

Management Audit

of the

San Francisco Municipal Transportation Agency
Proof of Payment Program

Prepared for the

Board of Supervisors
of the City and County of San Francisco

by the

San Francisco Budget Analyst

May 27, 2009

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

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May 27, 2009

Supervisor David Chiu, President, Supervisor Bevan Dufty,
and Members of the Board of Supervisors
City and County of San Francisco
Room 244, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear President Chiu, Supervisor Dufty, and Members of the Board of Supervisors:

The Budget Analyst is pleased to submit this *Management Audit of the San Francisco Municipal Transportation Agency Proof of Payment Program*. On June 10, 2008, the Board of Supervisors adopted a motion directing the Budget Analyst to conduct a management audit of the San Francisco Municipal Transportation Agency (SFMTA) Proof of Payment program, pursuant to its powers of inquiry defined in Charter Section 16.114 (File 08-0596).

The purpose of this management audit is to evaluate the effectiveness and efficiency of the Proof of Payment (POP) program. The scope of the management audit included the SFMTA POP program's planning and evaluation; staffing and deployment; internal controls related to citations, passenger service reports, and staff incident reports; and other issues related to fare enforcement. The management audit was conducted in accordance with *Government Auditing Standards, 2007 Revision*, issued by the Comptroller General of the United States, U.S. Government Accountability Office, as detailed in the Introduction to this report.

This management audit is divided into 9 sections containing our findings and 56 related recommendations. Implementation of the Budget Analyst recommendations would result in net savings to the SFMTA, from reduced costs and increased revenues of an estimated \$1,725,000 as follows:

- \$1,200,000 in reduced annual salary and fringe benefit costs for 14 Transit Fare Inspector positions, for which the Budget Analyst recommends suspending further hiring until the

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SFMTA develops a long-term implementation plan to expand the POP program to the Municipal Railway (Muni) buses. The POP program is currently only operated on the Muni Metro light rail system, although it has commenced a pilot program for conducting inspections on Muni buses (see Sections 2 and 9);

- \$1,000,000 in increased annual fare evasion fine revenues resulting from improved collection practices (see Section 8); and
- \$475,000 in increased annual costs to hire additional Station Agents to staff both the primary and secondary booths in the Muni Metro stations (see Section 6).

Implementation of the Budget Analyst's recommendations would require existing staff time and other resource costs, which the SFMTA should be able to fund within its existing budget.

In addition to the fine revenues noted above, the Budget Analyst's recommendations should also contribute to increased Muni Metro passenger fare revenues. The SFMTA does not currently track the impact of the POP program on fare revenues and therefore, the Budget Analyst cannot calculate expected increases. However, the Budget Analyst estimates that a five percent increase in Muni Metro light rail passenger fare revenues from decreased fare evasion, resulting from improved deployment of POP staff and management of POP program performance would yield \$1,800,000 annually.

If such increased fare revenues were realized, the total net savings to the SFMTA will be \$3,525,000 annually.

Central Themes of the Management Audit of the POP Program

Audit findings fall into three themes:

- Program definition, planning, and evaluation;
- Revenue optimization; and
- Controls.

The SFMTA requires light rail and bus passengers to possess a valid fare receipt or transit pass upon boarding a Muni Metro light rail train or a bus or while in a Proof of Payment Zone (such as the Muni Metro subway platforms). The SFMTA POP program staff are responsible for inspecting passengers' transit passes or fare receipts and enforcing proof of payment requirements. Currently, the SFTMA POP program has 46 Transit Fare Inspectors (TFIs). The TFIs enforce proof of payment requirements on the Muni Metro light rail system. Additionally, the POP program has begun a pilot program in which TFIs are assigned to three bus routes.

Program Definition, Planning, and Evaluation

The SFMTA has not clearly defined the POP program's main objectives, and consequently cannot determine if the program is effective in reducing fare evasion and increasing fare revenues. Section 1, *Proof of Payment Performance Management*; Section 2, *Proof of Payment Program Staffing Needs*; Section 3, *Transit Fare Inspector Deployment*; and Section 9, *Proof of Payment on Buses*, discuss the POP program's failure to (a) measure POP program and staff performance effectively, (b) determine the appropriate staffing requirements, (c) deploy staff to optimize passenger contacts and reduce fare evasion, and (d) develop a full implementation plan to expand to buses.

Revenue Optimization

The POP program's competing objectives – reducing fare evasion, providing customer service, increasing safety and security on transit – leads to policies and practices that fail to optimize fare or fine revenue. Section 3, *Transit Fare Inspector Deployment*, notes that the POP program does not deploy TFIs in a manner that optimizes passenger contacts or citations. Section 7, *Fare Evasion Fine Structure*, discusses how the SFMTA's fines charged to Muni riders for fare evasion is significantly less than most other transit systems and does not adequately deter fare evasion or replace lost revenue—particularly for repeat offenders. In fact, as shown in Section 8, *Citation Processing and Collection*, and discussed below, the SFMTA does not adequately collect fines. For example, under the contract with PRWT, during the period from February through July 2008, the SFMTA failed to collect \$583,569, or 45 percent of the estimated \$1,292,100 in fines and late penalties

As shown in Section 6, *Muni Response Team and Station Agents*, the Budget Analyst found that SFMTA should staff both the primary and secondary booths in the Muni Metro subway stations to prevent fare evaders from entering the Muni Metro system through the gates adjacent to the unstaffed secondary booths. In Section 9, *Proof of Payment on Buses*, the Budget Analyst found that if SFMTA expands POP to buses, it will incur costs for TFI salaries and fringe benefits that it may not recoup. Further, it is not at all clear whether such an expansion would maximize fare and fine revenues.

Internal Controls

The POP program's internal controls have serious weaknesses that reduce the program's effectiveness. In particular, in Section 4, *Complaints and Complaint Handling*; Section 5, *Fare Inspection Safety*; and Section 8, *Citation Processing and Collection*, the Budget Analyst discussed control weaknesses related to the response to passenger complaints and queries, internal reports concerning staff safety, and the handling of citations, as discussed in the sections below.

Management Audit Findings

1. Proof of Payment Performance Management

Although the POP program's objective is to reduce fare evasion on Muni, POP management and line staff routinely suggest alternate objectives, such as providing customer service, safety, and security. For example, the POP program regularly deploys TFIs to the San Francisco Giants home games or special events in which TFIs primarily direct passengers to where they can pay fare or assist with boarding but do not issue fare evasion citations. The Budget Analyst considers these alternative objectives to be important. However, these different objectives underlie the POP program's unfocused performance management. The SFMTA Security and Enforcement Division has not developed specific goals or corresponding performance measures for the POP program. Managers, therefore, cannot manage the program to ensure progress toward goals or goal achievement.

Although POP TFIs collect program-related data, including the number of passenger contacts and verbal warnings or citations, the POP program does not compile this data in a way that is easily analyzed. At least one central recordkeeping document requires contributions by multiple users, but only allows one user at a time. Collecting daily TFI performance data in a single, shared file puts the data at risk of accidental changes or deletion. Also, program data is manually entered into two separate spreadsheets, which is time consuming. Analyzing the data in these spreadsheets is cumbersome, requiring several steps to make the data suitable for performance measurement.

The POP program does not collect or report to the SFMTA Board on two key indicators of performance identified by the Federal Transit Administration: fare evasion rates, which indicate how SFMTA passengers' behavior compares over time and to other transit agencies; and inspection rates, which measure the percentage of passengers inspected for proof of payment.

The POP program's performance evaluation process has historically placed totally inadequate emphasis on performance and achievement. Further, the POP program has never evaluated (a) 10 of 46 active TFIs (22 percent) or (b) 2 of the 6 Fare Inspection Supervisors/Investigators (Supervisors, 33 percent), nor has the POP program evaluated any of the 6 Supervisors on supervisor-specific skills, responsibilities, and achievements. In the absence of performance evaluations, individuals' performance and achievement vary widely with some TFIs significantly underperforming.

In order to be an effective and worthwhile program, the Security and Enforcement Division needs to manage POP to reduce fare evasion. In order to assess its performance, the POP program should record and report fare evasion rates and inspection rates. POP management should set additional fare inspection- and evasion-related goals, establish performance measures aligned to those goals, collect data and report on progress toward those goals, and regularly evaluate staff on their contributions to program goals and objectives.

2. Proof of Payment Staffing Needs

TFI staffing for the POP program has increased by 119 percent, from approximately 21 TFIs in FY 2005-06 to 46 TFIs in FY 2008-09 (as of April 2009). According to the SFMTA, the goals of this expansion were to (a) increase fare inspection in the Muni Metro light rail system in order to reduce fare evasion and increase passenger fare revenue, and (b) expand POP to the Muni buses.

Although the SFMTA has not developed criteria for identifying POP staffing needs, a federal study has looked at transit agency POP staffing in the U.S. and abroad. The study utilized a number of metrics to compare staffing across agencies, including the ratio of inspectors to riders, inspector productivity, and the inspection rate.

The POP program's April 2009 staffing of the Muni Metro system is comparable to other transit systems' inspector-to-rider ratios, reported by the Federal Transit Administration's Transit Cooperative Research Program (TCRP). However, TFI productivity and inspection rates significantly lag those recommended by the TCRP.

Including inspections conducted at sporting and other special events, the POP program inspects only 7.4 percent of Muni Metro riders compared to the TCRP inspection rate benchmarks of 15 to 25 percent, and the POP program's TFIs contact only 331 passengers per day on average, compared to TCRP productivity benchmarks of 400 to 750.

Despite an inability to effectively measure productivity and inspection rates, and despite an inspection rate that is more than 50 percent below the TCRP minimum benchmark of inspecting 15 percent of riders and TFI productivity that is between 17 percent to 56 percent below the TCRP benchmark of 400 to 750 passenger contacts per day, the SFMTA is in the process of hiring 14 additional TFIs to expand the POP program to the buses (see Section 9). The Budget Analyst recommends that hiring of the 14 TFIs should be suspended immediately.

The SFMTA needs to establish criteria for appropriate POP program staffing levels. Until the SFMTA has established these criteria, it should suspend TFI hiring—including hiring currently underway to expand the POP program to the buses. POP program managers should develop tactics for regularly monitoring, reporting, and improving individual and team productivity and inspection rates. Implementing these changes will increase TFI and POP program efficiency.

3. Transit Fare Inspector Deployment

The SFMTA's POP enforcement staff are primarily assigned to the Muni Metro light rail system. The POP program currently deploys its TFIs to cover the entire Muni Metro light rail system, so that all light rail riders could be inspected. A pilot program has some TFIs facilitating bus boarding. The POP program schedules work assignments to ensure that TFI assignments are random and cannot be predicted by fare evaders, and vary assignments for individual TFIs.

POP program deployments not only fail to strategically cover the Muni Metro light rail system but involve significant unproductive time. The current deployment method fails to (a) maximize contacts, warnings, citations, or ancillary safety and customer service benefits, (b) match coverage – including shift start and end times, team assignments, or lunch breaks – to system ridership, (c) ensure full system coverage, (d) ensure targeted, balanced, or coordinated Muni Metro station coverage, (e) emphasize inspections of known problem areas, and (f) minimize non-productive time due to lengthy transit rides or avoidance of overcrowded trains.

For example, on weekdays, the POP program schedules an average of 25 TFIs between 11 a.m. and 1 p.m. when Muni Metro has an average of approximately 9,000 riders but only schedules 15 TFIs between 6 a.m. and 10 a.m. when Muni Metro has an average of nearly 12,000 riders.

In the professional judgment of the Budget Analyst, such deployments are not in the best interest of the City.

Extended and unscheduled breaks, late departures to the field, early returns from the field, and unnecessary administrative time cut down on the time TFIs spend actively conducting fare inspections. TFIs spend only approximately 5.75 hours, or approximately 72 percent of each 8 hour paid shift, conducting proof of payment activities. Therefore, 28 percent of TFIs work hours are spent in team briefing and debriefing sessions, performing administrative requirements, changing from their uniforms into street clothes, paid breaks, and restroom breaks.

The POP program should develop objectives and use those objectives to guide the deployment of its fare inspection staff. Such a strategy should consider traffic according to line, district, and time of day, as well as areas of high fare evasion. In addition, POP program managers and Supervisors, who have begun to reduce TFIs non-productive time, should continue to work with TFIs to maximize active deployment.

4. Complaints and Complaint Handling

Muni's Customer Services unit converts passenger complaints, comments, questions, and compliments into Passenger Service Reports (PSRs) and distributes POP-related reports to the POP program in hard-copy. Relatively few of Muni's PSRs concern the POP program or fare evasion. In the 46-month period from January 1, 2005 to October 31, 2008, Muni received a total of 65 PSRs coded as "Fare Evasion" and 329 PSRs coded as "Non-Enforcement of Fare Collection." Combined, these PSRs accounted for less than 0.5 percent of all Muni PSRs. By contrast, in 2007, the Muni received 1,791 PSRs coded as "Abusive Speech/Manner."

Despite Muni's relatively few fare evasion-related PSRs, the POP program's review of fare evasion-related PSRs is inefficient. The Budget Analyst reviewed closed PSRs that were investigated twice by separate Supervisors and others that were filed twice by the same Supervisor. Some reports lacked relevant details due to the "Details" field being cut short in the hard copy. Other closed reports lacked any description of the Supervisor's investigation. Further, the POP program does not systematically process or close POP-related PSRs, review closure

times, or have an internal standard for PSR closure. Also, the POP program lacks standards for responding to passengers.

The POP program should improve its handling of PSRs to ensure that it handles rider concerns in a systematic, consistent, and appropriate fashion. The program should work with Muni's Customer Services unit to train all Supervisors on Muni's automated system to process PSRs and should discontinue the handling of PSRs in hard-copy. POP management should review and sign-off on all PSRs prior to PSRs being designated as closed. The program should develop performance objectives for PSR handling and hold staff accountable to achieving those objectives.

5. Fare Inspection Safety

TFIs have daily contact with Muni passengers, and that contact is sometimes confrontational and occasionally requires emergency response. The POP program trains TFIs in conflict resolution and avoidance during new employee training. POP managers review TFIs' responses to conflict and emergencies, in part, through internal incident reports. Despite this training and oversight, TFIs have been victims of verbal and physical assaults while conducting their work, and have differing understanding of how and when to request emergency response from the San Francisco Police Department (SFPD).

The POP program lacks adequate procedures to ensure the safety of TFIs. The POP program has changed its policies and practices over the years, and TFIs, initially hired to conduct fare inspections from an enforcement perspective, now serve in a program that emphasizes customer service techniques in conducting inspections. However, the POP program has not updated trainings and training materials to keep up with changes, and employee manuals are now outdated and contradictory.

For example, the Supervisor training manual states that the "If the passenger refuses to give the Fare Inspection Officer identification or to state his name and address, the Fare Inspection Officer must warn the individual that he is subject to arrest." Yet, the TFI training manual states, "If a violator does not have identification, then verbal information should be accepted... Law Enforcement should not be utilized to ID Patron at any time."

The POP program does not provide ongoing formal conflict avoidance and resolution training. POP managers and administrators do not adequately review and process incident reports. As a result, the TFIs do not approach emergencies and conflicts consistently. TFIs have differing understandings of POP program protocols for handling incidents that may require police assistance. While some TFIs ably resolve conflict, other TFIs escalate situations.

In order to protect the safety of TFIs and the public, POP management should clearly and consistently communicate its policies and practices to Supervisors and TFIs. POP management should update all employee manuals and include materials on tactical communications. In particular, POP managers should articulate clear and unambiguous guidelines for TFIs requesting

emergency response from the SFPD. The POP program should provide formal, regular retraining on tactical communication techniques, at least once every three years. To ensure that TFIs are safe and are conducting their work in a safe fashion, POP management should improve its processes for handling and reviewing TFI incident reports, and use those reports to identify additional training needs and opportunities.

6. Muni Response Team and Station Agents

The San Francisco Police Department (SFPD) Muni Response Team provides security services to the SFMTA through a work order under which the SFMTA reimburses the SFPD for SFPD services provided to Muni. The SFPD Muni Response Team has a limited role in providing Proof of Payment services, primarily responding to requests for assistance from TFIs. The SFMTA and SFPD are currently drafting a new Memorandum of Understanding (MOU) for SFPD Muni Response Team services. The SFMTA should incorporate the Budget Analyst's recommendation into the new MOU between the SFMTA and the SFPD, in order for the SFMTA to conduct periodic 100 percent sweeps of the Muni Metro light rail system to detect fare evasion in coordination with the SFPD Muni Response Team.

Station Agents staff the nine Metro Stations, of which six have primary and secondary booths. As a result of the current, long-standing practice of not systematically staffing the Embarcadero, Montgomery Street, and Civic Center secondary booths, and of not staffing the secondary booths for breaks, fare evasion is much easier. Station Agents disable the coin receptacles at the secondary booths when the station is not staffed, and during these times, habitual fare evaders and other Metro System patrons may enter unhindered through the utility gate. The SFMTA should fully staff the primary and secondary booths to decrease fare evasion through the utility gates adjacent to the secondary booths.

The SFMTA would have to hire an additional 5 Station Agents (59 positions currently funded compared to the Budget Analyst's recommended 64 positions to staff both the primary and secondary Muni Metro station booths), with annual salary and fringe benefit costs of \$475,000, to fully staff the primary and secondary booths. The SFMTA would only have to increase daily fare revenues through decreased fare evasion on the Muni Metro light rail by approximately 1.35 percent to pay for the costs of the additional positions.

7. Fare Evasion Fine Structure

The civil fine for fare evasion for adults is \$50, and the criminal fine and associated court fees for juveniles is up to \$123.97. Neither fine is increased for repeat offenders. As of July 2009, the cost of an adult fine of \$50 will be lower than the \$55 cost of a monthly Muni Adult Fast Pass. Further, a Budget Analyst survey and a Federal Transit Administration study both reveal that the \$50 adult fine is low compared to most other transit systems, particularly with regard to repeat offenders.

The SFMTA decriminalized fare evasion for adults in February 2008 in order to reduce the number of fare evasion citations processed by the Superior Court and to increase SFMTA fine revenue collections. Prior to the transition, the adult fine, with court fees, totaled up to \$123.97. By instituting a \$50 adult civil fine in its place, the SFMTA retains 100 percent of fine revenue. The change also effectively lowered the fine for adult fare evasion by approximately 60 percent. The State Penal Code sets the fine plus Superior Court processing fees for juvenile fare evaders.

The SFMTA should consider recriminalizing fare evasion for adults in order to reinstate a more meaningful disincentive to adult fare evaders. However, if adult fare evasion is to remain a civil fine, then the SFMTA should increase the fine from the current \$50 level and implement a graduated fine schedule for repeat offenders. Furthermore, the SFMTA should develop a policy and program for prohibiting habitual offenders using the transit system; allow cited offenders of limited means to participate in the “Project 20” community service alternative sentencing program, which allows the offender to perform community service in lieu of the fine; and direct TFIs to issue written warnings instead of verbal warnings in order to better track fare evasion.

8. Citation Processing and Collection

The SFMTA began processing adult fare evasion citations in February 2008 when adult fare evasion was decriminalized through SFMTA’s existing contract with PRWT Services, Inc. (PRWT). Under the contract with PRWT, during the period from February through July 2008, the SFMTA failed to collect \$583,569, or 45 percent of the estimated \$1,292,100 in fines and late penalties, because it lacks mechanisms to enforce collections, such as referring unpaid fines to a collections agency. The SFMTA collected \$358,696, or 28 percent, and disposed of or determined as uncollectable \$349,835 or 27 percent.

Under the contract between SFMTA and PRWT, PRWT sends up to four notices to adult fare evaders but after the fourth notice, if the fines and late penalties have not been paid, the adult fare evasion citation remains open with no further collection efforts, because the State Public Utilities Code, which governs San Francisco’s process for adult fare evasion, does not allow further enforcement of fine collection.

Although the SFMTA claims that enforcement of adult fare evasion citations is difficult because TFIs cannot require adult fare evaders to provide proof of identification, the SFMTA could increase the number of accurate names and addresses by proper training and evaluating TFIs in correct procedures to obtain such identification. Further, the SFMTA could implement procedures, such as referral to collection agencies, currently used to enforce payment of parking fines to enforce payment of adult fare evasion fines.

9. Expanding Proof of Payment to Buses

The SFMTA is in the process of implementing POP on buses through a pilot program. The SFMTA's buses handle more than three times the passenger volume of the Muni Metro light rail system. POP has conducted three phases of a pilot expansion to buses on three bus routes in which Transit Fare Inspectors have assisted with back door bus boarding, inspecting transit passes and fare receipts, and referring passengers without proof of payment to the front of the bus to pay their fare. The goals of this expansion are reducing boarding times and improving on-time performance, increasing fare box revenue collection, assisting in orderly and compliant boarding, and providing customer service.

The SFMTA is now considering implementing a fourth phase of the POP pilot program on the buses, including hiring 14 TFIs with annual salary and benefit costs of \$1,200,000, as discussed above. Under the first three phases of the pilot program, TFIs facilitated back door bus boarding at specific locations while under the fourth phase, the SFMTA plans for TFIs to board and ride buses and conduct fare inspections along two bus routes. The SFMTA did not provide a detailed plan for the fourth phase of the bus pilot program to the Budget Analyst.

