor's Office analysis based on data provided by Securitas and King County Metro Transit.

#### Recommendation 4

**Transit should work with the fare enforcement team to develop and implement a system for gathering data necessary to monitor for the equity impacts of fare enforcement.**



# Fare Enforcement Technology

## SECTION SUMMARY

**The technology used by fare enforcement is dated and has limited functionality, reducing officers' ability to enforce fare payment.** Fare enforcement officers use Portable Fare Transaction Processors (PFTP) to scan passengers' ORCA cards to check if they have paid their fare. However, according to the fare enforcement officers, these PFTP devices are prone to failure and have limited functionality. Because of this, officers spend a significant amount of their time manually collecting information from passengers and then manually entering information into a database. Transit has initiated a project to replace its PFTP to reduce costs and increase officer productivity, however, Transit has put the project on hold pending resolution of technical difficulties, and does not have a timeline for when the benefits of replacing these devices will be realized.

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### Existing card readers are an impediment to fare enforcement

**ORCA card readers often do not work as intended, making it difficult for officers to determine whether a passenger has paid their fare.** Passengers on King County Metro Transit used ORCA cards for more than 60 percent of boardings in the third quarter of 2017. Therefore, the ability to check whether a passenger has paid their fare via ORCA card is essential for fare enforcement officers. When a passenger tells an officer they used their ORCA card, the officer uses a handheld PFTP to check the card for payment. When functioning properly, the PFTP can tell the officer whether a passenger has paid their fare. However, according to the officers, the PFTPs frequently do not work as intended and the officer cannot tell whether a passenger has paid. In these situations, the officer taps the passenger's ORCA card to the PFTP and hands the card back, with the assumption that the passenger's willingness to provide the card indicates they have paid the fare. This is problematic as it diminishes the effectiveness of fare enforcement. It could also undermine the deterrent impact of fare enforcement in cases when passengers know they have not paid, but are not cited after their card is checked.

### Updating card readers could dramatically increase efficiency

**The Portable Fare Transaction Processor devices require time-consuming manual data checks and entry.** Once an officer finds a rider who does not have valid proof of payment, they check a database of rider contacts to find out if that rider has been contacted before. Currently, officers have to call their office and have another employee see if there are previous contacts since the PFTPs do not have the functionality to get this information. This step is time-consuming and inefficient. New devices could accomplish this step quickly and easily.

Officers manually collect and document information about riders contacted who do not have valid proof of payment. Currently, because the PFTP lacks the ability to scan a driver's license or other identification, officers copy a rider's information into a book and then type this information into the database once they return to the office. Transit

estimates that officers currently spend about 10 percent of their on-duty time manually entering information. Sound Transit, which operates a similar fare enforcement system, found that the amount of time its officers spent entering data decreased from 90 minutes per shift to 15 minutes, after they replaced their readers with new devices. Realizing this type of savings would effectively increase the number of fare enforcement officers from 20 to 22, with no increase in cost.

### Project to update readers is stalled

**Transit's project to replace Portable Fare Transaction Processors is stalled and there is not a plan to restart, delaying realization of benefits.** Transit, recognizing the operational challenges and inefficiencies of the current PFTPs, started a project in early 2017 to replace the card readers with updated readers, similar to the ones that Sound Transit uses. Transit estimated implementing this project would save about \$750,000 over five years. However, Transit encountered technical and other difficulties and put the project on hold. When we discussed the project with Transit management, they said that they do not have enough staff to continue the project and do not have a timeline for restarting it. While Transit has many important information technology projects underway, including replacement of the ORCA system, not prioritizing the replacement of the PFTPs before the planned expansion of off-board fare payment on Third Avenue and the planned expansion of the RapidRide system will exacerbate the inefficiencies associated with the PFTPs.

### Recommendation 5

**Transit should prioritize implementation of its stalled technology project to ensure that fare enforcement is conducted in the most efficient manner possible.**

# Executive Response



## King County

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March 8, 2018

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MARCH 8, 2018  
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Dear Ms. Waltmunson:

Thank you for the opportunity to review and comment on the proposed final report "RapidRide Fare Enforcement: Efforts Needed to Ensure Efficiency and Address Equity Issues."

