MEMORANDUM

February 16, 2024

To: Jennifer Bryant, Director
        Office of Management and Budget

From: Tiffany Ward, Director
        Office of Racial Equity and Social Justice

Re: Racial Equity Impact Assessment (REIA) Supplemental Appropriations (SA) #24-38
        Accelerating Innovative Mobility Challenge Grant (AIM Grant).

I.   **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that *Supplemental Appropriation #24-38 Accelerating Innovative Mobility Challenge Grant (AIM Grant)* has the potential to advance racial equity and social justice in the County. Background about the grant application and the extent to which it addresses RideOn passengers' priority needs was not publicly available during this analysis. However, the development of a mobile ticketing application could ease administrative hurdles for passengers using various transit systems across the region. At the same time, the application could also alleviate the manual ticket-collecting functions of bus operators, thus reducing the potential for fare-collection-related conflicts. Given the demographic characteristics of Ride On passengers and bus operators and the benefits created by the mobile ticketing application (for both groups), this supplemental appropriation could help to advance transit equity[1].

II. **BACKGROUND:** The purpose of Supplemental Appropriation #24-38 Accelerating Innovative Mobility Challenge Grant is to allocate $468,820 (in a Federal Grant) and $112,345 (in Mass Transit Fund Undesignated Reserves) for the implementation of the Federal Transit Administration (FTA) Accelerating Innovative Mobility Challenge Grant (AIM Grant)[2].

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[1] Transit Equity Definition: "Public transportation can offer a "ladder of opportunity", providing affordable and convenient connections to jobs, goods and services, medical care, and other essentials of daily life. But pervasive racism and discrimination in land use, transportation, and transit planning have created wide gaps in transit access across race, income, and other characteristics, exacerbating social inequity. An equitable transit system attempts to correct these disparities by providing the highest quality service and the best access to opportunity to people who have been marginalized by prior planning decisions." Available at: https://dashboard.transitcenter.org/

[2] https://www.transit.dot.gov/AIM

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The AIM initiative overview includes a stated commitment to advancing innovations in the transit industry that support "equitable and equivalent accessibility"[3] for all travelers. The notice of grant funding in March 2020 highlighted FTA's focus on generating innovative service delivery models, creative financing, novel partnerships, and integrated payment solutions through selected projects[4]. Eligible activities include: "all activities leading to the development and testing of innovative mobility, such as planning and developing business models, obtaining equipment and service, acquiring or developing software and hardware interfaces to implement the project, operating or implementing the new service model, and evaluating project results"[5]. Based on available information, the grant awarded to MCDOT focuses on developing and testing a mobile ticketing application to help augment the regional fare collection system. For passengers, this will "improve options for riders and allow them to move between systems in the Washington Metropolitan area more easily. The system will electronically validate transit transfers and expand the ability to pay using smartphones[6]."

III.   **ANALYSIS:** When MCDOT received the grant award in October 2020, Ride On fares were suspended due to the pandemic, and the grant period was put on hold. The performance period has since been adjusted, with an August 2023 project kickoff and work set to conclude at the end of March 2025[7]. ORESJ's review of the project scope noted an *Equity and Accessibility Plan* as a key deliverable. However, at the time of this analysis, ORESJ could not locate publicly available details about how equity would be defined or operationalized in this context (in particular, whether and to what extent it aligns with the requirements of the REJS Act). Similarly, there are references to the County's standard practice of informing County residents and encouraging feedback, but few details about the role community feedback, the RideOn Transit Advisory Group, or other groups played at the outset of the grant proposal. While the project scope indicates that the project will allow patrons paying with cash the same benefit as those that use a SmarTrip card and deeper integration with the regional transit system—clear benefits of the project (particularly for low-income riders and riders who do not use smartphones[8]); it remains unclear, where this issue ranks among Ride On passengers' priority needs. ORESJ has shared best practices and relevant research about the intersection of transit systems and racial equity:

- Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) FY23-28 Capital Improvement Program (CIP) and Special Appropriation #23-53 FY23 Capital Budget Montgomery County Government Department of Transportation Bus Rapid Transit (BRT):

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[3] The Accelerating Innovative Mobility (AIM) Challenge Grants 2020 Notice of Funding Opportunity Announcement does not define "equitable and equivalent" accessibility in the context of this grant opportunity. Grant opportunity announcement is available here: https://www.govinfo.gov/content/pkg/FR-2020-03-18/pdf/2020-05611.pdf

[4] https://www.transit.dot.gov/funding/applying/notices-funding/accelerating-innovative-mobility-aim-challenge-grants-2020-notice

[5] https://www.transit.dot.gov/AIM

[6] https://www.transit.dot.gov/research-innovation/fy20-accelerating-innovative-mobility-aim-project-selections

[7] These dates are based on ORESJ's review of the June 30, 2022 Montgomery County Mobile Ticketing Project Accelerating Innovation Mobility (AIM) Demonstration Program Statement of Work Framework for Project Award.

[8] The Ride On Public Participation Plan from July 2020 noted that in a 2018 survey, household incomes less than $30,000 make use of the smart phones with apps, while 74% of households with higher incomes reported use of smart phones with apps. While the use of smart phone with apps is high, there are still a significant number of Ride On customers who do not utilize the technology. Details available: https://www.montgomerycountymd.gov/DOT-Transit/Resources/Files/Public%20Participation%20Plan%202020%20Draft%207-23-20.pdf

US 29 Phase 2 (CIP No. 502201)
https://www.montgomerycountymd.gov/ore/Resources/Files/23-53.pdf

- Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #23-72 North Bethesda Metro Station Area Redevelopment
https://www.montgomerycountymd.gov/ore/Resources/Files/23-72.pdf

- Supplemental Appropriation: COVID-19 Department of Transportation Research Demonstration Grant #22-9
https://www.montgomerycountymd.gov/ore/Resources/Files/22-9.pdf

In addition to transit passengers, bus operators are another stakeholder group that the mobile ticketing application will impact. The current procedure requires bus operators to view and depress a key on the farebox to record the fare type for over 35 different visual passes allowed in the Ride On system[9]. Information accompanying this request noted that the project will expedite boarding and reduce fare disputes between passengers and bus operators. As echoed in previous REIAs on the racial equity impacts of bus operator job quality:

- Supplemental Appropriation: REIA #22-26 Transit Service Bus Operators
https://www.montgomerycountymd.gov/ore/Resources/Files/22-26.pdf

- Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #23-92 for Transit Services
https://www.montgomerycountymd.gov/ore/Resources/Files/23-92.pdf

reducing the need for bus operators to address conflicts that may arise from fare collection, can reduce the incidence of verbal abuse or other nonphysical encounters, which can, in turn, help to improve operators' feelings of safety and well-being while on the job. Given the demographic composition of Montgomery County's transit operator workforce, efforts to improve workplace culture and overall job quality are key to addressing racial, economic, and health disparities. Presuming bus operators receive appropriate training and the new electronic system promotes ease of use, this supplemental appropriation could enhance job quality for bus operators.

cc: Christopher R. Conklin, Director, Department of Transportation
      Ken Hartman, Director, Strategic Partnerships, Office of the County Executive

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[9] Noted in the "Benefits" Section of the June 30, 2022 Montgomery County Mobile Ticketing Project Accelerating Innovation Mobility (AIM) Demonstration Program Statement of Work Framework for Project Award.