The SFMTA has implemented its bus pilot program one phase at a time without a longer term plan for implementing POP on the buses. The SFMTA has moved forward with the fourth phase, although a formal plan has not been made public or approved by the SFMTA Board of Directors. The SFMTA has not defined the goals of the first three phases of the POP pilot program on the buses and consequently cannot evaluate if the first three phases of the POP pilot program have met these goals.

Also, because the SFMTA has difficulty in managing the performance of the existing POP program on the Muni Metro light rail system, expanding the POP program to the Muni buses will only exacerbate the POP program's inadequate performance management.

The SFMTA should immediately discontinue the pilot program to expand POP to the SFMTA bus fleet, including the immediate suspending of hiring for the 14 Transit Fare Inspectors, until a detailed bus pilot program implementation plan is approved by the SFMTA Board of Directors.

In the professional judgment of the Budget Analyst, before POP can expand to buses, the SFMTA must improve its overall performance management of the POP program, while also developing a full implementation plan for operating the POP program on the buses.

The SFMTA Executive Director's Written Response

The Executive Director of the SFMTA presented a written response to the Budget Analyst on May 27, 2009, which is attached to this management audit report beginning on page 106. According to the Executive Director's written response, the Department agrees with 36 of the 56 recommendations, or 64.3 percent; partially agrees with 11 of the 56 recommendations, or approximately 19.6 percent; disagrees with 8 recommendations, or 14.3 percent, and did not respond to 1 recommendation, or 1.8 percent.

In the written response, the Executive Director states that he "strongly encourage(s) refinements to future management audits that will yield an overwhelming cost-value added to the audited City departments." The Executive Director made three recommendations as follows:

- Entry and exit interviews with the Department Head of the audited department.

The Budget Analyst conducted an entrance conference with SFMTA representatives on August 7, 2008, and exit conferences with SFMTA representatives on April 27, April 29, and May 14. When we request a management audit entrance or exit conference, it is the responsibility of the department to determine who should represent the department in that meeting.

- Mutually agreed upon formulas and calculations by the Budget Analyst and the Department prior to commencing with the auditing process.

The Budget Analyst conducts management audits in accordance with the U.S. Government Accountability Office (GAO) *Government Auditing Standards, July 2007 Revision*. As such, we are required to maintain independence and objectivity, defined by the GAO as "being independent in fact and appearance...and a continuing assessment of relationships with audited entities". We are also responsible for identifying "criteria that is relevant to the audit objectives and permits consistent assessment of the subject matter." We do not agree that the Budget Analyst should limit our role by agreeing with the Auditee upon the criteria (formulas and calculations) prior to commencing with the auditing process.

- A minimum 90-day Departmental review of the Budget Analyst's findings and response preparation.

The Budget Analyst strongly disagrees with a minimum 90-day review of the management audit report, which is unnecessary and inconsistent with generally accepted management audit practices. The Budget Analyst provides a confidential draft report to the audited department, conducts an exit conference, clarifies and revises the draft report based on new information provided by the department, and provides a final draft report to the department for their written response, a process which takes 14 to 21 days on average. City departments and programs audited by the Budget Analyst have adhered to this timeline.

Executive Summary

- The Executive Director of the SFMTA writes on page 3 of the response that “the audit’s main reference source was the Federal Transit Administration (FTA) sponsored Transit Cooperative Research Program (TCRP-80), published in 2002, over seven years ago.” The Budget Analyst used the FTA benchmarks for transit proof of payment programs to evaluate the SFMTA POP program staffing and performance, which was one part of our comprehensive management audit of the POP program. Although we do note the time lapse since the FTA report was released, we found *TCRP-80, Toolkit for Self-Service, Barrier-Free Fare Collection* to be the best available source of proof of payment program best practices and benchmarks.

We strongly disagree with the SFMTA Executive Director’s assertion, also on page 3 of the response, that “the purpose of a POP program clearly has multiple objectives of equal weight.” In the management audit, we cite numerous SFMTA documents that clearly demonstrate the primary objective of the POP program – as it is understood by the department, the SFMTA Board of Directors, and the City – is to curtail fare evasion on Muni. While we acknowledge that there are additional, real benefits to having Transit Fare Inspectors (TFIs) in the system, including improved safety and security, we state on page 1, Section 1 of the management audit report:

“Although the POP program’s objective is reducing fare evasion, POP management and line staff routinely suggest alternate objectives, such as providing customer service, safety, and security. This muddling of objectives underlies the POP program’s unfocused performance management. The SFMTA Security and Enforcement Division has not developed specific goals or corresponding performance measures for the POP program. Managers, therefore, cannot manage the program to ensure progress toward goals or goal achievement.”

- Also on page 3 of the response, the Executive Director writes:

“As per the findings of the Budget Analyst the SFMTA fare evasion rate is 2.4% based upon ([warnings + citations] divided by contacts) and falls within acceptable TCRP-80 ranges from 1.5% - 3.0%. In comparison, the David Binder Research report, dated June 13, 2006, found the fare evasion rate in the Muni system to be 10.5% and a 7.5% on the J,K,L,M & N lines which included both underground and surface stops.”

Because the SFMTA does not regularly calculate fare evasion rates, we calculated such rates using the POP program’s own best and most recent 2007 and 2008 citation, warning, and contact data to calculate the 2.4 percent evasion rate. We continue to recommend that the SFMTA “Calculate and communicate inspection rate and fare evasion rate on a monthly basis”, as noted in Recommendation 1.2, page 15 of the report.

- The Executive Director writes on page 4 of the response that in conducting our survey of POP programs, we did not select “transit agencies which are more similar to Muni. The transit agencies used for comparison were not similar in urban configuration, service model and ridership in Appendix A.”

Because we acknowledge that there are limitations with our survey respondents – though the SFMTA failed to provide us with those POP systems it felt to be more suitable for comparison – in every instance of comparing the SFMTA to our survey group in the management audit, we also include survey data provided by the FTA.

- In Table 3 and Table 4 on page 6 of his response, the Executive Director provides new calculations for the POP program’s inspection rate and productivity rate based on a count of 4,295,828 inspections by TFIs per year.

This count of inspections differs significantly from data provided by the SFMTA to the Budget Analyst during the course of the management audit and in the April 29, 2009 exit conference, and therefore, we cannot verify its accuracy. We continue to support our estimates of the POP program’s inspection and productivity rates in Table 2.2 on page 22 of the management audit report.

Response to the Recommendations

- In partially agreeing with Recommendation 1.2, on page 14 of the management audit report the SFMTA writes:

“The fare evasion methodology offered by the Budget Analyst, warnings plus citations divided by contacts, will not adequately capture the correct fare evasion rate as the ability to determine fare evasion rates requires statistical significant data. Using the number of warnings plus citations divided by passenger contact as the basis of the fare evasion rates is a questionable methodology as the POP deployment strategies, the productivity of the TFIs and the reliability of passenger contacts will affect the calculation of fare evasion rates ...”

We disagree that the fare evasion methodology is questionable, while also noting that these are not our methodologies, but those devised and recommended by the Federal Transit Administration’s Transit Cooperative Research Program.

- The SFMTA disagrees with (a) Recommendation 2.1 to “Immediately suspend all POP-related hiring, including hiring currently underway, until the POP program has devised metrics for evaluating the appropriate staffing levels and implemented the Budget Analyst recommendations for expanding POP to buses;” (b) Recommendation 9.1 to “Discontinue the pilot program to expand POP to the SFMTA bus fleet until an implementation plan is approved;” and (c) Recommendations 9.2 to Immediately suspend hiring of vacant 8124

Supervisor/Investigators and 9132 Transit Fare Inspectors positions until the pilot program implementation plan is completed and approved by the Board of Directors.”

While we agree that it may be ultimately necessary and prudent to expand POP to buses, and that a pilot program is an effective approach, we disagree that SFMTA has planned for implementation of the pilot program. As noted on page 87 of the management audit report:

“The SFMTA has implemented its bus pilot program one phase at a time without a longer term plan for piloting POP on the buses. The SFMTA has moved forward with Phase IV, although a formal plan has not been made public or approved by the SFMTA Board of Directors, and without first defining the specific goals of Phases I, II, or III or evaluating if these phases have achieved set goals. The goals of Phase IV are as yet unclear.

“The SFMTA is not currently well-situated to expand POP to the bus fleet. The POP program has difficulty conducting performance management at the program’s current scale, and increasing the size and scope of the program will only exacerbate this problem. Expanding POP to buses poses a number of new obstacles that the POP and its pilot program have not addressed, including communication, cultural, and physical obstacles.”

Considering these limitations, we stand by our recommendations that the SFMTA should immediately suspend the hiring currently underway and to discontinue the bus pilot program until the SFMTA Board of Directors has approved a full implementation plan.

- The Executive Director disagrees with Recommendation 3.1 to “Evaluate designating elevated Muni platforms, including the T Third light rail platforms, as Proof of Payment Zones. Such a designation would allow TFIs to conduct inspections on these platforms, and would exclude non-patrons from these areas, which have had additional problems of graffiti and other vandalism.” According to the Executive Director’s written response:

“The SFMTA does not believe that this is feasible on Third Street as customers are not able to purchase fares on the platforms. Additionally, the cost-effectiveness of purchasing, installing and maintaining fare vending machines along the Third Street platforms is questionable.

“The platforms along the Embarcadero, however, may present more suitable options for this designation given the ability to purchase fares.”

The Budget Analyst continues to recommend that the SFMTA evaluate designating Proof of Payment Zones on those Muni platforms with fare vending machines.

- The SFMTA disagrees with Recommendation 7.2 to “Develop a policy and program for excluding habitual offenders from the Muni transit system.” As noted on page 73 of the management audit report:

“The TCRP also recommended that systems consider excluding repeat offenders from the transit system. It found that excluding repeat offenders may be a more effective deterrent than a fine, can improve a system’s image by excluding problem riders from the system, and may enjoy a public perception of being fairer than a high fine.”

We acknowledge that technical and legal challenges may exist in implementing this recommendation, and encourage the SFMTA to consult with the City Attorney and SFPD, as they note in their response, to discuss this and other potential non-financial costs that can be imposed on fare evaders.

- The SFMTA disagrees with Recommendation 7.3 to “Allow fare evaders to participate in the SFMTA’s Project 20 community service alternative sentencing program,” which currently allows individuals with limited means and outstanding SFMTA parking ticket payments the opportunity to work off those payments with a small fee and SFMTA-approved volunteer hours. According to the SFMTA, “The SFMTA does not believe that this recommendation is feasible given the operational, legal, and other potential risks to a program of this type”.

Given that the SFMTA currently provides the Project 20 program for parking citations, the Budget Analyst continues to recommend that transit fare evaders should be allowed to participate in the Project 20 program.

Supervisor David Chiu, President, Supervisor Bevan Dufty,
and Members of the Board of Supervisors
Management Audit of the SFMTA Proof of Payment Program
May 27, 2009
Page 16 of 16

We would like to thank the SFMTA Executive Director, his staff and various representatives from other City departments for their cooperation and assistance throughout this management audit.

Respectfully submitted,



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Budget Analyst

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Recommendation Priority Ranking

Based on the management audit findings, the Budget Analyst has made 56 recommendations which are ranked based on priority for implementation. The definitions of priority are as follows:

- Priority 1: Priority 1 recommendations should be implemented immediately.
- Priority 2: Priority 2 recommendations should be completed, have achieved significant progress, or have a schedule for completion prior to December 31, 2009. The San Francisco Municipal Transportation Agency (SFMTA) should submit information on recommendation implementation to the Chair of the Board of Supervisors Government Audit and Oversight Committee prior to December 31, 2009.
- Priority 3: Priority 3 recommendations are longer term and should be (a) considered as part of the FY 2010-11 budget, or (b) completed, have achieved significant progress, or have a schedule for completion prior to June 30, 2010. The SFMTA should submit information on recommendation implementation to the Chair of the Board of Supervisors Government Audit and Oversight Committee prior to June 30, 2010.

Recommendations

Priority

1. POP Performance Management

In order to provide needed focus to the POP program, the Director and Deputy Director of SFMTA Security and Enforcement and the POP Operations and Investigations Manager should:

- 1.1 Develop Proof of Payment Program performance objectives and goals that: 2
 - a) Include prevention of fare evasion as the primary objective;
 - b) Identify secondary objectives, such as safety and security or customer service,;
 - c) Establish short term quantifiable goals (such as increasing the program's contact rate), and long term quantifiable goals (such as increasing the percentage of riders who pay fare) to help POP focus on and meet its objectives;
 - d) Establish POP implementation strategies for meeting those goals;
 - e) Establish clear, quantifiable, and actionable criteria for evaluating the POP program's efforts toward achieving short- and long-term objectives.

- 1.2 Calculate and communicate inspection rate and fare evasion rate on a monthly basis. Both require reliable passenger contact counts (see Recommendation 3.4.b). The latter can be bolstered with 100 percent sweeps (see Recommendation 3.5). 2

In order to better determine the POP program's performance and collect meaningful data on individual performance and program performance, the Deputy Director of SFMTA Security and Enforcement and the POP Operations and Investigations Manager should:

- 1.3 Evaluate the nature of the data that is collected by staff, the recording and reporting of that data, and the evaluation of the data. 2
 - a) Review the metrics collected by TFIs on a daily basis. Keep existing metrics and add additional metrics that would allow the POP program to evaluate its progress toward its goals. Eliminate unnecessary data collection. For example, TFIs currently log the number of walk-aways (passengers who vacate a fare enforcement zone on purpose before a proof of

Recommendations

Priority

payment check can be conducted or warning or citation issued) but do not track the information in any meaningful way.

- b) Review and audit TFI passenger contact counts. Provide retraining for TFIs who are consistently miscounting passenger contacts.
- c) Develop a staff performance database for TFIs or their Supervisor/Investigators to log daily performance statistics. Such a database should allow multiple simultaneous users and allow managers to review and analyze performance data.

- 1.4 Oversee the implementation of bimonthly 100 percent sweeps or blitzes, in which TFIs inspect all passengers within a specific Proof of Payment Zone, to determine and regularly assess Muni's fare evasion rate. These sweeps should occur in coordination with Muni Response Team Members to assure TFI safety and passenger compliance.

2

In order to assess potential impact of the POP program on fare revenue and vehicle travel times, the Deputy Director of SFMTA Security and Enforcement and the POP Operations and Investigations Manager should:

- 1.5 Work with the SFMTA's Finance Department, Muni Customer Services Unit, and the Transit Effectiveness Project to determine performance measures and standards, and arrange for regular data collection and reporting.

2

In order to maximize efficient and consistent fare inspection, the Deputy Director of SFMTA Security and Enforcement and the POP Operations and Investigations Manager should:

- 1.6 Continue to revise the performance review format for TFIs and Supervisors, including specific definitions for performance and emphasis on objectives and goals.

2

- 1.7 Develop a schedule to ensure annual review of TFIs and Supervisors.

2

Recommendations

Priority

2. POP Staffing Needs

In order to avoid the expense of potentially unnecessary additional staffing, the SFMTA Board of Directors should:

- 2.1 Immediately suspend all POP-related hiring, including hiring currently underway, until the POP program has devised metrics for evaluating the appropriate staffing levels and implemented Budget Analyst recommendations for expanding POP to buses (see Recommendation 9.4). 1

In order to achieve appropriate staffing levels, the Deputy Director of SFMTA Security and Enforcement should:

- 2.2 Oversee the development of criteria for evaluating appropriate staffing levels in order to achieve established performance goals and objectives within the POP program. 2

In order to improve fare inspector productivity, the Director and Deputy Directors of SFMTA's Security and Enforcement Division, in coordination with the POP Operations and Investigations Manager, should:

- 2.3 Establish a target contact rate for the POP program as a whole. 2
- 2.4 Calculate, report, and audit the contact rate monthly, as well as individual and team productivity rates. 2
- 2.5 Work with Supervisors and TFIs to develop strategies for improving the program's contact rate and achieve established contact rate goals. These strategies should include overall TFI deployment efforts as well as individual work performance. 2

3. Transit Fare Inspector Deployment

In order to decrease TFI idle time in the field, the SFMTA Board of Directors should:

- 3.1 Evaluate designating elevated Muni platforms, including the T Third light rail platforms, as Proof of Payment Zones. Such a designation would allow TFIs to conduct inspections on these platforms, and would exclude non-patrons from these areas, which have had additional problems of graffiti and other vandalism. 3

Recommendations

Priority

In order to improve POP program efficiency and maximize the time TFIs spend conducting fare inspections, the Deputy Director of SFMTA Security and Enforcement should:

- 3.2 Bolster the program’s understanding of its deployments by maintaining ongoing logs of: 2
 - a) Hours assigned to various lines and districts, including specific Metro platforms.
 - b) Areas of high evasion and other safety and customer service needs.
 - c) Team departure and return times.

- 3.3 Develop a staffing and line assignment strategy that: 2
 - a) Is synchronized to Muni ridership patterns and other strategic objectives.
 - b) Minimizes the impact of diminished system coverage due to lunch breaks and shift changes during peak system ridership periods.
 - c) Specifies and coordinates Muni Metro station platform coverage and provides simultaneous coverage of primary and secondary entrances, when appropriate.
 - d) Allows for alternative assignments for TFI pairs and trios during periods of overcrowding or line delays.
 - e) Targets areas known to have high levels of fare evasion.
 - f) Provides sufficient coverage of the evening rush-hour on Mondays and Fridays.

- 3.4 Adjust staff deployment to minimize non-POP transit time and to ensure coverage of the full length of the various transit line districts. The Deputy Director may consider utilizing the existing POP automobile, BART, Muni bus, or other transportation methods to deploy staff to light rail lines terminuses. 2

Recommendations	Priority
------------------------	-----------------

- | | |
|--|---|
| 3.5 Work with the POP Operations and Investigations Manager to streamline Supervisor administrative requirements and increase Supervisor field time. | 2 |
|--|---|

In order to bolster the POP program's fare enforcement effort, the Deputy Director of Security and Enforcement should:

- | | |
|--|---|
| 3.6 Develop a calendar of periodic 100 percent sweeps or blitzes, in accordance with POP program procedures, varying by time of day and location, and coordinated with the Muni Response Team. | 2 |
|--|---|

In order to minimize down-time and abuse of break periods, the POP Operations and Investigations Manager should work with Supervisor/Inspectors to:

- | | |
|---|---|
| 3.7 Continue to emphasize timely departures and discourage early returns in order to maximize the portion of the work day spent in conducting fare inspections. | 2 |
|---|---|

- | | |
|---|---|
| 3.8 Clarify the break policy, including break times and appropriate break locations, convey this policy clearly, and enforce this policy with formal, documented site checks. | 2 |
|---|---|

4. Complaints and Complaint Handling

In order to assure systematic, consistent, and appropriate review of POP-related Passenger Service Reports (PSRs), the Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:

- | | |
|--|---|
| 4.1 Discontinue the handling of PSRs in hard-copy and transition the POP program to the SFMTA's computerized Trapeze and 311's computerized Lagan systems, when access to those systems becomes available. | 3 |
|--|---|

- | | |
|--|---|
| 4.2 Provide training and access to Trapeze and Lagan to all POP Supervisors, when access to those systems becomes available. | 3 |
|--|---|

- | | |
|---|---|
| 4.3 Review and sign-off on all PSRs prior to PSRs being designated as closed. | 2 |
|---|---|

- | | |
|--|--|
| 4.4 Develop, maintain, and periodically review an electronic log of PSRs, including date received, date closed, responsible Supervisor | |
|--|--|

Recommendations **Priority**

(if any), TFI (if any), a standardized action taken, and a standardized incident type. 2

4.5 Create written policies and procedures that codify the above and hold staff accountable. 2

5. Fare Inspection Safety

In order to improve the value and review of incident reports, the Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:

5.1 Include a section in the incident report template for TFIs to note police response times and coordination with Central Control. Begin tracking police response trends in order to inform POP program safety procedures and practices. 2

5.2 Create a digital incident report log with standardized fields. 2

5.3 Digitally file all incident reports, including relevant police reports, Supervisors' notes detailing any verbal feedback provided, as well as any discipline and formal responses. 2

5.4 Analyze incident reports quarterly and annually to identify trends among individuals, teams, locations, times, and incident types, and to inform group retraining needs. 2

In order to assure safety and security of TFIs and evaluate incidents, the Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:

5.5 Revise and refine POP policies and procedures concerning POP staff safety, including: 2

a) A policy statement on TFIs' roles and responsibilities in responding to emergency situations and guidelines on identifying emergency situations and notifying police or other emergency responders.

b) Guidelines for executing a citizen's arrest, including recommended circumstances for when such an action is appropriate and alternatives to executing a citizen's arrest.

c) Guidelines on repercussions resulting from an employee's failure to act in accordance with the POP program policies.