We concur with the recommendations identified in the report and appreciate the auditor's cooperative work with Metro Transit during the development of this audit. While identifying improvements that could be made in how we measure the effectiveness of our fare enforcement efforts, your audit identifies an important fundamental challenge that exists between the legislative requirements associated with fare collection and the impacts of societal issues such as housing instability on an individual's ability to pay their fare.

As with so many other issues, an individual's ability to pay their fare can be tied to their housing situation. Addressing homelessness in our community is one of my top priorities. While the One Regional Card for All (ORCA) LIFT program is having a tremendously positive result in our community, there are individuals that may not yet have had the opportunity to learn about the program's benefits and Metro Transit's outreach efforts will continue. Additionally, there are also people in our County who are unable to afford even the ORCA Lift fare. To help address this issue, I have asked Metro staff to use the fare review process occurring this year to identify programmatic fare discounts to support mobility for disadvantaged populations.

Currently, it is a violation of both state law and King County Code for someone to use the transit system without paying a fare. For the vast majority of our customers, the interaction is with the bus driver as the customer boards the bus, which poses a certain risk to operators' safety in some instances. The RapidRide system allows customers to pay 'off board' and then board at any door of the bus. In order to ensure that riders comply with the requirement to pay their fare, Metro Transit deploys contracted security personnel to provide fare enforcement. The current level security staffing enables approximately 1.8% of RapidRide trips to be inspected for fare payment. Of these encounters, many end with the distribution of



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educational materials about paying fares or with a warning. For those that are found to have multiple occurrences of non-fare payment, King County Code outlines the fees and/or penalties that may be imposed.

As noted in the audit report, the cost of fare enforcement is currently about \$1.7 million annually. This includes costs of the courts to issue the fines and penalties along with payments to the security guards that comprise the fare enforcement team. What is not included in this cost is the time and effort by the Metro Transit Police, Transit Security, and the King County Prosecutor to determine which non-fare payment actions move forward to the court system.

On February 26, 2018, the King County Prosecutor announced that 1,500 misdemeanor cases were going to be dismissed due to lack of resources in the Prosecutor's Office. At least some of these cases were identified as related to fare evasion. This is additional evidence that the current legislative requirements for non-payment of fare may be having unintended consequences and I encourage you to join me in asking the King County Council to work to address this issue.

I have asked Metro Transit staff to develop ways to strengthen the relationship between the RapidRide program and the County's Equity and Social Justice (ESJ) goals, including through training, resource programs such as ORCA LIFT, and programmatic review for opportunities to support performance-based program management consistent with our broader County-wide ESJ goals. I will also propose, as part of the 2019-2020 budget, resources for Metro Transit to conduct an in-depth fare evasion study that will help us identify equitable ways of addressing some of the causes of fare evasion.

And finally, our current contract for fare enforcement staffing with Securitas expires in September 2018 and we are drafting a revised scope of work that considers the recommendations from the audit as well as the internal review of the Fare Enforcement Program that Metro has been performing for the last year.

Attached is our response to the audit recommendations. Our timelines for implementation are intended to align with necessary contracting and budget timelines. I will continue to work with the Council on legislative changes that are ultimately required to address the ESJ issues associated with access to transit, including housing instability and someone's ability to pay their fare.

Kymer Waltmunson  
 March 8, 2018  
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Thank you again for collaborating on this work. If you have any questions regarding our audit response, please contact Michelle Allison, Metro Transit Chief of Staff at 206-477-3813.

Sincerely,



Dow Constantine  
 King County Executive

Enclosure

cc: Casey Sixkiller, Chief Operating Officer, King County Executive Office (KCEO)  
 Rachel Smith, Chief of Staff, KCEO  
 Dwight Dively, Director, Office of Performance, Strategy and Budget  
 Harold S. Taniguchi, Director, Department of Transportation  
 Rob Gannon, General Manager, King County Metro Transit  
 Michelle Allison, Chief of Staff, King County Metro Transit

### Recommendation 1

Transit should establish a performance management system for fare enforcement, including establishing baselines, setting targets, and developing measures for outputs and outcomes.