Recommendations	Priority
5.6 With POP Supervisors’ assistance and input, revise the TFI manual to reflect policy and procedure changes. Include updated policies and verbal judo reference materials.	2
5.7 With POP Supervisors’ assistance and input, prepare a new Supervisor manual that reflects current POP policies, processes, goals, and expectations.	2
5.8 Work with the Safety Division to create a schedule of retraining workshops for TFIs in verbal judo or other conflict resolution techniques. Provide regularly scheduled training updates for all POP program staff.	2
6. Muni Response Team and Station Agents	
In order to ensure appropriate and timely law enforcement practices, the Deputy Director of Security and Enforcement should:	
6.1 Ensure that SFPD Muni Response Team and SFMTA Transit Fare Inspectors have current training and information on all Proof of Payment Program ordinances and regulations.	2
6.2 Ensure that a new Memorandum of Understanding for SFPD services includes provisions specifying services to be provided to the Proof of Payment Program, including the role of the SFMTA Muni Response Team in supporting the POP Program 100 percent sweeps of the Muni Metro light rail system.	2
In order to curtail fare evasion resulting from unstaffed Metro Station booths, the SFMTA Executive Director/Chief Executive Officer should:	
6.3 Staff the Metro Station Operations Unit with 64.0 FTE 9131 Station Agent positions to provide Station Agent coverage of primary and secondary Metro Station booths.	1
In order to increase Metro Station efficiency, the SFMTA Executive Director/Chief Executive Officer should:	
6.4 Install Metro Station signs for use of discount passes.	3
6.5 Consider reconfiguring access gates for ADA compliance as part of the proposed replacement of fare gates at the Metro Stations.	3

Recommendations

Priority

7. Fare Evasion Fine Structure

In order to create a greater disincentive for fare evasion in San Francisco and decrease the gap between an adult and juvenile fare evasion fine, the Board of Supervisors should:

7.1 Either revert fare evasion to a criminal citation;

OR

Increase the base fine for adult fare evasion closer or equal to that of a juvenile fine, including court fees;

AND

Create an escalating penalty for repeat offenders, at an amount at least twice the base fare evasion fine, as recommended by the Federal Transit Administration's Transit Cooperative Research Program.

2

In order to create a greater disincentive for fare evasion in San Francisco, the SFMTA Board of Directors should:

7.2 Develop a policy and program for excluding habitual offenders from the Muni transit system.

3

7.3 Allow fare evaders to participate in the SFMTA's Project 20 community service alternative sentencing program.

3

In order to help track habitual fare evasion while discouraging fare evasion in adults and juveniles, the Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:

7.4 Direct and enable TFIs to issue written warnings to adults and juveniles instead of verbal warnings and track written warnings in the same customer service database as written citations.

2

In order to avoid confusion and employ consistency with the San Francisco Transportation Code, the Director of Security and Enforcement, in coordination with the City Attorney's Office, should:

7.5 Correct Section 302 cross references in the City's Transportation Code.

2

Recommendations **Priority**

- 7.6 Include provisions for processing juvenile fare evaders in the City’s Transportation Code. 2

8. Citation Processing and Collection

In order to increase enforcement of adult fare evasion citations, the Board of Supervisors should:

- 8.1 Petition the California State Legislature to amend the California Public Utilities Code, authorizing the City and County of San Francisco to implement mechanisms to enforce adult fare evasion fine collections under the PRWT contract, including referral to third party collection agencies, and reporting to the California Franchise Tax Board and the credit bureaus. 3
- 8.2 Consider petitioning the California State Legislature to amend the California Public Utilities Code to authorize the City and County of San Francisco to convert adult fare evasion civil citations to criminal citations if the evader has not paid the fine after 120 days. 3

In order to increase reliability of citation counts and data, the Deputy Director of SFMTA Security and Enforcement should:

- 8.3 Identify costs and benefits, including decreased staff administrative tasks and increased citation revenues, and potential timeframe for purchasing and implementing handheld devices. 2
- 8.4 Upon the purchase and implementation of handheld devices, develop written procedures for reconciling citation numbers to ensure that all citations are accounted for. 2
- 8.5 Discontinue manual counts of issued citations after implementing the use of a handheld device. 2
- 8.6 Provide training on Enhanced Technical Information Management System (eTIMS) to all POP Supervisors, focusing on citation issuance and collection reporting. 3
- 8.7 Develop written procedures for generation and use of eTIMS management reports. 3

In order to increase collection rates, the Director of SFMTA Security and Enforcement should:

Recommendations **Priority**

8.6 Train and evaluate TFIs in collecting accurate adult fare evader names and addresses when issuing citations. 2

9. POP on Buses

In order to provide the SFMTA with immediate budget savings and avoid an unprepared expansion of POP to the Muni bus fleet, the SFMTA Board of Directors should:

9.1 Direct the Security and Enforcement Division to discontinue the pilot program to expand POP to the SFMTA bus fleet until an implementation plan is approved (see Recommendation 9.4). 1

9.2 Immediately suspend hiring of vacant 8124 Supervisor/Investigators and 9132 Transit Fare Inspectors positions until the pilot program implementation plan is completed and approved by the Board of Directors. 1

Before proceeding with future plans to expand POP to the Muni bus fleet, the Director and Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:

9.3 Measure fare evasion on SFMTA buses and compare the evasion rate with other comparable bus systems. 2

9.4 Develop an implementation plan for Phase IV of the bus pilot program. In doing so, the Security and Enforcement Division should:

a) Define the main goal(s) of the Phase IV bus pilot (e.g., reduce boarding time through facilitating back door boarding, increase revenue collection from reduced fare evasion); 2

b) Develop criteria for the selection of bus lines that are in concert with the goals of the POP program and any POP bus expansion (e.g., main transfer points, high rider volume, high incidence of fare evasion). 2

c) Develop specific performance measures and identify required data to measure performance that aligns with the Phase IV bus pilot goals (e.g., bus dwell time, increased revenue collection specific to bus route); 2

Recommendations

Priority

- | | |
|--|---|
| d) Adapt light rail POP best practices, including those from other comparable transit systems, in order to develop best practices that can be adapted to the bus system; and | 2 |
| e) Conduct a cost assessment of upgrading buses and bus shelters to facilitate POP. | 3 |

Management Audit of the San Francisco Municipal Transportation Agency Proof of Payment Program

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Introduction

Purpose and Scope of the Management Audit

The purpose of this management audit is to evaluate the effectiveness and efficiency of the San Francisco Municipal Transportation Agency Proof of Payment (POP) program. The scope of the management audit included the POP program's planning and evaluation; staffing and deployment; internal controls related to citations, passenger service reports, and staff incident reports; and other issues related to fare enforcement.

Audit Methodology

The management audit was conducted in accordance with *Government Auditing Standards, 2007 Revision*, issued by the Comptroller General of the United States, U.S. Government Accountability Office. In accordance with these requirements and standard management audit practices, we performed the following management audit procedures:

- Conducted overview interviews with the Director and Deputy Director of the SFMTA Security and Enforcement Division, which oversees the POP program, to gain an understanding of SFMTA's fare enforcement efforts.
- Conducted confidential interviews with representatives from the SFMTA and other transit agencies.
- Reviewed the POP program's training manuals, performance data logs, and other data and information collected by the SFMTA.
- Prepared a draft report based on analysis of the information and data collected, containing our initial findings, conclusions and recommendations, and submitted the draft report to the Director of SFMTA's Security and Enforcement Division on April 20, 2009.
- Conducted exit conferences with the SFMTA Executive Director, executive staff, and POP program managers, revised the draft report based on exit conference discussions and new information provided by the SFMTA, and submitted the final draft report to the SFMTA Executive Director on May 19, 2009. The final report was submitted to the Board of Supervisors on May 27, 2009.

Overview of the Proof of Payment Program

Division I, Article 1, Section 1.1, Part (b) of the San Francisco Transportation Code defines "Proof of Payment or Proof of Payment Program," and "Proof of Payment Zone," as follows:

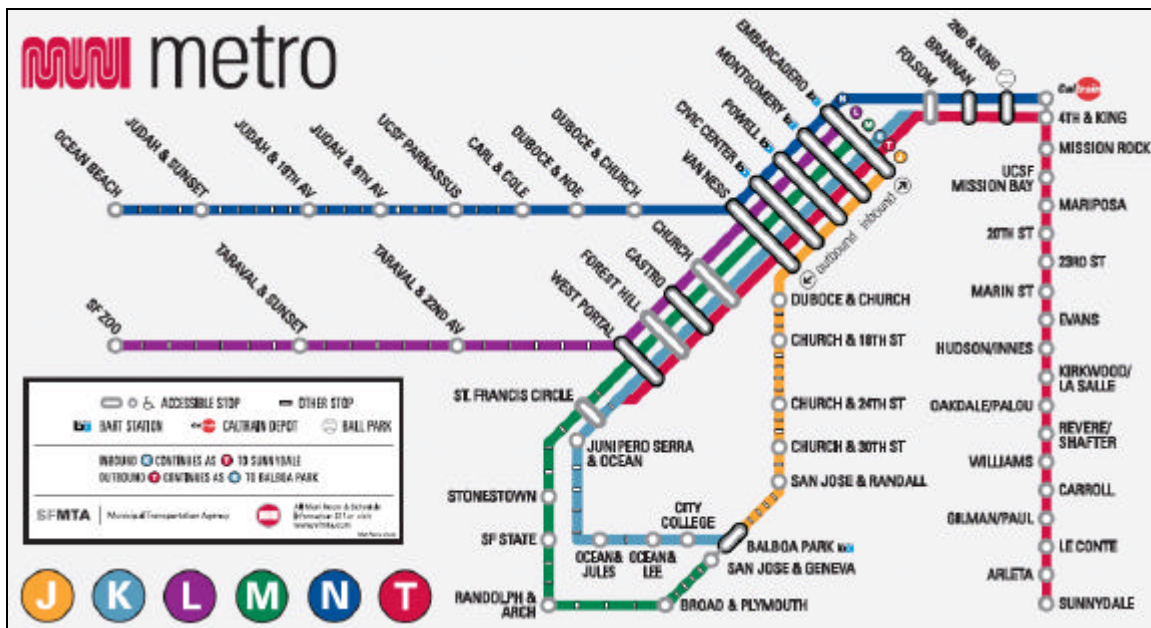
Proof of Payment or Proof of Payment Program. A fare collection system that requires transit passengers to possess a valid fare receipt or transit pass upon boarding a transit vehicle or while in a Proof of Payment Zone, and which subjects such passengers to inspections for proof of payment of fare by any authorized representative of the transit system or duly authorized peace officer.

Proof of Payment Zone. The paid area of a subway or boarding platform of a transit system within which any person is required to show proof of payment of fare for use of the transit system.

The SFMTA began planning for the POP program in 1998 and commenced training of its first class of Transit Fare Inspectors (TFIs) in March 2000. Four Fare Inspection Supervisor/Investigators (Supervisors) oversaw the deployment of 21 TFIs in September 2000. The POP program currently has 46 TFIs assigned to six teams. The POP program deploys TFIs seven days a week, year-round, including holidays. In addition to coverage of light rail lines, the POP program is in the pilot phase of an expansion to buses.

Figure 1

SFMTA Muni Light Rail/Fare Inspection Coverage Map



Source: SFMTA.

Focus of the POP Program: Reducing Fare Evasion

The purpose of the SFMTA POP program is to reduce fare evasion in the Muni transit system. Fare evasion occurs when riders are in a Proof of Payment Zone without a valid fare receipt (transfer) or transit pass. To discourage and penalize fare evasion, the POP

program deploys TFIs to conduct fare inspections on Muni light rail vehicles, in Muni stations, and in other designated Proof of Payment Zones. If in the process of a fare inspection a rider fails to display proof of payment to a TFI, the TFI will issue either a verbal warning or a written citation to that individual. TFIs inspect the six transit lines illustrated in Figure 1, above.

Secondary Benefits of the POP Program

In the course of conducting fare inspection assignments and during other special assignments, TFIs provide additional services to the SFMTA and its riders.

Passenger Conduct Regulations

In addition to fare evasion citations, TFIs are authorized to issue civil citations for violation of SFMTA's Passenger Conduct Regulations. These violations are listed in Table 1 below.

Non-Fare Inspection Assignments

The POP program periodically assigns TFIs to duties that do not involve fare inspections. Such assignments include assisting after-school transit boarding at select schools, assisting riders with service changes during outages, and providing assistance at sporting and other special events. TFIs will often work on these assignments in coordination with other SFMTA divisions.

Safety, Security, and Customer Service

Regardless of the assignment, TFIs can provide safety, security, and customer service benefits to the SFMTA and its patrons. TFIs have performed first aid during medical emergencies, prevented rider-vehicle collisions, intervened in inter-rider conflicts, identified and called in suspicious packages, and generally provide a uniformed presence in the transit system. TFIs regularly answer rider questions related to transit routes, directions, and fare policy.

Section 1, *Proof of Payment Performance Management*, discusses POP's goals and objectives in greater detail.

Vehicle Operating Cost Reduction

The Budget Analyst's 1996 audit of Muni included recommendations to implement Proof of Payment in order to curb vehicle operating costs. On two-car light rail trains, Muni's previous policy was to staff both cars with operators in order ensure fare collection on both vehicles. By implementing POP, Muni was able to take operators off the second vehicle, halving the staffing costs of its two-car trains.

Citations

When a TFI issues a citation for fare evasion or a Passenger Conduct Regulation violation, it includes a \$50 fine. For adults, this is a civil penalty, and violators remit payment to the SFMTA, which also handles appeals and requests for review. For juveniles, fare evasion is a criminal offense handled by the juvenile court, which levies court fees pushing the average violation above \$100. Section 7, *Fare Evasion Fine Structure*, discusses citations and corresponding penalties in depth. Section 8, *Citation Processing and Collection*, discusses the SFMTA's processing of citations.

Table 1

SFMTA Passenger Conduct Regulations

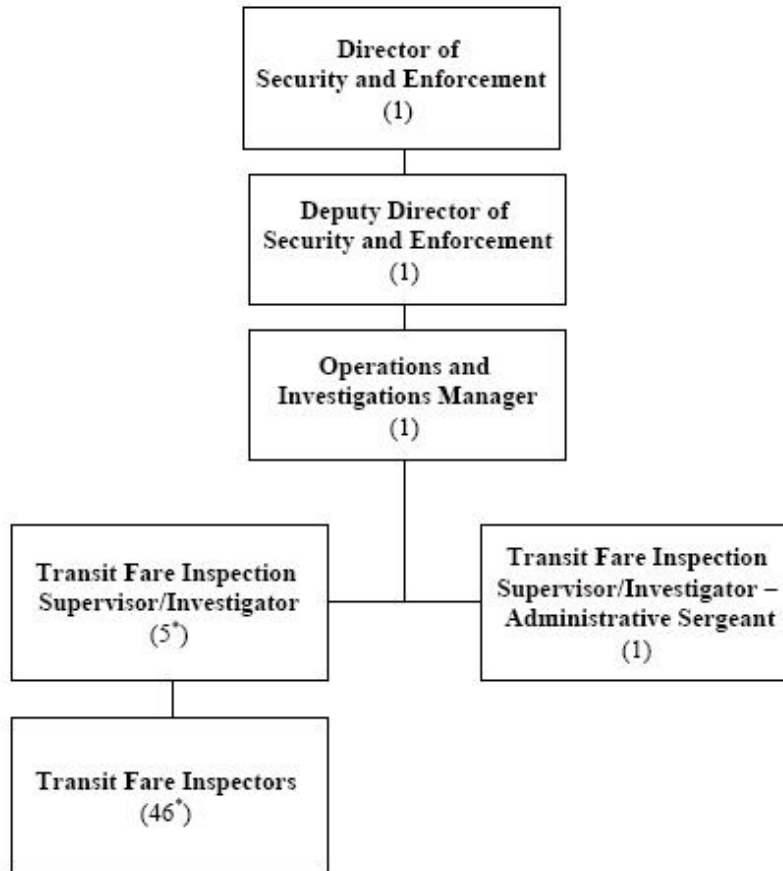
- | |
|--|
| <ul style="list-style-type: none"> a. Playing sound equipment on or in a system facility or vehicle; b. Smoking, eating, or drinking in or on a system facility or vehicle in those areas where those activities are prohibited by that system; c. Expectorating upon a system facility or vehicle; d. Willfully disturbing others on or in a system facility or vehicle by engaging in boisterous or unruly behavior; e. Carrying an explosive or acid, flammable liquid, or toxic or hazardous material in a system facility or vehicle; f. Urinating or defecating in a system facility or vehicle, except in a lavatory. However, this paragraph shall not apply to a person who cannot comply with this paragraph as a result of a disability, age, or a medical condition; g. Willfully blocking the free movement of another person in a system facility or vehicle; h. Skateboarding, roller skating, bicycle riding, or roller blading in a system facility, vehicle, or parking structure. This restriction does not apply to an activity that is necessary for utilization of the transit facility by a bicyclist, including, but not limited to, an activity that is necessary for parking a bicycle or transporting a bicycle aboard a transit vehicle as permitted by the Municipal Transportation Agency. |
|--|

Source: Division 1, Article 10, Section 10.2.50 of the Transportation Code.

Organization of POP

The SFMTA houses the POP program in its Security and Enforcement Division, Operations and Investigations Unit. Figure 2, below, illustrates the POP program's hierarchy and staff count.

Figure 2
Proof of Payment Program Organization Chart



* One TFI is an Acting Supervisor receiving acting assignment pay, due to a hiring freeze.
Source: Budget Analyst illustration based on SFMTA interviews and materials.

Budget

The POP program's budget is an undefined subset of the SFMTA Security and Enforcement Division's budget. POP costs are partially offset by citation revenue.

Costs

The POP program's greatest expense is salaries and benefits. The program's budget has increased by 77 percent since FY 2006-07, primarily due to a major increase in budgeted staffing with the intention of reducing fare evasion and expanding POP to buses. The SFMTA budgeted \$9,540,299 for the POP program in FY 2009-10. A breakdown of the POP budget is included in Table 2, below.

Table 2
POP Program Budget
FY 2006-07 through FY 2009-10

Fiscal Year	2006-07	2007-08	2008-09	2009-10¹	Increase FY 2006- 07 to FY 2009-10	Percent Increase
Salaries and Benefits	\$5,261,088	\$5,936,708	\$8,250,459	\$8,750,035	\$3,488,947	66%
Non-salary expenditures	<u>133,995</u>	<u>204,867</u>	<u>163,376</u>	<u>790,264</u>	<u>656,269</u>	490%
Total Budgeted Costs	\$5,395,083	\$6,141,575	\$8,413,835	\$9,540,299	4,145,216	77%

Source: SFMTA budget data.

On May 12, 2009, the SFMTA reduced the FY 2009-10 POP program budget by \$1.9 million, reducing the number of TFI budgeted positions from 93 to 60. Therefore, the revised FY 2009-10 budget is now approximately \$7.6 million.

Citation Revenues

When adult citations were criminal citations, handled by the courts, the SFMTA only received a portion of the proceeds. Changing adult citations to civil penalties allowed the SFMTA to collect the entirety of the fine. The SFMTA's citation revenue has increased as a result of the transition, and continues to increase as additional TFI staffing has led to increases in citation issuance. The POP program citation revenue for criminal citations processed by the Superior Court was approximately \$178,000 in FY 2006-07 and \$159,000 in FY 2007-08. In FY 2008-09, the SFMTA contractor for collecting parking citations, PRWT Inc., began collecting POP program civil citations, with estimated FY 2008-09 citation revenues of \$720,000. For a detailed discussion of the citation fine structure and collection rates, see Section 7, *Fare Evasion Fine Structure* and Section 8, *Citation Processing and Collection*.

Fare Revenues

The SFMTA also intends the POP program to generate fare revenue by decreasing fare evasion. From FY 2006-07 and through FY 2008-09, the SFMTA estimates that fare revenue will have increased 6.7 percent and ridership will have increased 6.6 percent

system-wide.¹ The SFMTA does not have data to show the reasons for increased ridership and fare revenues. Although the SFMTA hired additional TFIs in FY 2007-08 and FY 2008-09, increasing the number of POP staff assigned to the Muni light rail system and beginning a bus pilot program, the SFMTA cannot attribute the increase in fare revenues (or any portion of the increase) to the POP program. The SFMTA considers increased fare evasion enforcement to be one of eleven factors that increased ridership and fare revenues in FY 2007-08.

Central Themes of the Management Audit of the POP Program

This management audit is divided into 9 sections including 54 recommendations. Audit findings tended to fall into three themes: planning and evaluation, revenue optimization, and controls.

Planning and Review

Although the Security and Enforcement Division has a mission statement and strategic plan goals and objectives, these documents do not provide specific mission and goals for the POP program. That the Division has not defined the POP program's main objectives permeates the findings and recommendations in this audit report. In particular, Section 1, *Proof of Payment Performance Management*; Section 2, *Proof of Payment Program Staffing Needs*; Section 3, *Transit Fare Inspector Deployment*; and Section 9, *Proof of Payment on Buses*, discuss the POP program's unexamined results, unspecified staffing requirements, unguided deployments, and intentions to expand to buses without a full implementation plan.

Related to the POP program's planning issues are its inconsistencies in evaluating performance at a program or staff level. Section 1, *Proof of Payment Performance Management* addresses the program's difficulties measuring and evaluating its own performance—over time or in comparison to other POP programs. Similarly, the POP program has not conducted regular performance reviews for TFIs, nor has it evaluated its Supervisors. Section 4, *Complaints and Complaint Handling* and Section 5, *Fare Inspection Safety*, respectively detail that the POP program can improve its review of complaints and incident reports to discover trends and retraining needs. Section 9, *Proof of Payment on Buses*, notes that despite a three-phase pilot program, the POP program has not collected information critical to evaluating the impact of an expansion to buses.

¹ These estimated revenue and ridership increases reflect Muni's entire vehicle fleet, including Muni light rail, buses, historic streetcars, and cable cars. The SFMTA reports (a) approximately 206.5 million riders in FY 2006-07 and an estimated 220.1 million riders in FY 2008-09 (an increase of 6.6 percent) and (b) \$142.9 million in revenues in FY 2006-07 and an estimated \$152.5 million in revenues in FY 2008-09 (an increase of 6.7 percent).

Revenue Optimization

The POP program's competing objectives - reducing fare evasion, providing customer service, increasing safety and security on transit - is echoed by its policies and practices that do not optimize fare or citation revenue. Section 3, *Transit Fare Inspector Deployment*, notes that the POP program does not deploy TFIs in a manner that optimizes passenger contacts or citations. Section 7, *Fare Evasion Fine Structure*, discusses how the SFMTA's fine for fare evasion is more lenient than most systems and does not adequately deter fare evasion or replace lost revenue—particularly for repeat offenders. Section 8, *Citation Processing and Collection*, finds that the POP program is collecting on less than half of the citation fines it issues, and is not pursuing scofflaw fare evaders.

Section 9, *Proof of Payment on Buses*, finds that if SFMTA expands POP to buses, it will incur costs that it may not recoup. It is unclear whether such an expansion would be implemented to maximize fare and citations revenues, or whether the SFMTA could measure the expansion to buses' impact on fare revenue.

Internal Controls

The POP program's internal controls have weaknesses that reduce the program's effectiveness. In particular, Section 4, *Complaints and Complaint Handling*; Section 5, *Fare Inspection Safety*; and Section 8, *Citation Processing and Collection*, discuss potential and actual control weaknesses related to the response to passenger complaints and queries, internal reports concerning staff safety, and the handling of citations.

Other Issues

Section 4, *Complaints and Complaint Handling* finds that relatively few passengers complain about fare evasion or the POP program. In addition to concerns about the POP program's control of its incident report review process, Section 5, *Fare Inspection Safety*, notes the safety implications of outdated and contradictory employee manuals, changing priorities, and limited retraining. Section 6, *Muni Response Team and Station Agents*, discusses how the SFMTA is incorporating other SFMTA employees into its efforts to reduce fare evasion.

POP Program Accomplishments

The SFMTA Security and Enforcement division notes a number of POP program accomplishments, particularly in the past two years. The POP program increased the number of TFIs from 21 to 46. This additional staffing has helped the POP program conduct fare inspections on all subway metro lines while simultaneously staffing the approximately 12 annual events that impact Muni operations. The increased staffing has also allowed for more coordinated field deployment

The Security and Enforcement Division hired a Deputy Director in March 2008. The Deputy Director:

- Moved her office, which had been at 505 7th Street, to the 875 Stevenson headquarters due to the geographical demands of overseeing the Security and Enforcement Division and establishing policy continuity;
- Provided much needed oversight and managerial direction the Security and Enforcement Division in general and the POP unit in particular; and
- Provided the stability necessary for the articulation and implementation of the program's structure and objectives.

The Division also hired an Operations and Investigations (AKA Security and Field Operations) Manager in December 2008), who has

- Established a recognizable and appropriate line of authority and reporting relationship within the POP unit and the Security and Enforcement Division; and
- As being solely dedicated to POP, gave the program day-to-day focus, accessibility, and consistent information dissemination.

The POP program notes additional accomplishments, including:

- Formalizing the training program for TFIs & Supervisors, including: implementing a six week new Fare Inspector training course with two weeks of in-field training; participating in a Metro Station evacuation drill; obtaining CPR/First Aid and On Track Rail Safety certification for all TFIs and Supervisors; providing ongoing learning opportunities in conflict resolution and customer service; and providing basic computer skills training in Word, Excel, and email.
- Formalizing the TFI training graduation to include an address from the SFMTA Executive Director/CEO and his executive staff; recitals of the Pledge of Allegiance and the new Fare Inspector oath; and graduation certificates.
- Improving uniform and equipment procurement and issued new safety equipment, double-sided "reflectorized" safety vests, and a new customized Fare Inspector Shield.
- Expanding access to computerized workstations: including increasing the number of available computers from 3 to 14; creating an electronic form for incident reporting which eliminated handwritten documentation of incidents; creating electronic spreadsheets for Supervisor to enter, track, and compile fare inspection data for management reporting; and expanding the computer knowledge of both new and veteran TFIs. These changes improved the flow of communication among the POP staff and created new opportunities for higher staff productivity.
- Implementing three phases of Multi Door Boarding (Bus) expansion pilot which began with a single boarding point through expansion to five major transfer points along three key Transit Effectiveness Project-identified bus transit corridors.
- Issuing and training TFIs in the proper use of the Handheld Card Readers for TransLink cardholder payment verification, in anticipation of TransLink

Acknowledgements

We would like to thank the management and staff of the SFMTA, and the POP program management and staff in particular, for their cooperation during this management audit. We hope the findings contained in this report provide useful tools for the SFMTA and its staff as they work to improve the Proof of Payment program and reduce fare evasion.

1. Proof of Payment Performance Management

- Although the Proof of Payment (POP) program's objective is reducing fare evasion, POP management and line staff routinely suggest alternate objectives, such as providing customer service, safety, and security. This muddling of objectives underlies the POP program's unfocused performance management. The San Francisco Municipal Transportation Agency (SFMTA) Security and Enforcement Division has not developed specific goals or corresponding performance measures for the POP program. Managers, therefore, cannot manage the program to ensure progress toward goals or goal achievement.
- Although POP Transit Fare Inspectors (TFIs) collect a rich array of program-related data, POP management's ability to measure program performance is hampered by limitations in data collection and aggregation, and concerns about data reliability. The POP program does not collect or report to the SFMTA Board on two key indicators of performance identified by the Federal Transit Administration: fare evasion rates, which indicate how SFMTA passengers' behavior compares over time and to other transit agencies; and inspection rates, which indicate productivity of the program.
- The POP program's performance evaluation process has historically placed little emphasis on performance and achievement. Further, the POP program has never evaluated 10 of 46 active TFIs (22 percent) or 2 of the 6 Transit Fare Inspection Supervisors/Investigators (Supervisors, 33 percent), nor has it evaluated any of the 6 Supervisors on supervisor-specific skills, responsibilities, and achievements. In the absence of performance evaluations, individuals' performance and achievement vary widely with some TFIs underperforming.
- In order to be an effective and worthwhile program, the Security and Enforcement Division needs to manage POP to reduce fare evasion. In order to assess its performance, the POP program should record and report fare evasion rates and inspection rates. POP management should set additional fare inspection- and evasion-related goals, establish performance measures aligned to those goals, collect data and report on progress toward those goals, and regularly evaluate staff on their contributions to program goals and objectives.

Best Practices in Proof of Payment Performance Management

Performance management is a results-oriented management approach. It dictates that a program establish an overall purpose to an organization, create goals that support the

purpose, align short-term objectives that support these goals, and align work assignments and evaluation in a way that enables achievement of objectives. Performance management is guided by performance measurement, which is defined by the Federal Transit Administration's Transit Cooperative Research Program (TCRP), as follows:

Performance measurement is the assessment of an organization's output as a product of the management of its internal resources (dollars, people, vehicles, facilities) and the environment in which it operates. [...]

The TCRP finds performance management can include the establishment of

goals, standards, criteria, and/or guidelines against which local transit results can be assessed, as well as a reliable data reporting system to support the program. Typical groupings of performance measures include cost efficiency, cost effectiveness, service utilization and/or effectiveness, vehicle utilization and/or efficiency, service quality, labor productivity, and service accessibility.

The TCRP holds two statistical measures in particularly high esteem when evaluating POP programs: the fare evasion rate and the inspection rate.

Fare Evasion Rate

The fare evasion rate is the percentage of riders in a transit system at a given time that lack proof of payment. The TCRP describes the fare evasion rate as “a key indicator of the effectiveness of inspection and enforcement.” Because fare compliance is the central purpose of the SFMTA's POP program, knowing the fare evasion rate is essential to program success. The TCRP notes two approaches for defining a system's evasion rate:

- Include only riders who are actually given citations, or
- Include all riders found not to be carrying proof of payment (i.e., total of warnings and citations as a percentage of total number of riders inspected).

The TCRP notes that the latter definition is the more common approach among proof of payment programs. Another way of looking at the fare evasion rate is the agency's warning rate (warnings per contact) plus its citation rate (citations per contact).

Inspection Rate

The TCRP defines the inspection rate as “the percentage of the transit agency's passengers checked for proof of payment by fare inspectors.” In other words, it is the number of passenger contacts divided by system ridership.

The TCRP did not find a clear correlation between inspection and evasion rates. However, they did find that most light rail proof of payment systems had inspection rates between 15 percent and 30 percent, and such systems could expect evasion rates between 1.5 percent and 3 percent.

SFMTA POP Performance Objective

The POP program's primary objective is to reduce fare evasion. This objective is supported by a wide array of documentation.

- The SFMTA Safety, Security and Enforcement Division Overview for FY 2008-09 and FY 2009-10 defines the work of Proof of Payment as:

Administers fare inspections on Muni revenue vehicles on designated transit lines.

- The Proposed New Initiatives¹ section of the SFMTA's FY 2006-07 budget includes several pages on the increased staffing and investment in the POP program. The overview introduces the program as focused on reducing fare evasion:

The Proof of Payment Pilot Program is designed to expand the current program by decreasing the rate of fare evasion.

- The current position description for the 9132 Transit Fare Inspector states:

Under general supervision, performs a variety of duties related to passenger compliance and enforcement of fare policies of the San Francisco Municipal Transportation Agency Proof of Payment program and SFMTA regulations and policies.

- The 8121 Transit Fare Inspection Supervisor/Investigator position description² emphasizes rule enforcement:

Under general supervision, participates in a wide variety of investigative and security activities in connection with alleged or suspected violations of Municipal Railway (MUNI) rules, regulations and other ordinances; and/or supervises transit fare enforcement, inspections, citations and related activities under the MUNI Proof of Payment (POP) program.

- The TFI pledge identifies transit ordinance enforcement as the TFIs' objective:

On my honor, I (STATE YOUR NAME) promise and affirm that I will act with integrity and respect, acting rightfully and impartially while enforcing all transit ordinances of the City and County of San Francisco and the Municipal Transportation Agency for which I serve.

As a commitment to my badge, and the trust of the public, I will fulfill my duties as a Transit Fare Inspector carefully and with dignity.

¹ This is a current Pilot Project approved by the SFMTA Board, which directed POP to focus on the busiest routes, including those on buses, with the expressed intent of reducing fare evasion.

² The POP program is in the process of updating the Supervisor position description.

The Budget Analyst includes the above examples of the POP program's expressed purpose for two reasons. First, in order to conduct performance management, the POP program requires understood objectives. Second, on numerous occasions, the SFMTA and POP managers and line workers have muddled this focus on fare enforcement with other objectives.

Changes in Implementation Mentality

The implementation style of the POP program has shifted with changes in SFMTA and POP program management. Initially, the POP program conducted fare inspections with an emphasis on rule enforcement, and until recently, job requirements and training emphasized enforcement skills. SFMTA and POP managers have recently increased the emphasis on customer service skills for those conducting fare evasions.

POP management has updated veteran TFIs of this change in implementation approach through staff meetings and memoranda. However, veteran TFIs trained with an emphasis on enforcement have not received formal retraining. Perhaps due to his piecemeal training, numerous POP staff confuse customer service as being an end to itself, as opposed to an approach to conducting fare inspections.

Safety, Security, and Customer Service

As noted in the *Introduction*, the POP program regularly deploys TFIs to assignments that do not involve issuing fare evasion citations. At San Francisco Giants home games, for instance, TFIs check for proof of payment, and direct those without fare media to areas where they can purchase Muni fare, but do not issue citations. During some service interruptions and at special events, TFIs may work exclusively to direct passengers to vehicles or to assist with boarding. These assignments, which carry a safety, security, and customer service emphasis, should not distract from the overall understanding of the POP program's purpose of reducing fare evasion.

SFMTA Does Not Manage or Evaluate POP's Performance

A clearly expressed and well understood objective or set of objectives is critical for the SFMTA to be able to hold the POP program accountable for its performance. It is clear from existing documentation that the City and County of San Francisco and the SFMTA should hold the POP program accountable for the manner in which it reduces fare evasion, and that all other objectives are secondary.

The SFMTA is not regularly evaluating the POP program's performance, and the POP program is not conducting regular performance evaluations of its staff.

Data Collection and Performance Measurement

During each regular fare inspection assignment, the POP program's 46 TFIs generate and collect data related to fare evasion. Each TFI records and reports the number of

passengers they contact, verbal warnings for failure to display proof of payment, and citations. Each of these data points includes the time, location, rail line, vehicle number, and vehicle direction, as is applicable. Supervisors aggregate their team members' data in various spreadsheets and other documents. Daily individual TFI statistics are compiled by month in a single program-wide spreadsheet. Daily team statistics are compiled in separate spreadsheets, one per team, per day. Supervisors also log TFI attendance.

Although the POP program records a rich array of data, the processing and review of this data is unguided. The POP program has not established any fare inspection or fare evasion goals or performance measures. Despite the amount of data it collects, the POP program is not collecting or reporting best practice performance measures.

Non-paying Passenger Boardings

The SFMTA FY 2006-07 Annual Budget Plan had one "Key Performance Measure" related to POP, "Reduce instances of non-paying passengers boarding." However, the POP program has not measured its performance on this metric, or the extent to which passenger behavior is changing.

Citation Counts

The FY 2007-08 SFMTA goals included the following POP-related initiative:

- Develop and implement a more efficient fare evasion mitigation program.
- **Metric:** Number of proof of payment citations issued in fiscal year
- **Goal:** Rate of proof of payment citations issued in FY08 increased compared to previous fiscal year

This metric of focusing on citation counts is not a reflection of best practice measurement. While the POP program did increase the number of citations it issued in FY 2007-08, that increase is most closely associated with increased staffing. The POP program did not measure or report the SFMTA's goal of increasing the *rate* of POP citations.

Data Analysis Limitations

The POP program's statistical, recordkeeping, and filing efforts have been, and in a lesser respect continue to be, disorganized. Various electronic documents are designed in a way that hampers routine analysis. At least one central recordkeeping document requires contributions by multiple users, but only allows one user at a time. Furthermore, some POP employees lack adequate computer training, and POP managers may not be insisting that Supervisor fulfill all administrative duties.

The SFMTA Does Not Evaluate POP's Program-level Performance

The SFMTA does not evaluate the POP program's efforts to curb fare evasion, nor has it established performance standards for the program.

Absence of Key Measures

As noted above, the Federal Transit Administration's Transit Cooperative Research Program (TCRP) considers a transit agency's fare evasion rate and inspection rate to be important components to understanding how an agency is performing.

Fare Evasion Rate

The POP program does not keep a record of the fare evasion rate on light rail, although it does record that statistic's components ([warnings + citations] ÷ contacts). Without knowing the fare evasion rate, the SFMTA does not know how its passenger behavior compares to other cities, or the extent to which the POP program is effectively changing behavior. Therefore, the POP program does not know whether it has reduced "instances of non-paying passengers boarding," a Key Performance Measure in the SFMTA's FY 2006-07 Annual Budget Plan.

The TCRP finds 100 percent sweeps to be the best way of determining a transit system's fare evasion rate, as well as an effective supplement to normal fare evasion deterrence activities (100 percent sweeps are further discussed in Section 3, Transit Fare Inspector Deployment).

In the absence of data from 100 percent sweeps, the POP program has been compiling contact, warning, and citation counts since January 2007. Based on the data provided by the POP program, the Budget Analyst calculates the average fare evasion rate from January 2007 to January 2009 to be approximately 2.4 percent. This rate falls within the fare evasion rates reported by the TCRP, which ranged from 1.5 percent to 3.0 percent. However, as noted in Section 2, *Proof of Payment Staffing Needs*, the fare evasion rate may be increasing.

Inspection Rate

The POP program does not measure its inspection rate (contacts ÷ riders), and is therefore unable to calculate the productivity of inspection personnel (inspection rate × daily ridership ÷ number of inspectors). However, based on data provided by the POP program, the Budget Analyst calculated an inspection rate of 7.4 percent³ for the one-year period from December 2007 through November 2008. This rate is on the low end of light rail systems that the TCRP studied. The TCRP found light rail systems' inspection rates ranged from 6 percent to 42 percent, with most falling between 15 percent and 30 percent. The TCRP recommends light rail POP programs aspire for inspection rates between 15 and 25 percent. For additional discussion of the inspection rate, see Section 2, *Proof of Payment Staffing Needs*.

³ This figure includes inspections made in the process of conducting regular fare inspections, as well as special and sporting events.

Absence of Performance Standards

Although the SFMTA established a “Key Performance Measure” in its FY 2006-07 budget of reducing “instances of non-paying passengers boarding,” the POP program does not report any quantifiable performance standards. The Security and Enforcement Division reports citation counts⁴ to the SFMTA Board on a quarterly basis in the SFMTA’s quarterly Service Standards Appendix.⁵ It does not, however, include a goal, as do many of the other SFMTA service standards. Nor does it factor evasion rates, citation rates, or the number of TFIs on staff. Furthermore, the SFMTA has not included any POP-related standards listed in its FY 2008-09 Service Standards and Milestones.

POP Staff Performance Varies Widely

TFI performance varies widely. Individuals have significant differences in their average monthly contacts, citations, and warnings, as well as significant differences in warning rates and citation rates. Although differences in assignments and other workload factors may explain some variation in productivity, the wide range in the number of contacts, evasion citations, and evasion warnings by inspector suggests that other reasons are likely contributing to overall productivity differences among staff. The analysis supporting this conclusion is presented below.

Monthly Contacts and Evasions

During the two-year period from January 2007 to January 2009,⁶ each TFI made an average of 4,544 contacts per month (4,557 median) and recorded an average of 111 evasion citations and warnings⁷ per month (102 median). In both measures, however, we see a wide range of performances, with average monthly contacts ranging from 1,866 to 7,608, and average monthly evasions ranging from 12 to 253. In this time period, the top 5 TFIs issued more citations and warnings per month, on average, than the bottom 20 TFIs. The ranges in performance, as measured in average contacts and evasion citations/warnings, are summarized in Figures 1.1 and 1.2, below.

⁴ In name, the report lists “evasions,” but the reported fare evasion counts are a misnomer. The Security and Enforcement Division has actually been reporting citation counts, not evasion counts. Best practices suggest that evasions include both citations and warnings to get a true picture of actual fare evasion.

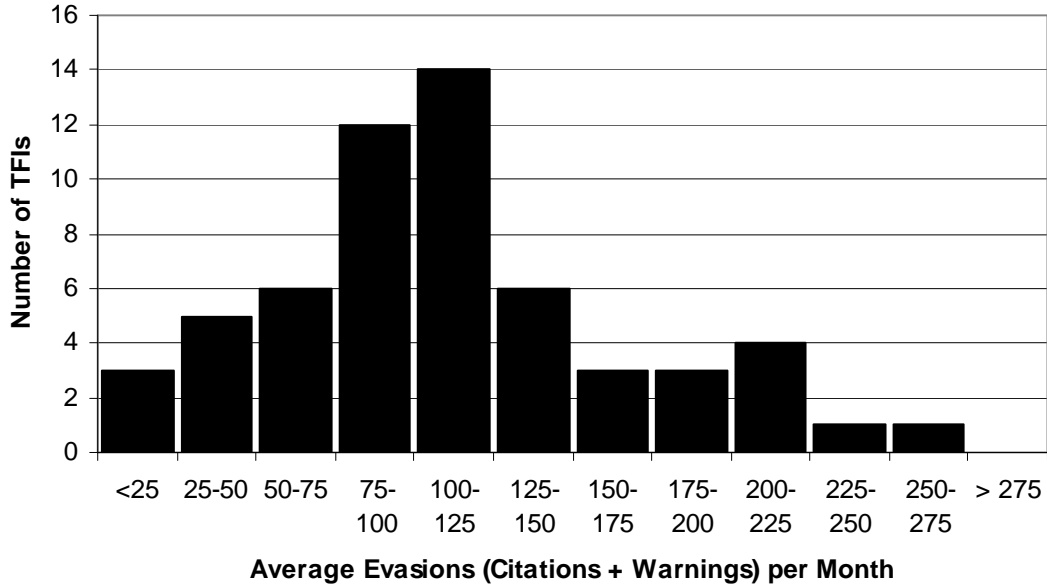
⁵ According to the SFMTA website, these standard reports are a requirement of Proposition E. <http://www.sfmta.com/cms/rstd/sstdindx.htm>

⁶ Data was unavailable for April, May, and June 2007.