#### Agency Response

|                     |  |
|---------------------|--|
| Concurrence         | <b>Concur</b>  |
| Implementation date | 2 <sup>nd</sup> quarter 2019   |
| Responsible agency  | Metro Transit  |
| Comment             | The current contract expires in 3 <sup>rd</sup> quarter 2018. Performance measures and tracking will be incorporated into the new contract. These measures will be tracked and modified during the first part of 2019. |

### Recommendation 2

Transit should conduct a rigorous fare evasion study to understand the level of fare evasion on RapidRide at least every two years.

#### Agency Response

|                     |   |
|---------------------|---|
| Concurrence         | <b>Partially concur</b>   |
| Implementation date | 2 <sup>nd</sup> quarter 2020  |
| Responsible agency  | <b>Metro Transit</b>  |
| Comment             | Metro Transit has used the same method of calculating fare evasion estimates since before the start of RapidRide. The 2019-2020 budget will include a request for resources to conduct a rigorous fare evasion study to ascertain differences with current baselines and methodology. |

**Recommendation 3**

Transit should review its fare enforcement model for alignment with county and agency goals and equity principles and use the results to update its model and the fare enforcement contract.

**Agency Response**

|                     |  |
|---------------------|--|
| Concurrence         | <b>Concur</b>  |
| Implementation date | Legislative changes - to be determined (TBD); Fare Enforcement Officer (FEO) contract changes 4 <sup>th</sup> quarter 2018   |
| Responsible agency  | <b>King County Council</b>   |
| Comment             | Implementation of this recommendation requires recognition that state laws and County regulations and policy may be adversely impacting other goals. Action by the state and County legislative bodies to enact changes is required in order for meaningful change to occur. |

**Recommendation 4**

Transit should work with the fare enforcement team to develop and implement a system for gathering data necessary to monitor for the equity impacts of fare enforcement.

**Agency Response**

|                     |   |
|---------------------|---|
| Concurrence         | <b>Concur</b>   |
| Implementation date | 4 <sup>th</sup> quarter 2019  |
| Responsible agency  | <b>Metro Transit</b>  |
| Comment             | Data reporting and privacy requirements have continued to evolve. Metro will work with law enforcement data collection and other County systems that rely on demographic data to appropriately align data collection. |

**Recommendation 5**

Transit should prioritize implementation of its stalled technology project to ensure that fare enforcement is conducted in the most efficient manner possible.

**Agency Response**

|                     |   |
|---------------------|---|
| Concurrence         | <b>Concur</b>   |
| Implementation date | 4 <sup>th</sup> Quarter 2019  |
| Responsible agency  | <b>Metro Transit</b>  |
| Comment             | The project will move forward as soon as there is a technological solution that can provide the security of the data maintained in the fare enforcement database as well as when e-citations functionality is proven by District Court. |



## Auditor Response

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It is important that Transit implement Recommendation 3 by conducting a review of its fare enforcement program, because Transit can best align the program with its own goals and principles and can make any changes prior to the development and signing of a new fare enforcement contract in 2018.

County code explicitly states that enforcement of the code giving Transit fare enforcement authority is discretionary, not mandatory (KCC 28.96.610), so Transit would be able to make changes if necessary to its model within current code requirements. Transit already exercises some of the allowed discretion by giving warnings and educating passengers. Transit also set the fine for fare evasion below the maximum allowed under state law. In the process of conducting its review, Transit may identify additional ways in which state law or county code could be changed to further improve outcomes for the county and riders.

Because of the potential for fare enforcement to reflect Transit's strategic goals in its next contract, we emphasize our recommendation that Transit conduct an internal review to understand how its fare enforcement model aligns with its multiple goals and principles, including equity and social justice.



# Statement of Compliance, Scope, Objective & Methodology

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## Statement of Compliance with Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Scope of Work on Internal Controls

We assessed internal controls relevant to the audit objectives. This included review of selected state, county, and division policies, guidance, plans, and processes. We also conducted interviews with knowledgeable staff within King County Metro Transit. In performing our audit work, we identified concerns relating to strategic planning and performance management for RapidRide fare enforcement.

## Scope

The audit examined the implementation of the existing RapidRide lines through 2017, as well as the planning efforts for future lines.

## Objective

To what extent is Transit ensuring the efficiency, effectiveness, and equity of the RapidRide off-board fare payment system?