⁷ Evasions = Warnings + Citations

Figure 1.1

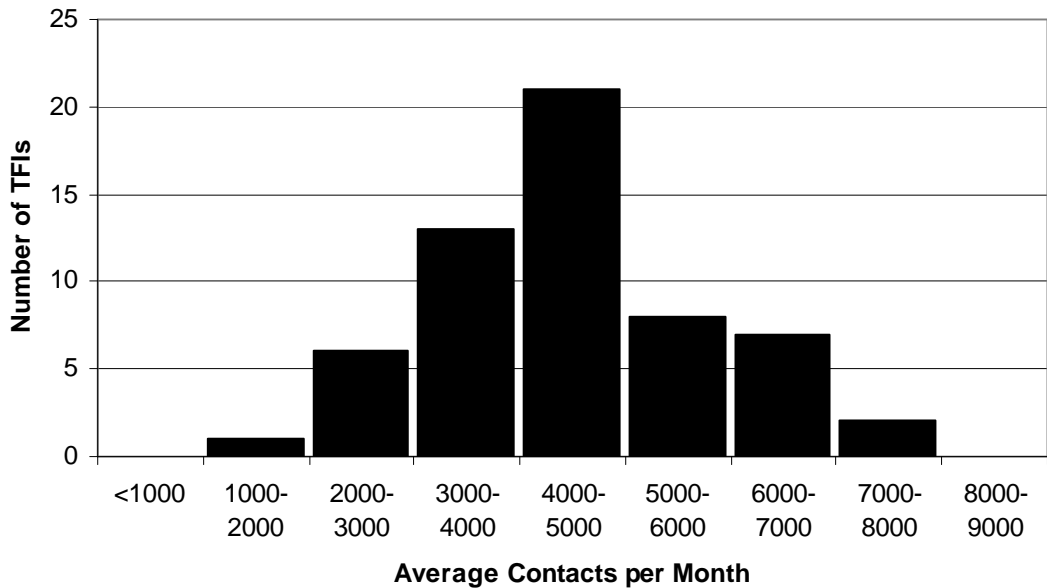
**TFI Average Monthly Evasion Citations and Warnings
January 2007 to January 2009**



Source: Budget Analyst calculations based on SFMTA POP Program data.

Figure 1.2

**TFI Average Monthly Contacts
January 2007 to January 2009**

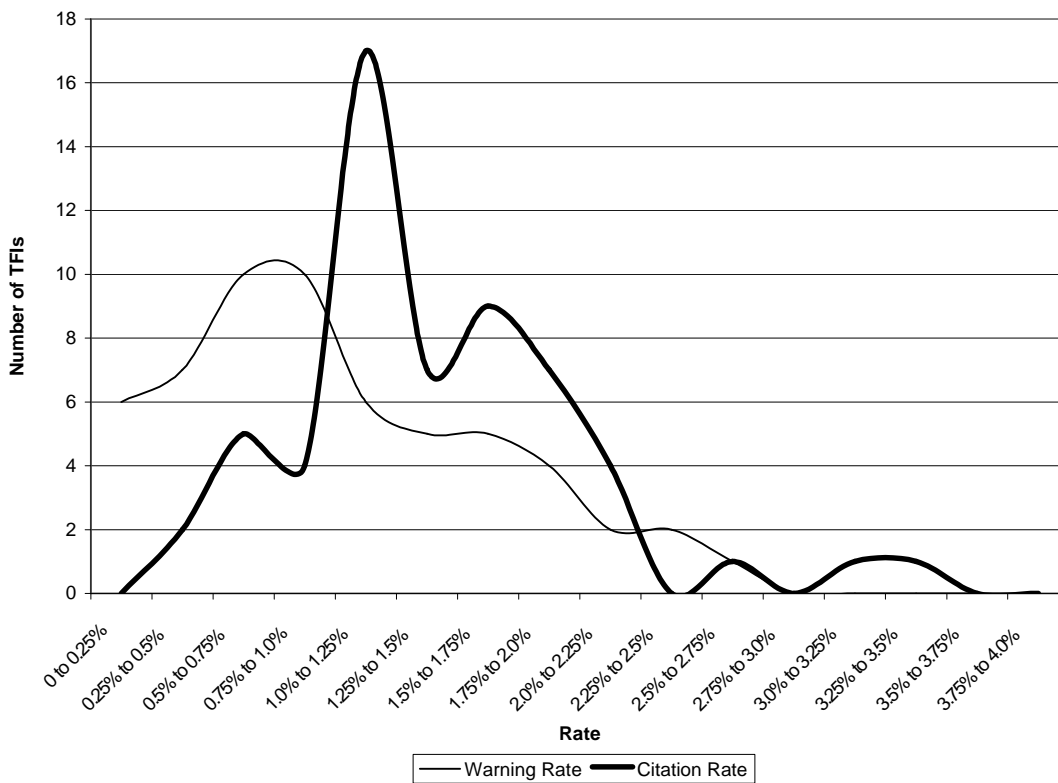


Source: Budget Analyst calculations based on SFMTA POP Program data.

Warning and Citation Rates

During the two-year period from January 2007 to January 2009,⁸ the average citation rate (citations ÷ contacts) was 1.4 percent and the median citation rate was 1.3 percent. During that time, however, one TFI only issued citations to 0.4 percent of passengers contacted. In the same period, another TFI issued citations to 3.3 percent of the passengers contacted—more than twice the average. The Budget Analyst observed similar differences in warning rates: while the average warning rate was 1.0 percent and the median warning rate was 0.9 percent, individuals’ warning rates varied from 0.0 percent to 2.5 percent. The ranges in warning and citation rates are illustrated in Figure 1.3 below.

Figure 1.3
Citation and Warning Rate Differences among TFIs
January 2007 to January 2009



Source: Budget Analyst calculations based on SFMTA POP Program data.

⁸ Data was unavailable for April, May, and June 2007.

The POP Program Conducts Infrequent Staff Performance Evaluations that Historically Emphasized Conduct Rather than Performance

TFI performance evaluations have historically emphasized conduct rather than performance. This limitation aside, the POP program has conducted these performance reviews sporadically, if at all.

Evaluation Contents

The TFI performance evaluation emphasizes work conduct rather than performance and achievement. The Supervisors' manual, which POP management acknowledge requires updating, provides the following guidance when preparing TFI performance reviews:

Be sure to include information such as attendance including sick days taken, vacations, floating holidays, late to work/late to work with call, **citation counts per month**, court issues, report writing, uniform compliance, kudo forms, re-instruction documents, disciplinary action documents, training received, LEAD information, etc. (emphasis added)

Note that of the above list of information to include in the evaluation, only one piece of information, "citation counts per month," relates to program performance and achievement.

Although the definition of performance remains somewhat vague, POP management has increased the emphasis on performance in trainee performance reviews, and intends to carry these changes into the annual review issued to all TFIs..

Evaluation Schedule

According to the POP Supervisors' training manual, Section 22: Performance Evaluations:

Performance evaluations are an important way of documenting and keeping track of an employee's overall work record/history. Evaluations are issued once every year – normally around October.

Despite this policy, the POP program has not maintained a performance review schedule, with the exception of its trainee classes.⁹ The program has never conducted reviews for 10 of 46 currently active TFIs (22 percent), all of whom were hired between November 2006 and March 2008. The program has never conducted reviews of two of six Supervisors (33 percent), and the program has not conducted reviews on any of their Supervisors according to their Supervisor-specific skills and responsibilities. Excluding the trainees who started in March 2008, the average POP staff member has worked an average of 2.8 years since their last performance evaluation. After the Budget Analyst

⁹ Trainees receive quarterly performance reviews during their first year.

requested performance evaluation information from SFMTA, the POP program stated their intention to conduct annual reviews on all TFIs prior to May 2009.

Table 1.1

Annual Review Measures

Years Since Performance Evaluations by Classification, as of March 2009		Other Metrics	
TFIs Average	1.6 Years	# TFIs who have never received a review:	10 (22 %)
Supervisors Average	4.0 Years	# Supervisors who never received a review:	2 (33 %)
All-Staff Average	1.9 Years	More than 4 years since review	5 TFIs (11 %)
Median	1.1 Years	More than 3 years since review	9 TFIs (20 %)
Mode	0.2 Years	More than 2 years since review	18 TFIs (39 %)
High	4.5 Years		

Source: Budget Analyst calculations based on SFMTA POP Program data.

POP Data Collection Complicates Evaluation

The POP program’s ability to measure its performance and capture informative information is hampered by its data collection limitations, its methods of aggregation, and concerns about data reliability.

POP’s Data Filing Practices Hamper Analysis

POP Supervisors enter TFI-generated hard copy data into two key files: a shared spreadsheet that captures daily statistics for each TFI, and daily operations summary spreadsheets with team-specific citation and contact data. Supervisors report that the data entry for these reports can be time consuming, and only one Supervisor can access the shared TFI spreadsheet at a time.

Although these spreadsheets are the best repositories of POP program performance data, they have limitations. Analyzing the data in these spreadsheets is cumbersome, requiring several steps to make the data suitable for performance measurement. Collecting daily TFI performance data in a single, shared file puts the data at risk of accidental changes or deletion. The team data spreadsheets are not designed to encourage data aggregation. Paradoxically, these spreadsheets do not capture the richness of some of the TFI-collected data, lacking information on times and locations of contacts, citations, and warnings. Additionally, weekly staff assignments are recorded in a manner that makes them difficult to evaluate.

A relational database, such as one designed in Microsoft Access, could provide a single data repository, satisfying the uses of both of the spreadsheets described above while

reducing data entry time. It would allow numerous users to input and export data simultaneously. TFIs could access data entry forms identical to the information they collect in the field, allowing the POP program to collect richer performance data while simultaneously easing the administrative burden on Supervisors.

POP Managers Believe Some Data Is Unreliable

As noted above, when TFIs conduct fare inspections, they log the number of contacts, or individuals they check for proof of payment. TFIs employ a variety of tactics for counting contacts, including utilization of a counter, counting the number of heads on a train, counting the number of empty seats, keeping a running platform tally, or simply estimating. Different TFIs will change techniques based on assignment (platform or train) and system congestion in order to get a quick, but accurate, count.

POP management have considered TFIs' passenger contact counts to be inaccurate. The value of the contact count is that it allows a program to calculate the fare evasion rate and the inspection rate, two key performance measures discussed above. POP management believes that some TFIs inflate their contact numbers by over-counting, overestimating, or otherwise counting passengers whose proof of payment they have not inspected. Management's beliefs about over-counting are based on their observation of daily contact counts, observed behavior, and their concern about the varied counting methods. At the exit conference for this audit, POP management informed the Budget Analyst that it had reissued hand-counters to all TFIs and requested that staff use them as the only method for counting contacts.

The value of the contact count is that it allows a program to calculate the two key performance measures discussed above: fare evasion rate and inspection rate.

Incidentally, the SFMTA is not alone in concerns about accurate passenger counts. The Federal Transit Administration's Transit Cooperative Research Program notes in its "Toolkit for Self-Service, Barrier-Free Fare Collection,"

Few of (the agencies studied) verify the accuracy of the inspection rates by their inspectors, relying solely on the number of inspections recorded by each inspector (e.g., on a daily basis). It may be useful to consider some type of periodic audit of the actual inspection rates.

The POP program has not conducted periodic audits of inspection rates or the passenger counts on which they are based. However, conducting 100 percent sweeps or blitzes can allow the program to ascertain a system fare evasion rate, as described above.

As discussed in Section 2, *Proof of Payment Staffing Needs*, the SFMTA POP program's productivity levels are below recommended levels and those of other transit agencies. If the SFMTA POP program's TFIs are indeed over-counting passenger contacts then the POP program's actual productivity is even less than the Budget Analyst's estimate.

Conclusions

Although the Security and Enforcement Division has a Division-level mission and strategic plan, it has not developed specific goals and objectives for the Proof of Payment (POP) program. As a result, the POP program is without a universally understood purpose. The POP program collects a rich array of data, and has taken some actions to ensure data reliability. However, the program does not adequately analyze its data in order to evaluate the program or its staff. Furthermore, the program does not aggregate its data in a workable fashion.

Despite the allusion to various program objectives, including customer service, safety and security, it is clear from existing documentation that reducing fare evasion is the expressed and intended purpose of the POP program. The SFMTA is not holding the POP accountable for its efforts to reduce fare evasion. The POP program does not calculate or report two best-practice measures that would allow it to gauge its performance in meeting this objective over time or in comparison to other systems: the system fare evasion rate and the inspection rate. Nor has the POP program established any other performance standards.

The POP program collects TFI performance data related to fare enforcement, but has taken limited steps toward effectively aggregating and analyzing this data. Without the calculation and reporting of best practice or self-defined performance measures, the POP program cannot speak definitively to its own performance. The SFMTA does not know the extent to which the POP program has impacted fare evasion on Muni light rail. The SFMTA cannot say with certainty whether the POP program has increased fare revenue or decreased travel times.

The SFMTA's unawareness of the POP program's performance is exacerbated by the POP program's performance evaluation process, which has historically placed little emphasis on performance and achievement. Although current POP management is increasing the emphasis on performance in performance evaluations, the POP program has never evaluated 22 percent of the veteran TFIs or 33 percent of the Supervisors, nor has it evaluated any of its Supervisors on Supervisor-specific skills, responsibilities, and achievements. In the absence of performance evaluations, individuals' performance and achievement vary widely. In particular, some TFIs are underperforming, as measured in average numbers of rider contacts, warnings, and citations, and as measured in warning and citation rates.

In order to be an effective and worthwhile program, POP needs to clearly define and communicate its objectives, align implementation to achieve those objectives, create quantifiable goals, collect data and report on progress toward those goals, and regularly evaluate staff on their contributions to program goals and objectives.

Recommendations

In order to provide needed focus to the POP program, the Director and Deputy Director of SFMTA Security and Enforcement and the POP Operations and Investigations Manager should:

- 1.1. Develop Proof of Payment program performance objectives and goals that:
 - a) Include prevention of fare evasion as the primary objective;
 - b) Identify secondary objectives, such as safety and security or customer service;
 - c) Establish short-term quantifiable goals (such as increasing the program's contact rate), and long term quantifiable goals (such as increasing the percentage of riders who pay their fare), to help POP meet its objectives;
 - d) Establish POP implementation strategies for meeting those goals;
 - e) Establish clear, quantifiable, and actionable criteria for evaluating the POP program's efforts toward achieving short- and long-term objectives.
- 1.2. Calculate and communicate inspection rate and fare evasion rate on a monthly basis. Both require reliable passenger contact counts (see Recommendation 3.4.b). The latter can be bolstered with 100 percent sweeps (see Recommendation 3.5).

In order to better determine the POP program's performance and collect meaningful data on individual performance and program performance, the Deputy Director of SFMTA Security and Enforcement and the POP Operations and Investigations Manager should:

- 1.3. Evaluate the nature of the data that is collected by staff, the recording and reporting of that data, and the evaluation of the data.
 - a) Review the metrics collected by TFIs on a daily basis. Keep existing metrics and add additional metrics that would allow the POP program to evaluate its progress toward its goals. Eliminate unnecessary data collection. For example, TFIs currently log the number of walk-aways (passengers who purposefully vacate a fare enforcement zone before a proof of payment check can be conducted or warning or citation issued) but do not track the information in any meaningful way..
 - b) Review and audit TFI passenger contact counts. Provide retraining for TFIs who are consistently miscounting passenger contacts.
 - c) Develop a staff performance database for TFIs or their Supervisor/Investigators to log daily performance statistics. Such a database should allow multiple simultaneous users and allow managers to review and analyze performance data.

- 1.4. Oversee the implementation of bimonthly 100 percent sweeps or blitzes, in which TFIs inspect all passengers within a specific Proof of Payment Zone, to determine and regularly assess Muni's fare evasion rate. These sweeps should occur in coordination with Muni Response Team Members to assure TFI safety and passenger compliance.

In order to assess potential impact of the POP program on fare revenue and vehicle travel times, the Deputy Director of SFMTA Security and Enforcement and the POP Operations and Investigations Manager should:

- 1.5. Work with the SFMTA's Finance Department, Muni Customer Services Unit, and the Transit Effectiveness Project to determine performance measures and standards, and arrange for regular data collection and reporting.

In order to maximize efficient and consistent fare inspection, the Deputy Director of SFMTA Security and Enforcement and the POP Operations and Investigations Manager should:

- 1.6. Continue to revise the performance review format for TFIs and Supervisors, including specific definitions for performance and emphasis on objectives and goals.
- 1.7. Develop a schedule to ensure annual review of TFIs and Supervisors.

Costs and Benefits

The above recommendations will improve the efficiency of the POP program. The benefits of the above recommendations include a goal-oriented POP program, a focused and efficient program staff, and demonstrable results. A more efficient staff will result in increased citation and fare revenue. The above recommendations will require costs associated with management time, database development, and staff training.

2. Proof of Payment Staffing Needs

- **The San Francisco Municipal Transportation Agency (SFMTA) has greatly increased the budgeted and actual front-line staffing for the Proof of Payment (POP) program since FY 2005-06. The goals of this expansion were to curtail fare evasion, increase fare revenue, and expand POP to the bus fleet. Although the SFMTA has not developed criteria for identifying POP staffing needs, a federal study has looked at transit agency POP staffing in the U.S. and abroad. The study utilized a number of metrics to compare staffing across agencies, including the ratio of inspectors to riders, inspector productivity, and the inspection rate.**
- **Currently, the POP program's April 2009 practice of staffing the equivalent of 42 Transit Fare Inspectors (TFIs) on light rail is comparable to other transit systems inspector-to-rider ratios. However, TFI productivity and inspection rates lag those recommended by the Federal Transit Administration's Transit Cooperative Research Program. TFIs are not conducting as many daily inspections as their counterparts in other transit systems. Furthermore, after citation revenue, each additional TFI costs the SFMTA \$68,493 annually in net salary and fringe benefit costs. Despite an inability to effectively measure productivity and inspection rates, the SFMTA is in the process of hiring 14 additional TFIs pursuant to authorization received from the SFMTA Board of Directors.**
- **The SFMTA needs to establish criteria for appropriate POP program staffing levels. Until the SFMTA has established these criteria, it should suspend TFI hiring—including hiring currently underway. POP program managers should develop tactics for regularly monitoring, reporting, and improving individual and team productivity and inspection rates. Implementing these changes will hold down costs and increase efficiency and citation revenue.**

Fare Enforcement Staffing

A study by the Federal Transit Administration's Transit Cooperative Research Program (TCRP) analyzed staffing and efficiency among Proof of Payment (POP) programs in the U.S. and abroad. From its research, the TCRP developed basic issues, principles, and measures that transit agencies should consider when developing POP staffing plans. The Budget Analyst also surveyed seven transit programs in the U.S. and Canada on POP staffing and other metrics.

Basic Issues

The TCRP identified certain program characteristics that transit agencies need to consider when evaluating staffing levels for POP programs, as follows:

- The number of full-time inspection personnel to be patrolling the system;
- The availability of supplementary personnel; and
- The target inspection rate (i.e., the number of passenger contacts ÷ ridership).

The study found that in determining appropriate POP staffing levels, transit agencies also need to consider the transit system size and configuration, ridership, inspection strategy, type and cost of personnel, and available budget. Although the TCRP advises that the target rate ought to be the driving factor, it acknowledges that budget constraints determine staff size in most agencies.

Basic Staffing Principles

The TCRP found that while optimum levels are difficult to define, two basic principles tend to apply to POP systems:

1. Past a certain point, adding inspection personnel yields diminishing returns.
2. Without meeting appropriate personnel levels based on inspection rates, increasing evasion can overwhelm inspection and lead to increased evasion.

In other words, a transit agency needs to find a balance between a stable level of fare evasion and cost effective staffing levels.

SFMTA POP Program Staffing

The SFMTA has increased the number of TFI positions in the POP program in the past three fiscal years in order to reduce light rail fare evasion, increase revenue, and expand POP to the bus system. Nonetheless, POP management have not developed methods to calculate staffing needs or appropriate staffing levels. As shown in Table 2.1 below, budgeted 8121 Supervisor/Investigator and 9132 Transit Fare Inspector staffing increased by 325 percent from FY 2005-06 through FY 2009-10 even though there was not clear analysis supporting these needs.

The SFMTA's stated purpose for requesting increased funding for POP inspectors in its FY 2006-07 budget was to reduce fare evasion and increase fare revenue by \$14 million. The SFMTA aimed to more than double the TFI and Supervisor staffing. The SFMTA assumed that with this staffing increase, a substantially improved TFI efficiency, and a deployment strategy that focused on the busiest light rail lines and bus routes, would achieve the \$14 million fare revenue increase.

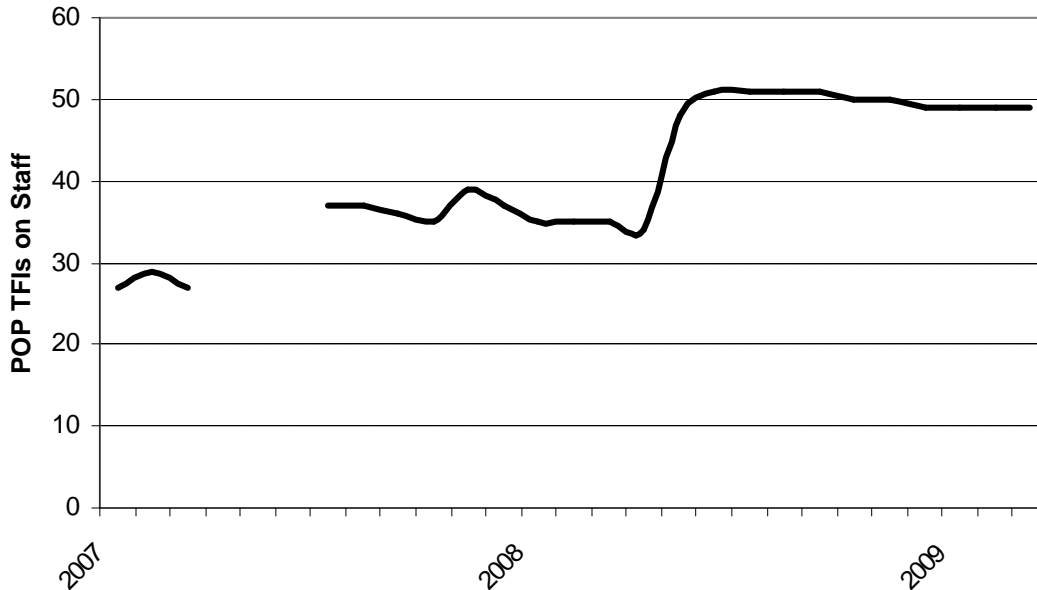
Table 2.1
Budgeted POP Program Positions
FY 2005-06 through FY 2009-10

Position	FY 2005-2006		FY 2006-2007		FY 2007-2008		FY 2008-2009		FY 2009-2010		% Increase, FY 2005-06 to FY 2009-10	
	FTE	Total Salaries and Fringe Benefits	FTE	Total Salaries and Fringe Benefits	FTE	Total Salaries and Fringe Benefits	FTE	Total Salaries and Fringe Benefits	FTE	Total Salaries and Fringe Benefits	FTE	Total Salaries and Fringe Benefits
8121 Supervisor/ Investigator	3	\$259,409	7.5	\$750,706	9	\$944,403	9	\$977,600	9	\$1,011,816	200%	290%
9132 Transit Fare Inspector	21	1,436,993	55.5	4,312,559	60	4,787,428	86.1	7,211,673	93	8,062,248	343%	461%
Total	24	\$1,696,402	63	\$5,063,265	69	\$5,731,831	95.1	\$8,189,273	102	\$9,074,064	325%	435%

Sources: Budget Analyst calculations based on data from the SFMTA, City and County of San Francisco Annual Salary Ordinances, and the Department of Human Resources.

Actual staffing varies from the budgeted amount. As noted above, as of April 2009 the SFMTA had 6 Supervisor and 46 TFI actual positions compared to 9 Supervisor and 86.1 TFI budgeted positions. On May 12, 2009, the SFMTA reduced the number of TFI positions in the FY 2009-10 budget from 93 to 60, with the intention of filling 14 vacant positions, increasing actual TFI staffing from 46 to 60. As shown in Figure 2.1 below, the SFMTA increased the number of actual TFIs in January 2007, from approximately 21 actual TFI positions to a program-high of 52 actual TFI positions.

Figure 2.1
SFMTA Actual Transit Fare Inspector Staffing,
January 2007 to March 2009



Note: Staffing data was not available for April, May, and June 2007. Summary data table available in the Appendix to this report.

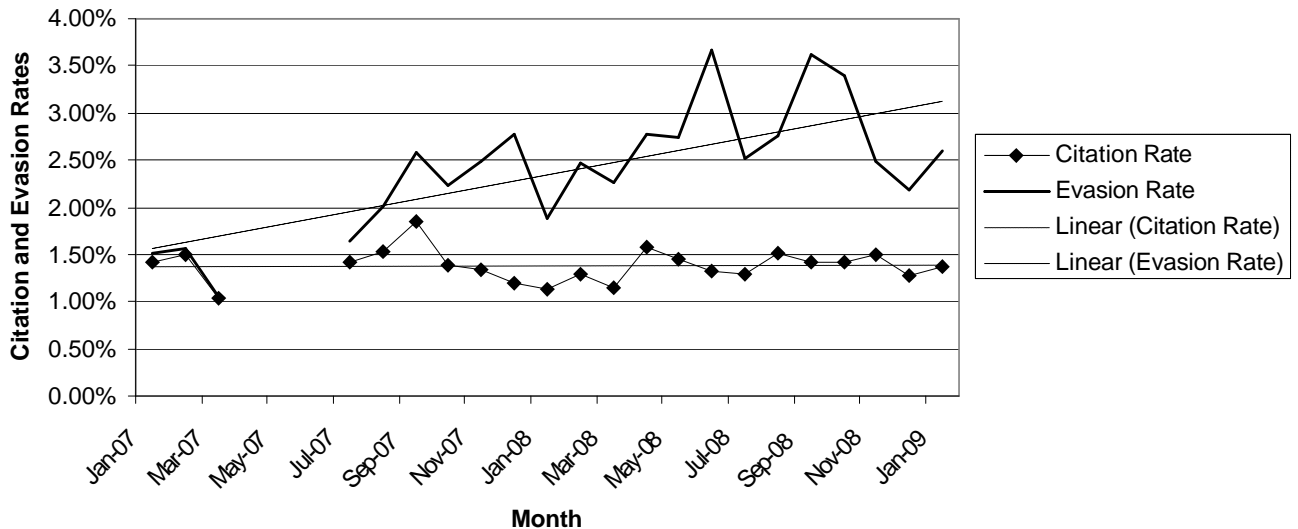
Source: SFMTA.

Expected Impact of Staffing on POP Program Performance

In order to measure its progress, the SFMTA's FY 2006-07 Annual Budget Plan established a key performance measure to reduce "instances of non-paying passenger boarding." However, as noted in Section 1, *Proof of Payment Performance Management*, POP management has not regularly tracked fare evasion rates. As shown in Figure 2.2 below, based on the Budget Analyst's calculations, while the citation rate has stayed relatively flat, the fare evasion rate (citations plus warnings) has increased since January 2007, suggesting that a greater percentage of riders are riding Muni light rail vehicles without paying. Furthermore, as noted in Section 9, *Proof of Payment on Buses*, POP management has not developed a long term implementation plan for expanding POP to buses, beyond the current Phase III pilot.

Figure 2.2

POP Citation and Fare Evasion Rates, January 2007 - January 2009



Source: Budget Analyst calculations based on SFMTA POP program data.

SFMTA's Proof of Payment Staffing Levels Are Comparable to Other Programs, but Productivity Rates Lag

The SFMTA does not measure its staffing or productivity to determine if staffing levels are efficient. However, the Budget Analyst found that while the SFMTA POP staffing levels are comparable to other transit agencies, inspector productivity is significantly less.

Staffing Metrics

The TCRP utilized a number of measures to compare staffing across agencies, including the number of inspectors, inspector productivity, and the inspection rate.

Inspector Staffing Levels

The TCRP found inspector/rider ratios to be preferable to inspector counts for evaluating and comparing enforcement staffing efforts. Its study found that the ratio of inspectors per 1,000 daily riders ranged from 0.15 to 0.36 inspectors, with an average of 0.28. The Budget Analyst surveyed five light rail POP systems and found the ratio of inspectors per 1,000 daily riders ranged from 0.06 in Denver to 0.68 in Portland, with an average of 0.44 inspectors per 1,000 daily riders.

Inspection Rate

The TCRP found the inspection rate—the total number of contacts (riders required to show proof of payment) compared to the system’s daily ridership—is a valuable measure of staffing as well as performance. The TCRP found that most light rail proof of payment systems had inspection rates between 15 percent and 30 percent, and recommended inspection rates between 15 percent and 25 percent for light rail proof of payment systems. Respondents to the Budget Analyst’s survey reported light rail inspection rates ranging from 4 percent to 75 percent, with an average of 28 percent. The TCRP did not find a clear correlation between inspection rates and evasion rates. It also notes that few of the agencies studied could verify the accuracy of inspection rates reported by their inspectors.

Productivity

The TCRP defines the productivity of inspection personnel as the average number of passengers an inspector checks each day. The rate is calculated by the following equation:

$$\text{inspection rate} \times \text{daily ridership} \div \text{average number of daily inspectors}$$

The TCRP study considered a reasonable productivity range for light rail systems to be 400 to 750 passengers per inspector per day.

The Budget Analyst calculated the POP program’s inspection staff/light rail ridership ratio, inspection rate, and inspector productivity as shown in Table 2.2 below. The Budget Analyst calculations are based on the passenger contact, staffing, and ridership data provided by the SFMTA, including special event contact estimates, recognizing passenger contact data limitations that likely overstate both the inspection rate and inspector productivity.

- TFIs have counted passenger contacts in different ways - utilization of a counter, counting the number of heads on a train, counting the number of empty seats, keeping a running platform tally, or simply estimating.
- The passenger contacts include not only the contacts made by TFIs as part of their daily inspection of the Muni Metro System but the large number of riders contacted during ball games and special events. This definition of passenger contacts is broad, since TFIs check for proof of payment but do not issue citations at San Francisco Giants home games, and may work exclusively to direct passengers to vehicles or to assist with boarding at special events. Furthermore, these special event contact counts are estimates, as TFIs do not currently record actual contacts at sporting and other special events.

Table 2.2
The SFMTA POP Program’s Inspector Staffing, Inspection Rates, and
Inspector Productivity
December 2007 through November 2008

Metric	TCRP Study Recommendation	Budget Analyst Survey	SFMTA	Percent SFMTA Above/ (Below) TCRP Study Recommendation	Percent SFMTA Above/ (Below) Budget Analyst Comparison Survey
Inspection Staff per 1,000 daily riders	0.2 to 0.3	0.44	0.30 ¹	0% to 50%	(32%)
Inspector Productivity (contacts per inspector per day)	400 to 750	n/a	331	(17%) to (56%)	n/a
Inspection Rate	15% to 25%	28%	7.4%	(51%) to (70%)	(73%)

¹ SFMTA Transit Fare Inspector staffing levels assume that four TFIs are assigned to the bus pilot as of April 2009.

Sources: TCRP; SFMTA; DART; RTD; Tri-Met; UTA; MTS.

POP’s Staffing Levels Are Comparable to Other Systems

The SFMTA POP program TFI staffing level is comparable to the TCRP recommended staffing levels and the Budget Analyst’s survey. As of April 2009, San Francisco’s POP program deployed 0.30 inspectors per 1,000 light rail riders, placing at the high end of TCRP recommendations, but lower than the average of the five light rail programs that the Budget Analyst surveyed, as shown in Table 2.2 above.

POP’s Productivity Falls Below TCRP Recommendations and Levels Reported by Other Transit Systems

The SFMTA POP program productivity was an estimated 17 percent less than the TCRP’s minimum recommended level, as shown in Table 2.2 above. While the TCRP recommended that light rail POP inspectors should conduct between 400 and 750 inspections per inspector per day, the Budget Analyst calculated that the typical TFI conducts an average of 331 inspections per day, though this includes ball games in which TFIs do not issue citations and special events in which TFIs assist with boarding rather than check for proof of payment.

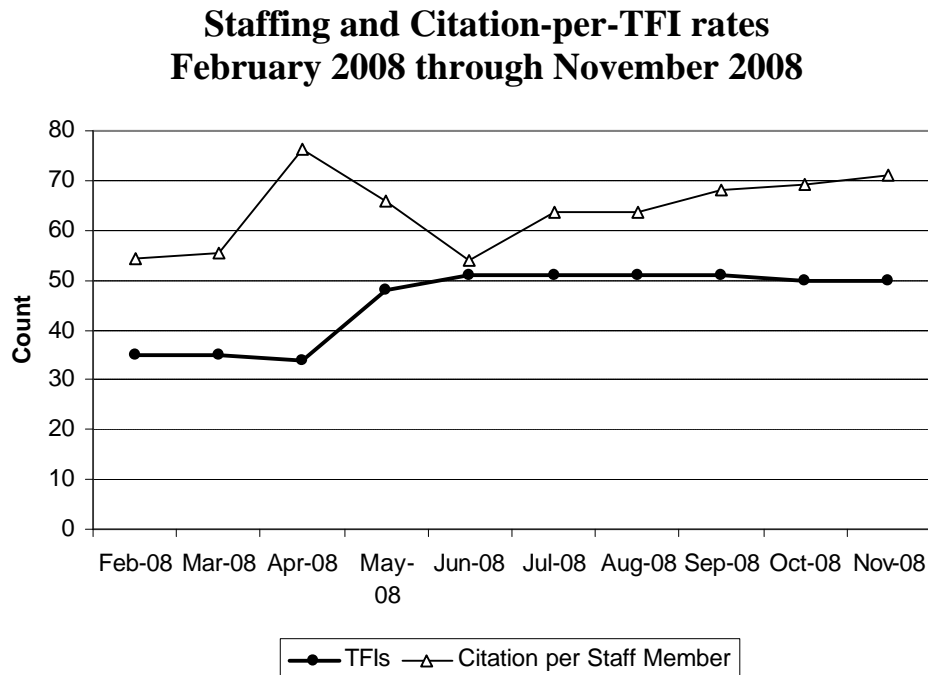
Additional Light Rail Staffing Is Costly

The SFMTA has increased the number of authorized TFI positions in the budget each year without showing that increased staffing results in decreased fare evasion and increased fare revenues. Currently, the SFMTA is not able to identify the impact of the POP program on ridership and fare revenues, as discussed in the *Introduction*. Although citation revenue is directly attributable to the POP program, the cost of each TFI to conduct inspections in the light rail system exceeds generated citation revenue.

TFI Costs Exceed Citation Revenue

From February 2008 to November 2008, the POP program staff issued an average of 64.2 citations, per TFI, per month. Changes in the citation average are summarized in Figure 2.3, below.

Figure 2.3



Source: Budget Analyst calculations based on SFMTA POP program data.

The POP program does not recover the costs of each TFI through citation revenues. Based on the Budget Analyst's estimate, at the current staffing level of 46 TFIs, annual citation revenues are approximately \$720,000.¹ The citation revenues and salary costs for each TFI and for the POP program's total TFI force are summarized in Table 2.4, below.

¹ The POP program collected approximately \$360,000 in citation revenues for the six-month period from February 2008 through November 2008 (See Section 8 *Citation Processing and Collection*).

Table 2.4**Incremental and Aggregate TFI Costs and Citation Revenue**

	1 TFI	46 TFIs	60 TFIs	Increased Revenues and Costs for 60 TFIs Compared to 46 TFIs
Total Expected Citation Revenue	\$15,652	\$720,000	\$939,120	\$219,120
Less TFI Salary & Benefits	(84,145)	(3,870,675)	(5,048,706)	(1,178,031)
TFI NET COSTS (citation revenue less TFI salary and fringe benefits)	(\$68,493)	(\$3,150,675)	(\$4,109,586)	(\$958,911)

Source: Budget Analyst calculations based on data from SFMTA, San Francisco Department of Human Resources.

Table 2.4 does not reflect any increase in fare revenue that may result from the POP program's presence on Muni. As is discussed in the *Introduction*, the SFMTA believes that some amount of fare revenue is attributable to the presence of the POP program, but is unable to determine what that amount is. Furthermore, the SFMTA has identified ten factors in addition to increased fare evasion enforcement that may account for recent fare revenue increases. On the margin, however, the Budget Analyst observes that while the addition of a single fare inspector would have a minimal impact on the fare paying habits of Muni's ridership system wide, the SFMTA does incur an expected incremental cost of \$68,493.

Changes following the FY 2009-10 Budget Review

The SFMTA had 93 TFI positions in the FY 2009-10 budget, resulting in total estimated increased net costs of \$3.2 million compared to current actual positions of 46 TFIs. On May 12, 2009, the SFMTA reduced the number of funded TFI positions in FY 2009-10 to 60 due to budget constraints, which will still result in increased net costs of almost \$1 million. According to the SFMTA, these additional positions will provide staffing for the SFMTA's POP pilot on the buses, although as discussed in Section 9 *Proof of Payment on Buses*, the SFMTA has not sufficiently planned for implementing the pilot and should avoid the increased TFI costs until the SFMTA completes a long term implementation plan for the bus pilot.

Conclusions

The SFMTA does not have a basis for its current POP program staffing level and does not have a rationale for proposed staffing increases. The SFMTA has more than doubled POP staffing since FY 2005-06 to curtail fare evasion, increase revenues, and expand fare

inspection to buses. However, the POP program has yet to achieve those goals and has not monitored its own progress toward curtailing fare evasion or increasing revenues.

The Federal Transit Administration's Transit Cooperative Research Program devised three metrics by which to measure staffing levels and effectiveness: inspector-to-rider ratios, inspector productivity, and inspection rate. The SFMTA does not monitor these metrics. Although the SFMTA's inspector to rider ratio is comparable to other transit systems, the SFMTA's productivity and inspection rates are low compared to the TCRP's recommendations and other transit systems' productivity and inspection rates.

According to the TCRP, while it is difficult for transit agencies to define optimum staffing levels, transit agencies should follow two principles: without a certain number of inspectors, evasion will increase; and past a certain point, hiring additional inspectors yields diminishing returns. The POP program has not sufficiently evaluated its performance to determine how its staffing levels meet these two principles. Although recent increases in fare evasion suggest that the POP program may lack sufficient staffing, comparative measures suggest that the inspector staffing may be adequate, and it is employee productivity that is lagging.

Because the SFMTA has not shown that additional TFI staffing contributes to increased revenues, and the hiring of 14 additional staff would result in nearly \$1.0 million in net costs, the SFMTA should suspend TFI hiring—including hiring currently underway—until it has established criteria for appropriate POP program staffing levels.

Recommendations

In order to avoid the expense of potentially unnecessary additional staffing, the SFMTA Board of Directors should:

- 2.1. Immediately suspend all POP-related hiring, including hiring currently underway, until the POP program has devised metrics for evaluating the appropriate staffing levels and implemented Budget Analyst recommendations for expanding POP to buses (see Recommendation 9.4).

In order to achieve appropriate staffing levels, the Deputy Director of SFMTA Security and Enforcement should:

- 2.2. Oversee the development of criteria for evaluating appropriate staffing levels in order to achieve established performance goals and objectives within the POP program.

In order to improve fare inspector productivity, the Director and Deputy Directors of SFMTA's Security and Enforcement Division, in coordination with the POP Operations and Investigations Manager, should:

- 2.3. Establish a target contact rate for the POP program as a whole.

- 2.4. Calculate, report, and audit the contact rate monthly, as well as individual and team productivity rates.
- 2.5. Work with Supervisors and TFIs to develop strategies for improving the program's contact rate and achieve established contact rate goals. These strategies should include overall TFI deployment efforts as well as individual work performance.

Costs and Benefits

By delaying hire of 14 new TFI positions until the SFMTA has devised metrics for evaluating the appropriate staffing levels and implemented Budget Analyst recommendations for expanding POP to buses, the SFMTA will avoid nearly \$1.2 million in annual TFI salary and fringe benefit costs for staff that it cannot effectively utilize.

Implementation of these recommendations would improve the POP program's efficiency, and therefore improve adult citation fine revenue, at least until which time that the POP program is able to achieve significant reductions in fare evasion among Muni passengers. Implementation of these recommendations would also increase fare revenues by creating greater disincentives to evasion.

3. Transit Fare Inspector Deployment

- **The San Francisco Municipal Transportation Agency’s (SFMTA) Proof of Payment (POP) enforcement staff are assigned across the light rail system and are in a pilot phase of being introduced to buses. The POP program currently deploys its Transit Fare Inspectors (TFIs) to cover the whole light rail system, so that all light rail riders face a chance of being inspected. A pilot program has some TFIs facilitating bus boarding. Work assignments are guided by the program desire to vary assignments for individual TFIs, while avoiding assignments that might put TFIs in harm’s way.**
- **SFMTA and POP program objectives do not guide deployment. Deployments fail to strategically cover the system and involve unproductive time. The current deployment method fails to (a) maximize contacts, warnings, citations, or ancillary safety and customer service benefits, (b) match coverage – including shift start and end times, team assignments, or lunch breaks – to system ridership, (c) ensure full system coverage, (d) ensure targeted, balanced, or coordinated Muni Metro station coverage, (e) emphasize inspections of known problem areas, and (f) minimize non-productive time due to lengthy transit rides or avoidance of overcrowded trains. Extended and unscheduled breaks, late departures to the field, early returns from the field, and unnecessary administrative time cut down on the time TFIs spend actively conducting fare inspections.**
- **The POP program should develop objectives and use those objectives to guide the deployment of its fare inspection staff. Such a strategy should consider traffic according to line, district, and time of day, as well as areas of high fare evasion. In addition, POP program managers and Transit Fare Inspection Supervisor/Investigators should work with TFIs to clarify downtime and continue efforts to maximize active deployment.**

Current Deployment Practices

The SFMTA’s Proof of Payment (POP) program conducts fare inspections on Muni light rail vehicles, in Muni stations, and in other designated Proof of Payment Zones. When conducting inspections, Transit Fare Inspectors (TFIs) request that passengers present either a valid pass or transfer. If a rider fails to display a valid pass or transfer to a TFI, the TFI will issue either a verbal warning or a written citation to the individual.