## Methodology

To address the audit objectives, we worked with Transit and its contractor to understand fare enforcement policies, practices, and challenges. The audit team conducted an observational ride-along with officers on RapidRide buses and conducted group interviews with fare enforcement managers and officers. We researched standards and fare enforcement models by reviewing industry publications and academic literature, and interviewing a number of transit agencies and fare enforcement managers in other jurisdictions, including Atlanta, Georgia; Minneapolis-St. Paul, Minnesota; and Portland, Oregon.

We also analyzed nearly three years of citation data to understand more about the outcomes of fare enforcement. To understand potential equity impacts, we compared the addresses provided by people who received citations to a list of addresses for homeless and housing service providers. We also analyzed the data provided on race, but were unable to use that data due to data quality issues and a lack of comparative data. Additionally, we interviewed staff from the Transit Equity and Social Justice team and the King County Office of Equity and Social Justice and reviewed relevant agency and county strategic plans.

To understand the cost of fare enforcement, we analyzed financial and operational data provided by Transit and District Court from 2016, the most recent full year that data were available.

To understand the inefficiencies with technology and data entry, we interviewed District Court, Transit and its fare enforcement contractor, conducted an observational ride-along with fare enforcement officers, interviewed Sound Transit, and reviewed replacement project pre-planning documentation.



# List of Recommendations & Implementation Schedule

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## Recommendation 1

**Transit should establish a performance management system for fare enforcement, including establishing baselines, setting targets, and developing measures for outputs and outcomes.**

IMPLEMENTATION DATE: 2<sup>nd</sup> Quarter 2019

ESTIMATE OF IMPACT: Establishing a performance management system will allow Transit to better evaluate the operational and cost effectiveness of its program and make informed decisions about how to make improvements and right-size staffing to meet demand.

## Recommendation 2

**Transit should conduct a rigorous fare evasion study to understand the level of fare evasion on RapidRide at least every two years.**

IMPLEMENTATION DATE: 2<sup>nd</sup> Quarter 2020

ESTIMATE OF IMPACT: Having a more accurate understanding of fare evasion levels will provide Transit with the means to evaluate whether fare enforcement is accomplishing one of its primary purposes and use that information to make operational and budget decisions.

## Recommendation 3

**Transit should review its fare enforcement model for alignment with county and agency goals and equity principles and use the results to update its model and the fare enforcement contract.**

IMPLEMENTATION DATE: Legislative changes—to be determined (TBD); Fare Enforcement Officer (FEO) contract changes 4<sup>th</sup> Quarter 2018

ESTIMATE OF IMPACT: Understanding how fare enforcement can help Transit accomplish its multiple goals and principles will allow Transit to implement a model of fare enforcement that reflects Transit's purposeful choices, provide more clarity to fare enforcement managers and officers, and allow Transit to communicate with other decision-makers about changes that could be made to help Transit improve outcomes.

## Recommendation 4

**Transit should work with the fare enforcement team to develop and implement a system for gathering data necessary to monitor for the equity impacts of fare enforcement.**

IMPLEMENTATION DATE: 4<sup>th</sup> Quarter 2019

ESTIMATE OF IMPACT: Having reliable, comparable data to monitor for impacts will allow Transit to make changes as needed to fare enforcement to ensure the equitable treatment of riders.

## Recommendation 5

**Transit should prioritize implementation of its stalled technology project to ensure that fare enforcement is conducted in the most efficient manner possible.**

IMPLEMENTATION DATE: 4<sup>th</sup> Quarter 2019

ESTIMATE OF IMPACT: Ensuring officers have functioning technology to support their work will increase operational efficiency and reduce the cost of fare enforcement.



# KING COUNTY AUDITOR'S OFFICE

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## Advancing Performance & Accountability

KYMBER WALTMUNSON, KING COUNTY AUDITOR

**MISSION** Promote improved performance, accountability, and transparency in King County government through objective and independent audits and studies.

**VALUES** INDEPENDENCE - CREDIBILITY - IMPACT

**ABOUT US** The King County Auditor's Office was created by charter in 1969 as an independent agency within the legislative branch of county government. The office conducts oversight of county government through independent audits, capital projects oversight, and other studies. The results of this work are presented to the Metropolitan King County Council and are communicated to the King County Executive and the public. The King County Auditor's Office performs its work in accordance with Government Auditing Standards.



This audit product conforms to the GAGAS standards for independence, objectivity, and quality.