Team Assignments

As of April 2009, the POP program had an active force of 46 TFI staff. Six Transit Fare Inspection Supervisor/Investigators (Supervisors) oversee six TFI teams covering three shifts, as summarized in Table 3.1, below.

Table 3.1
TFI Team Schedules

Team	Shift Time	Team Days	Current TFI Count
Day A	5:30 a.m. to 2:00 p.m.	Monday to Friday	8
Day B	5:30 a.m. to 2:00 p.m.	Monday to Friday	7
Midday A	10:00 a.m. to 6:30 p.m.	Sunday to Thursday	7
Midday B	10:00 a.m. to 6:30 p.m.	Tuesday to Saturday	8
Swing A	2:30 p.m. to 11:00 p.m.	Sunday to Thursday	8
Swing B	2:30 p.m. to 11:00 p.m.	Tuesday to Saturday	8

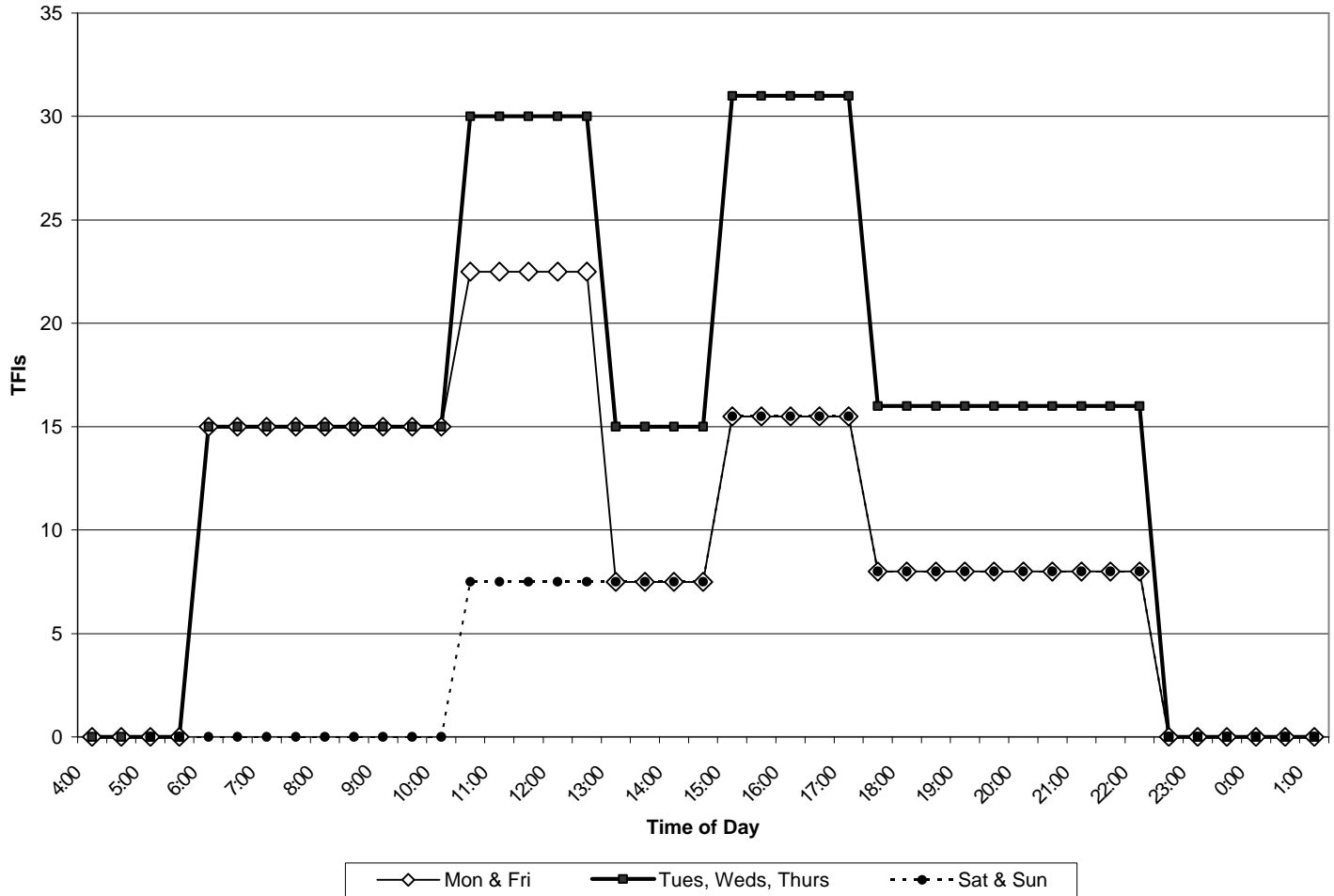
Source: Interviews with SFMTA.

As shown in Table 3.1, above, the Day A and B shifts work Monday through Friday, the Midday A and Swing A shifts work Sunday to Thursday, and the Midday B and Swing B shifts work Tuesday through Saturday. Therefore, TFI staffing varies depending on the day of the week and time of day.

Average in-field coverage, by day, is summarized in Figure 3.1, below. Figure 3.1 shows two peaks in staffing. The first staffing peak represents the time of day when the Day and Midday shifts are both in the field, a period from approximately 10:30 a.m. to 1:15 p.m. The second staffing peak occurs when the Midday and Swing shifts overlap, a period from approximately 3 p.m. to 5:45 p.m. Both peaks are highest Tuesday, Wednesday, and Thursday, when the POP program deploys six teams per day, as opposed to four teams on Monday and Friday and two teams on Saturday and Sunday. Also, because there is no weekend Day shift, there is only one 3 p.m. to 5:45 p.m. peak on Saturday and Sunday.

Figure 3.1

TFI In-Field Staffing, by Day, March 2009 (excluding lunch breaks)



Source: Budget Analyst calculations based on SFMTA POP program data.

TFI Workday Schedule

A typical 8.5 hour TFI workday is based on the following schedule:

- Team briefing and deployment (0.5 hours)
- First line assignment (approximately 3.5 hours, including 15 minute paid break)
- Lunch Break (unpaid, 0.5 hours)
- Second line assignment (approximately 3.25 hours, with 15 minute paid break)
- Return to office, paperwork, team debrief, and dress down (0.75 hours)

Although not specified in the TFI training manual, an 8.5 hour TFI shift includes an estimated 2.5 hours of non-inspection time, excluding the 30-minute unpaid lunch break. This non-inspection time has historically included:

- 30 minutes at the start of the shift for the team briefing and administrative work
- 60 minutes at the end of the shift for administrative work and dress down¹
- Two paid 15-minute breaks
- Additional restroom breaks, as needed (estimated 15 minutes each)

The POP program assumes that the remaining 5.5 hours is spent actively conducting fare inspections, except during special assignments.²

TFI Assignments and Discretion

The SFMTA deploys TFIs seven days a week, year-round, including holidays. The POP program assigns TFIs to a light rail line and segment, a downtown Metro station platform, or to a bus stop as part of the bus pilot. TFIs conduct fare inspection in pairs or trios, and receive a separate before-lunch and after-lunch assignment. Because line assignments change weekly, TFI pairs or trios will work the same two line assignments five days in a row. The 16 fare inspection assignments are summarized in Table 3.2, below.

TFIs are afforded some discretion in carrying out their line assignments.

- When assigned a line and district, TFIs are responsible for inspecting trains on that line and in that district, in either direction. The POP program does not require that TFIs inspect an entire line segment, from the first to the last station in a district.
- All TFIs enter and exit the system through Van Ness Station. TFIs may take any line to get to their assignment area, but will usually not conduct inspections on an unassigned line that they are using for transportation. The purpose of not conducting such inspections is that they do not want to duplicate effort and inspect a train that may have already been inspected. However, TFIs may conduct an inspection in the event they observe fare evasion.

¹ In January 2009, POP management cut the time allotted to end of shift administrative work, team debriefing, and dress-down from 60 to 45 minutes.

² Other assignments may include special event assistance (e.g., San Francisco Giants games, assisting with Muni Metro station traffic on Independence Day) or school boarding assistance.

Table 3.2**TFI Fare Inspection Assignments**

Muni Line	District	Stations Covered
J Church	1	Embarcadero to 20 th & Church
J Church	2	20 th & Church to Balboa Park
K Ingleside	1	Embarcadero to West Portal
K Ingleside	2	West Portal to Balboa Park
L Taraval	1	Embarcadero to West Portal
L Taraval	2	West Portal to SF Zoo
M Ocean View	1	Embarcadero to West Portal
M Ocean View	2	West Portal to Balboa Park
N Judah	1	4 th & King to Church & Duboce
N Judah	2	Church & Duboce to 19 th Ave & Judah
N Judah	3	19 th Ave & Judah to Ocean Beach
T Third	1	West Portal to 3 rd Street & Marin
T Third	2	3 rd Street & Marin to Williams
T Third	3	Williams to Sunnydale
Platform	n/a	Station unassigned; TFI partners select a station to cover
TEP	n/a	Bus pilot program; various bus stops

Note: The POP program does not regularly conduct fare inspections on the F Market & Wharves line, cable car lines, or buses. See the Section 9, *POP on Buses* for more information.

Source: Interviews with SFMTA.

- TFI pairs or trios assigned to “Platform” can conduct inspections at the Muni Metro station and primary or secondary platform of their choice. This platform selection may vary from day to day, or within the same shift.
- TFIs do not conduct inspections on tightly crowded trains. In such circumstances, safety, good will, and simple practicality prevent TFIs from conducting fare inspections. When TFIs are assigned to a vehicle that is too crowded to inspect, they must wait for another vehicle or conduct unscheduled off-vehicle inspections.
- If at the end of shift a TFI pair or trio arrive at Van Ness Station early, they may conduct platform inspections in that station, regardless of their assignment.

POP Program Deployment Strategy

FY 2006-07 SFMTA Proposal

In FY 2006-07, the SFMTA increased POP staffing in order to expand POP to buses, focus on the busiest lines, and decrease fare evasion with the ultimate intention of

increasing fare revenue by \$14 million. According to the SFMTA's FY 2006-2007 budget discussion of Proof of Payment:

This (decreased rate of fare evasion) will be accomplished by providing additional staff to randomly patrol and survey at least twenty-five (25 %) percent of the heaviest routes in our system to ensure that passengers have a valid fare instrument while riding. [...]

The expansion of the Proof of Payment program will begin with the Fare Inspector surveying the heaviest routes within the transportation system. These routes would include those runs with 20,000 or more in ridership: Routes J, K, L, M, N; Route 1, 14, 15, 30, 38, and 49.

Actual Deployment Strategy

Two ideas guide the Proof of Payment program's actual deployment of TFIs. The first is system randomness, meaning that anyone riding Muni light rail is subject to fare inspection. Line and station coverage and time of coverage, therefore, vary week-to-week. The second guiding idea is offering job variety to the TFIs. Some POP program staff consider some assignments to be more favorable than others. Therefore, from a staff fairness perspective, the program attempts to vary work assignments from week to week.

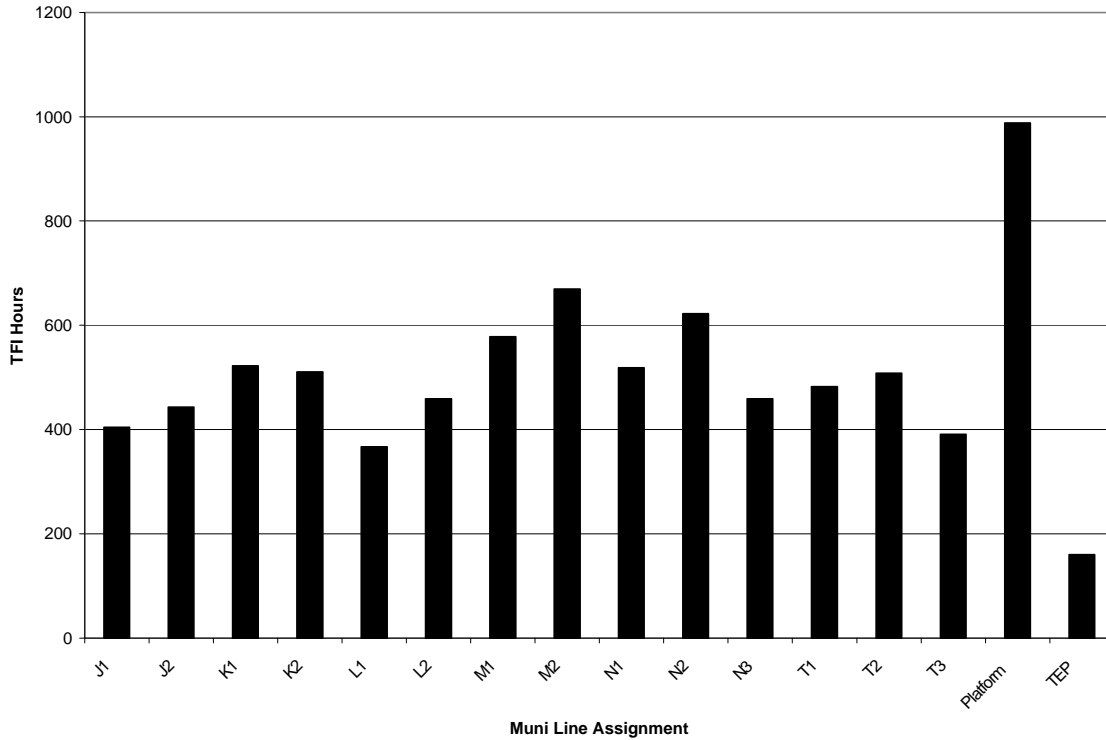
One POP Supervisor is responsible for the weekly line assignments, with general guidance provided by POP program management. In addition to the two schedule considerations noted above, the POP program also considers staff absences and any relevant line safety concerns when designing the schedule. The department does not tabulate total line or assignment coverage over time.

Based on weekly line assignment sheets provided by the POP program, for the weeks of July 19, 2008 through January 10, 2009, the Budget Analyst compiled total TFI deployment hours, by line assignment. These hours are summarized in Figure 3.2, below. Note that "TEP" refers to the Transit Efficiency Project, the bus pilot assignment (see Section 9, *Proof of Payment on Buses*).

In the period from July 19, 2008 to January 10, 2009, of the 14 line assignments, the POP program assigned the fewest TFI hours to the L Taraval line and the most TFI hours to the M Ocean View line. The POP program assigned the most overall hours to coverage of Muni's five downtown Metro stations. Table 3.3, below, summarizes assignment hours, by combined Muni lines, and percentages by all lines, combining districts. The table shows that although "platform" was the most common assignment, it only represents one-eighth of all TFI assigned hours.

Figure 3.2

**TFI Deployment Hours, by Line Assignment
(July 19, 2008 to January 10, 2009)**



Source: Budget Analyst calculations based on SFMTA POP program data.

Table 3.3

**TFI Deployment Hours, by Line Assignment
(July 19, 2008 to January 10, 2009)**

Station	J	K	L	M	N	T	Platform	Total
Total TFI Hours	847	1,033	826	1,248	1,600	1,381	988	7,922
% of Assigned TFI Hours	10.7%	13.0%	10.4%	15.8%	20.2%	17.4%	12.5%	100.0%

Source: Budget Analyst calculations based on SFMTA POP program data.

POP Deployment Is Not Guided by Goals or Objectives

In its review of various proof-of-payment program Inspection Strategies, the Federal Transit Administration's Transit Cooperative Research Program (TCRP) writes: "given finite resources, a trade-off must be made between conducting inspections across the system and focusing on specific problem areas." They further advise:

An agency should develop an inspection strategy based on its goals for deterring fare evasion, coupled with its resource constraints (i.e., the number of dedicated inspection personnel, as well as the potential for temporary additional staff when needed) and possibly anticipated evasion patterns. Where feasible, an agency should seek to supplement its normal inspection process with targeted 100% sweeps.

As is discussed in Section 1, *Proof of Payment Performance Management*, the POP program lacks clearly defined objectives and does not measure or communicate its progress toward achieving any objectives. The program's deployment strategy lacks similar guidance. While the existing deployments spread coverage around the system, vary assignments for individuals, and attempt to avoid potentially dangerous assignments, the POP does not consider other factors, such as (a) maximizing contacts, (b) targeting high evasion areas, and (c) minimizing downtime. The POP program has not targeted deployments toward the busiest transit routes, as the SFMTA intended.

Furthermore, although the Federal Transit Administration recommends supplementing regular inspections with 100 percent sweeps, the POP program does not currently conduct such operations, although it has procedures in place.³

Transit Fare Inspector Deployments Are Not Well Synchronized with Ridership and Evasion Activity

Deployment and Ridership Times

Team assignments and shift schedules are made without full regard to periods of system ridership and congestion. As of April 2009, the Day (5:30 a.m. – 2 p.m.), Midday (10 a.m. – 6:30 p.m.), and Swing shifts (2:30 p.m. – 11 p.m.) were relatively evenly staffed (15, 15, and 16 TFIs, respectively). Figure 3.3, below, compares average weekday TFI deployments with estimated Muni light rail system boardings. Staffing levels are represented by the dark line and light rail boardings are represented by the gray area. The TFI staffing line accounts for scheduled lunch breaks; these lunch breaks are represented by the three valleys in the curve.

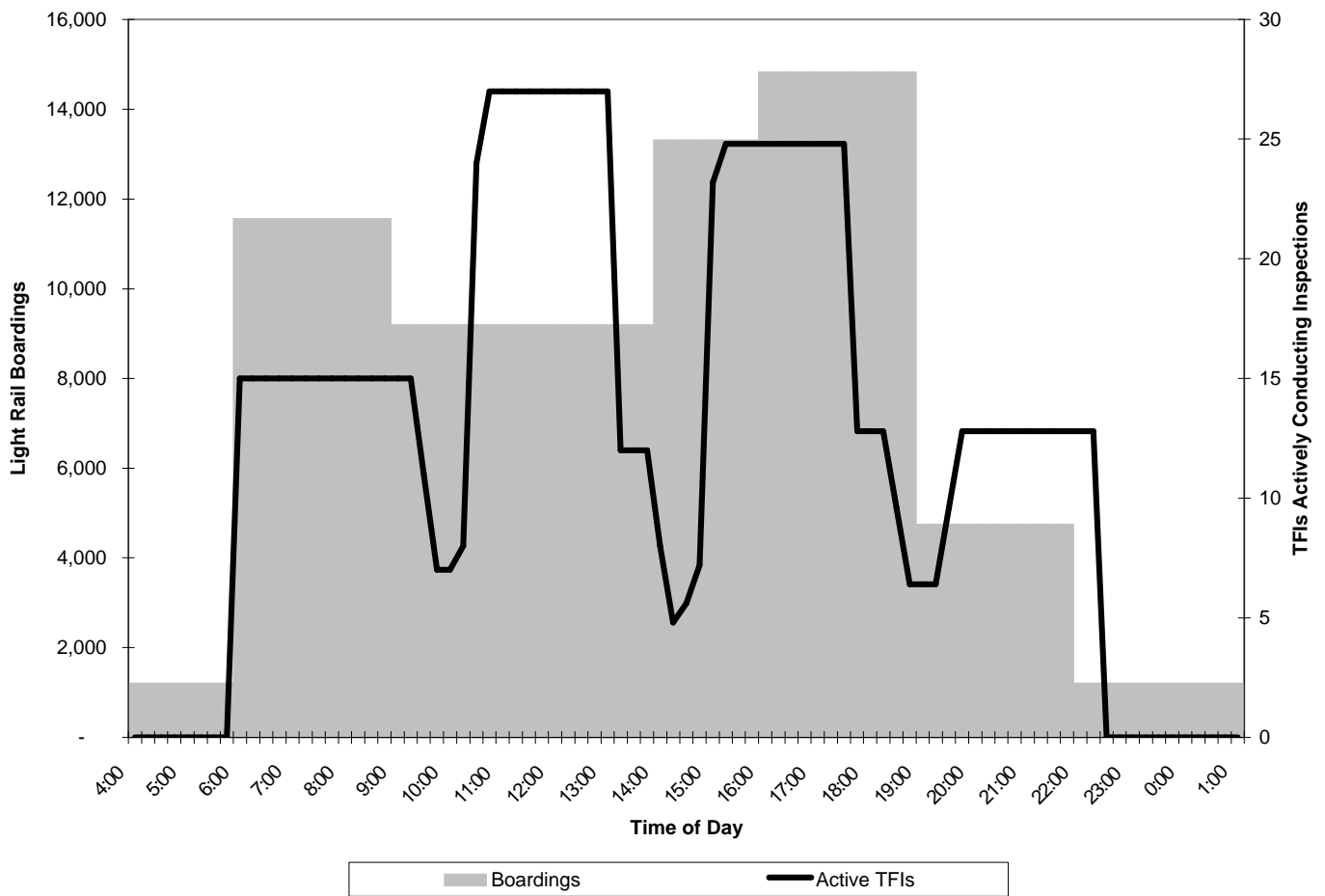
As Figure 3.3 reveals, average weekday deployments do not align with ridership times.

³ The TFI training manual refers to 100 percent sweeps as "blitzes."

- Although peak average weekday TFI deployments take place between 10:30 a.m. and 1:15 p.m., this is the period of lowest daytime ridership.
- During the Mid-Day Shift’s lunch break, TFI coverage drops to less than five inspectors system-wide compared to assignments of 14 to 15 TFIs during midday shift overlaps, yet these breaks are occurring during the third busiest period of the day when students and some early commuters are using the system.
- The evening commute is the period of day with the greatest number of system boardings, yet the Midday shift is just ending as the evening commute ramps up. Furthermore, TFIs are relatively underrepresented during the evening commute on Mondays and Fridays, when there is only one swing shift of eight TFIs covering the light rail system.

Figure 3.3

Weekday Average POP Coverage (Winter 2008-09) vs. Average Weekday Muni Light Rail Boardings



Source: Budget Analyst calculations based on SFMTA POP program data and TEP ridership data.

Deployment and Line Ridership Location

As is noted above, the SFMTA's increased investment in the POP program that commenced in FY 2006-07 was with the intention that TFI deployments would be targeted to the heaviest routes in the system. However, as is also noted above, POP management does not currently consider ridership when deploying TFIs. TFI line and district assignments are disproportionate to ridership statistics. For instance, the ratio of boardings to TFI staff hours on the L Taraval line is almost three times that of the K Ingleside/T Third lines. Furthermore, although the POP program only assigned 12.5 percent of TFI hours to Muni metro platforms, TFIs issue more than half of their citations on Muni Metro platforms. Figure 3.4 compares Muni light rail boardings to TFI work hours.

Line District Coverage

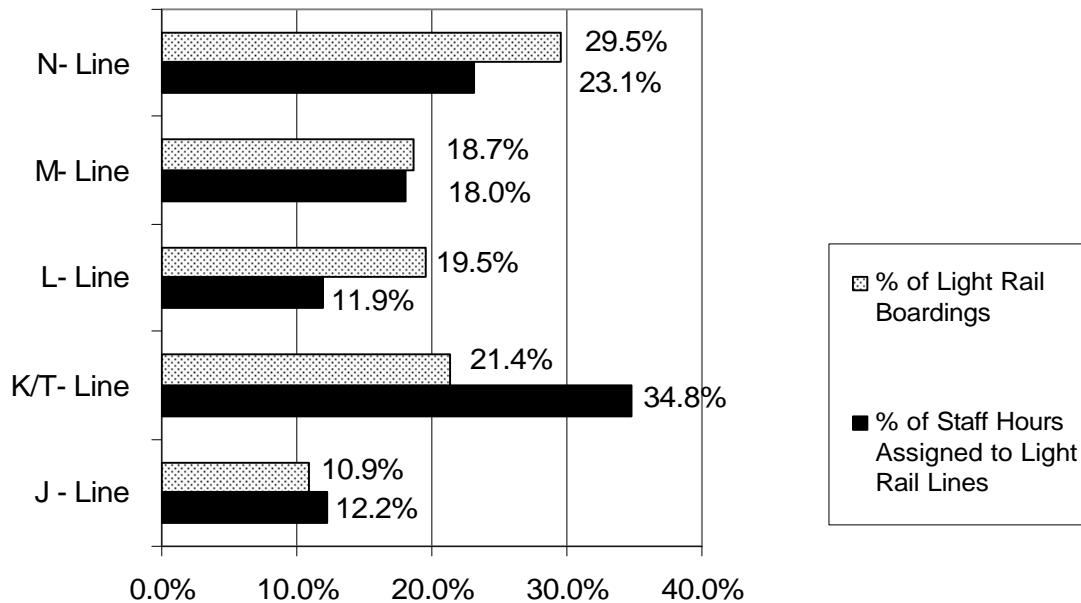
TFIs do not cover individual rail line assignments evenly, nor do Supervisors require it. The POP program utilizes an out-on-the-line, back-on-the-line dispatch method that, due to transit times, discourages inspection of the more distant stations and encourages TFIs to cover the portion of their assignment closest to their Van Ness Station departure/return point. For example, while Section 2 of the N-Judah line runs from the Duboce/Church Street station to Judah and 19th Avenue, a TFI may tend to conduct inspections closest to the Duboce/Church Street station, excluding the bulk of the line assignment. Therefore, Muni riders in outlying stretches of the Muni light rail system are less likely to be inspected than those riding closer to the urban core.

Muni Platform Coverage

Coverage of Muni Metro station platforms is uneven. Because TFIs with a platform assignment select the station they wish to work at, the POP program fails to guarantee either strategic or even coverage of station platforms. Primary entrances are not covered in coordination with coverage of a station's secondary entrance. Fare evaders and would-be fare evaders who recognize inspection staff may opt for the other entrance. Furthermore, the POP program does not aggregate data on platform staffing, therefore it does not know how fare inspection coverage is distributed across Metro station platforms.

Fare Evasion Hotspots

The POP program does not make assignments according to known areas of high fare evasion. One reason for this is that the program does not regularly maintain a master log of where or when fare evasions are occurring. This and other data deficiencies are discussed in greater detail in Section 1, *Proof of Payment Performance Management*.

Figure 3.4**Percent of Light Rail Boardings vs.
Percent of Staff Hours Assigned to Light Rail Lines**

Source: Budget Analyst calculations based on SFMTA POP program data..

POP Does Not Maximize TFI Productive Time

As is noted above, the POP program estimates that a typical 8-hour shift involves only 5.5 hours of active fare inspection. Although active inspection time has increased to 5.75 hours due to the program's abbreviation of end-of-shift administrative work time, some assignments and some TFIs' work habits further erode the time spent actively conducting fare inspections. Also, despite the aforementioned reduction in end-of-shift administrative time, the POP program may still be granting TFIs more administrative time than is necessary to complete administrative work.

Numerous TFI Assignments Involve Unproductive Time

Some Muni line assignments are inherently loaded with nonproductive time. The two biggest causes of this time are transit time to and from an assignment, and wait time between trains.

Transportation to Assignments

While riding to an assigned district, TFIs will inspect the car or cars on their train, but then only conduct periodic inspections of additional boarders. Covering the second and third districts can involve a disproportionate amount of transit time, during which TFIs

conduct relatively few inspections. For example, traveling from Van Ness Station, where all POP staff enter and exit the light rail system, to the end of the T Third line can take 94 minutes or longer, round-trip. Therefore, TFIs could spend approximately half of a three-hour assignment in transit alone. TFIs are therefore not able to conduct as many inspections in these parts of the system. Furthermore, as is noted above, TFIs will often fail to reach the end of a district assignment to conduct inspections.

Wait Time between Trains

TFIs conducting fare inspections on light rail lines will typically board a train, conduct inspections in the train car and then disembark. On a two-car train they will conduct inspections on the uninspected cars prior to disembarking. Once they have disembarked, they will wait on the platform for the next train. Although they may enforce SFMTA quality-of-life rules or provide other benefits while on the platform, TFIs are mostly idle while waiting between trains. They can reduce idle time by opting to catch a train in either direction, but even then they may experience extended idle times.

This waiting time is pronounced on the T Third line, where trains are scheduled to run every 9-10 minutes during weekday peak hours, and less frequently at other times. Because Muni only runs one-car trains on the T Third line, TFIs may have a 10 minute delay or more between each car they inspect. Although there are ticket machines on-site, T Third platforms are not designated Proof of Payment Zones. Therefore, TFIs are not able to perform fare on-platform fare inspections on the T Third.

Some TFIs Extend Breaks and Take Extra Breaks

Some TFIs are taking more frequent and longer breaks than are scheduled. Although they are allotted one unpaid 30 minute lunch, two paid 15 minute breaks, and additional time for bathroom breaks, they are extending these breaks and therefore cutting down on the time in which they are conducting fare inspections. The Budget Analyst observed:

- TFIs extending 15 minute breaks to 30 minutes and longer.
- TFIs traveling beyond their assigned districts for their 15 minute paid breaks, without considering the travel time as part of their 15 minute break, effectively doubling the amount of non-inspection time.
- TFIs extending 30-minute unpaid lunch breaks into paid time, nearly doubling their lunch breaks.

The cumulative impact of these practices can reduce the time spent conducting fare inspections from 5.75 hours per 8-hour shift to 4.5 hours or less, a more than 20 percent reduction in productive time. This may be one reason for the relatively low fare inspector productivity numbers discussed in Section 2, *Proof of Payment Staffing Needs*.

POP Supervisor/Investigators have historically spent two to three hours in the field per day, on average. Realistically, this leaves a maximum of 30 minutes that a Supervisor could spend, daily, observing TFI work habits in the field.

Some TFIs Depart for the Field Late and Return Early

Although POP management strives to deploy TFIs into the system no later than 30 minutes after the beginning of a shift, and discourages return earlier than 45 minutes before the end of a shift, some TFIs depart late and return early. This behavior may cut into productive time 15 minutes or more on either end of the work day, thus reducing productive time upwards of 30 minutes. The POP program does not log TFI departure or return times.

TFI Shifts Involve Unnecessary Administrative Time

Until January 2009, the POP program allotted a minimum of 90 minutes per shift for administrative time: 30 minutes at the beginning of a shift and an hour at the end.

- At the beginning of a shift, TFIs were given 10 minutes to dress before the daily briefing, time after the briefing to check mail and email and make any other shift preparations, and then depart for the field.
- The POP program expected TFIs to return to the office an hour prior to the end of their shift in order to complete administrative work.

Despite these schedules, the Budget Analyst observed TFIs departing the office more than 30 minutes after the beginning of their shifts and returning to the office more than an hour before the end of their shifts.

In January 2009, the POP program made changes to the administrative time policy.

- Briefings now start at the beginning of the shift. TFIs must dress on their own time. The POP program is working to have TFIs depart less than 30 minutes into their shift.
- The POP program now expects TFIs to return to the office no sooner than 45 minutes prior to the end of their shift to complete administrative work. Supervisor/Investigators now conduct a 5-minute team debriefing with 15 minutes left in the shift. TFIs are allotted the final 10 minutes of a shift for dress-down.

Although these changes have increased the time TFIs spend in the field by at least 15 minutes, late departures and early returns continue to occur. Furthermore, at least for some staff members, the time allowed for completing paperwork is more than ample, and staff wait idly for the debriefing to commence.

The POP Program Should Implement 100 Percent Sweeps or Blitzes

The Federal Transit Administration's Transit Cooperative Research Program (TCRP) recommends conducting occasional 100 percent sweeps, where feasible, "to supplement one of the random inspection strategies. It has been found to be a useful strategy by many agencies, but it too requires extra personnel (on a temporary basis)." The TCRP also finds 100 percent sweeps to be the best way of determining a transit system's fare evasion rate (see Section 1, *Proof of Payment Performance Management*). The TCRP "100 percent sweep" is effectively identical to SFMTA POP program's "blitz." The POP program's training manual for Transit Fare Inspectors (updated March 2008) provides procedures for blitzes.

Despite having procedures in place, the POP program does not currently conduct or plan to conduct blitzes or sweeps.

Conclusions

The POP program's deployment strategy is mindful of process, but not objectives. The current deployment method does not (a) maximize contacts, warnings, citations, or ancillary safety and customer service benefits, (b) match system coverage—including shift start and end times, team assignments, or lunch breaks—to system ridership times or locations, (c) ensure full system coverage, (d) ensure targeted, balanced, or coordinated Muni Metro platform coverage, (e) emphasize inspections of known problem areas, and (f) minimize non-productive time due to lengthy transit rides or avoidance of overcrowded trains.

The SFMTA loses additional productive time due to: (a) downtime inherent in the current deployment and inspection strategies, (b) TFIs taking extended and additional breaks that decrease productive time by 20 percent or more, (c) late departures and early returns, and (d) more administrative time than is required to accomplish administrative tasks. However, the POP program has taken steps toward increasing the time TFIs spend actively conducting fare inspections.

Finally, although a Federal Transit Administration program recommends 100 percent sweeps, and the POP program has guidelines for similar blitzes, the POP program is not conducting concentrated fare inspections.

Recommendations

In order to decrease TFI idle time in the field, the SFMTA Board of Directors should:

- 3.1 Evaluate designating elevated Muni platforms, including the T Third light rail platforms, as Proof of Payment Zones. Such a designation would allow TFIs to conduct inspections on these platforms, and would exclude non-patrons from these areas, which have had additional problems of graffiti and other vandalism.

In order to improve POP program efficiency and maximize the time TFIs spend conducting fare inspections, the Deputy Director of SFMTA Security and Enforcement should:

- 3.2 Bolster the program's understanding of its deployments by maintaining ongoing logs of:
 - a) Hours assigned to various lines and districts, including specific Metro platforms.
 - b) Areas of high evasion and other safety and customer service needs.
 - c) Team departure and return times.
- 3.3 Develop a staffing and line assignment strategy that:
 - a) Is synchronized to Muni ridership patterns and other strategic objectives.
 - b) Minimizes the impact of diminished system coverage due to lunch breaks and shift changes during peak system ridership periods.
 - c) Specifies and coordinates Muni Metro station platform coverage and provides simultaneous coverage of primary and secondary entrances, when appropriate.
 - d) Allows for alternative assignments for TFI pairs and trios during periods of overcrowding or line delays.
 - e) Targets areas known to have high levels of fare evasion.
 - f) Provides sufficient coverage of the evening rush-hour on Mondays and Fridays.
- 3.4 Adjust staff deployment to minimize non-POP transit time and to ensure coverage of the full length of the various transit line districts. The Deputy Director may consider utilizing the existing POP automobile, BART, Muni bus, or other transportation methods to deploy staff to light rail lines terminuses.

- 3.5 Work with the POP Operations and Investigations Manager to streamline Supervisor administrative requirements and increase Supervisor field time.

In order to bolster the POP program's fare enforcement effort, the Deputy Director of Security and Enforcement should:

- 3.6 Develop a calendar of periodic 100 percent sweeps or blitzes, in accordance with POP program procedures, varying by time of day and location, and coordinated with the Muni Response Team.

In order to minimize down-time and abuse of break periods, the POP Operations and Investigations Manager should work with Supervisor/Inspectors to:

- 3.7 Continue to emphasize timely departures and discourage early returns in order to maximize the portion of the work day spent in conducting fare inspections.
- 3.8 Clarify the break policy, including break times and appropriate break locations, convey this policy clearly, and enforce this policy with formal, documented site checks.

Costs and Benefits

Implementation of these recommendations would increase the efficiency of TFI deployments, which will have a corresponding increase in the number of passenger contacts, warnings, and citations. The added presence will increase SFMTA's citation revenues, at least until which time that the POP program is able to achieve significant reductions in fare evasion among Muni passengers. Implementation of these recommendations would also increase fare revenues by creating greater disincentives to evasion.

4. Complaints and Complaint Handling

- Muni's Customer Services unit converts passengers' complaints, comments, questions, and compliments into Passenger Service Reports (PSRs) and distributes Proof of Payment (POP) related reports to the POP program in both electronic and hard-copy. Relatively few of Muni's PSRs concern the POP program or fare evasion. In the 46-month period from January 1, 2005 to October 31, 2008, Muni received a total of 65 PSRs coded as "Fare Evasion" and 329 PSRs coded as "Non-Enforcement of Fare Collection." Combined, these PSRs accounted for less than 0.5 percent of all Muni PSRs. By contrast, in 2007, the Muni received 1,791 PSRs coded as "Abusive Speech/Manner."
- Despite Muni's relatively few fare evasion-related PSRs, the POP program's review of fare evasion-related PSRs is subject to redundancy and breakdowns in internal controls. The POP program does not maintain a log or otherwise aggregate PSR data; it lacks standards for responding to passengers; and it does not review closure times or have a standard for PSR closure. Furthermore, POP Supervisors are duplicating effort, with the same Transit Fare Inspection Supervisor/Investigators (Supervisors) filing the same PSR more than once, or more than one Supervisor investigating the same PSR.
- The POP program should improve its handling of PSRs to ensure that it handles rider concerns in a systematic, consistent, and appropriate fashion. The program should work with Muni's Customer Services unit to train all Supervisors on Muni's Trapeze PSR system and should discontinue the handling of PSRs in hard-copy. POP management should review and sign-off on all PSRs prior to PSRs being designated as closed. The program should develop performance objectives for PSR handling and hold staff accountable to achieving those objectives.

Complaints Regarding Fare Evasion

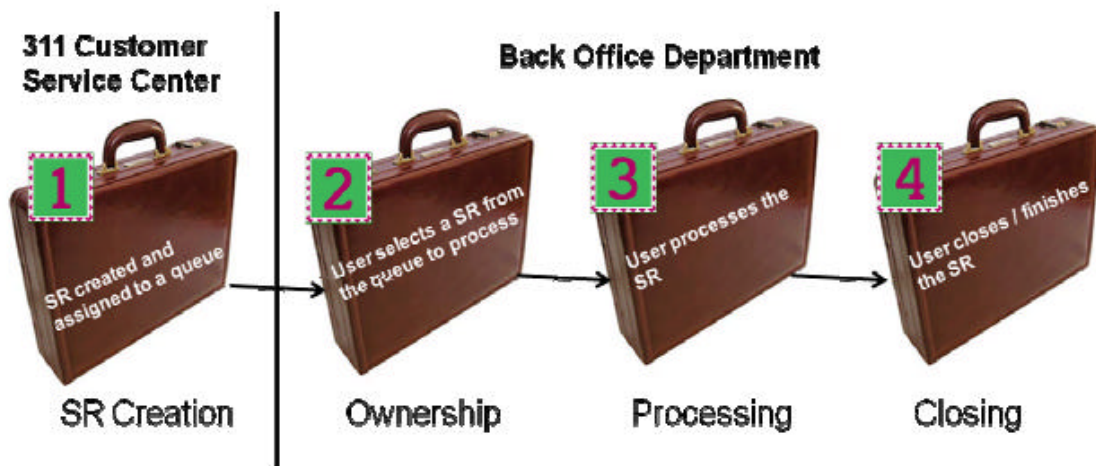
Muni receives complaints, comments, and compliments through a variety of channels. The Muni Customer Services unit inputs this feedback into Muni Passenger Service Reports (PSRs). Since the opening of the 311 Customer Service Center in March 2007, 311 has become the primary feedback avenue, accounting for a Muni Customer Services unit-estimated 98 percent to 99 percent of all PSRs.

PSR Process

311 is the first point of contact for most members of the public who are providing POP feedback to the San Francisco Municipal Transportation Agency (SFMTA). Figure 4.1, below, from 311’s Managing Service Reports manual, illustrates the recommended major steps involved in handling PSRs. Step 1 is handled by 311, where approximately 98 percent to 99 percent of all SFMTA PSRs originate. Step 2 is handled by the Muni Customer Services unit. For POP-related PSRs, the POP program handles Step 3 “Processing” and 4 “Closing.”

Figure 4.1

311 Customer Service Center’s Recommended Service Report Handling Process for Departments



Note: SR = Service Request.

Source: “Managing Service Reports,” 311.

311 Customer Service Center

The 311 Customer Service Center receives complaints, comments, and compliments via phone, web, and email. Upon receipt of a phone call, the 311 operator will enter the details of the call or email, including preliminary coding, into the center’s Lagan e-form.

Muni Customer Services Unit

Muni Customer Services unit staff log into the Lagan system to retrieve all SFMTA-related feedback. Currently, the Muni Customer Services unit must manually move all information from the 311 Lagan system into its own Trapeze feedback processing system. In the process of this translation, the staff will verify that the 311 staff assigned the proper numeric code, and update the code if necessary. If the commenter provided an

address, the Muni Customer Services unit will mail a letter acknowledging the receipt of the PSR.

When the Muni Customer Services unit determines that a PSR is actionable, it will then forward that PSR to the relevant department electronically via Trapeze and in hard copy via interoffice mail. In addition, the Muni Customer Services unit e-mails copies of actionable PSRs to departments that are not active Trapeze users for review and follow-up.

POP Program

The Muni Customer Services unit recommends that SFMTA divisions, including the POP program, follow the following steps for processing PSRs:

1. Identify what resolution action is appropriate,
2. Respond to this (Muni Customer Services unit) email with your planned action,
3. Advise us if you would like us to follow up with the customer regarding the matter (or if you prefer to contact the customer on your own) and
4. Provide us an update when/if the issue has been fully resolved.

The POP program does not have Trapeze access, so it handles the hard copies it receives via interoffice mail. The POP Administrative Support Staff passes the PSRs to the Supervisor-level Administrative Sergeant. Based on the information in the PSR, the Administrative Sergeant determines which team will be assigned the PSR. If she cannot determine a team, she will follow up with the passenger via phone or post mail. Otherwise, she will forward the PSR to the Supervisor responsible for the TFI involved in the PSR, if any. The Supervisor is then responsible for investigating the PSR, addressing any concerns with the relevant TFI, and contacting the passenger, if possible. Upon completion of the investigation, the Supervisor returns the PSR to the Administrative Sergeant with a handwritten account of the investigation on the PSR. Some complaints are copied to POP program management. The Administrative Sergeant files the hard copy with the Administrative Assistant. The POP program emails the Muni Customer Services unit to indicate when a PSR is closed.

PSR Process Summary

Figure 4.2, below, illustrates the POP PSR process flow in greater detail.

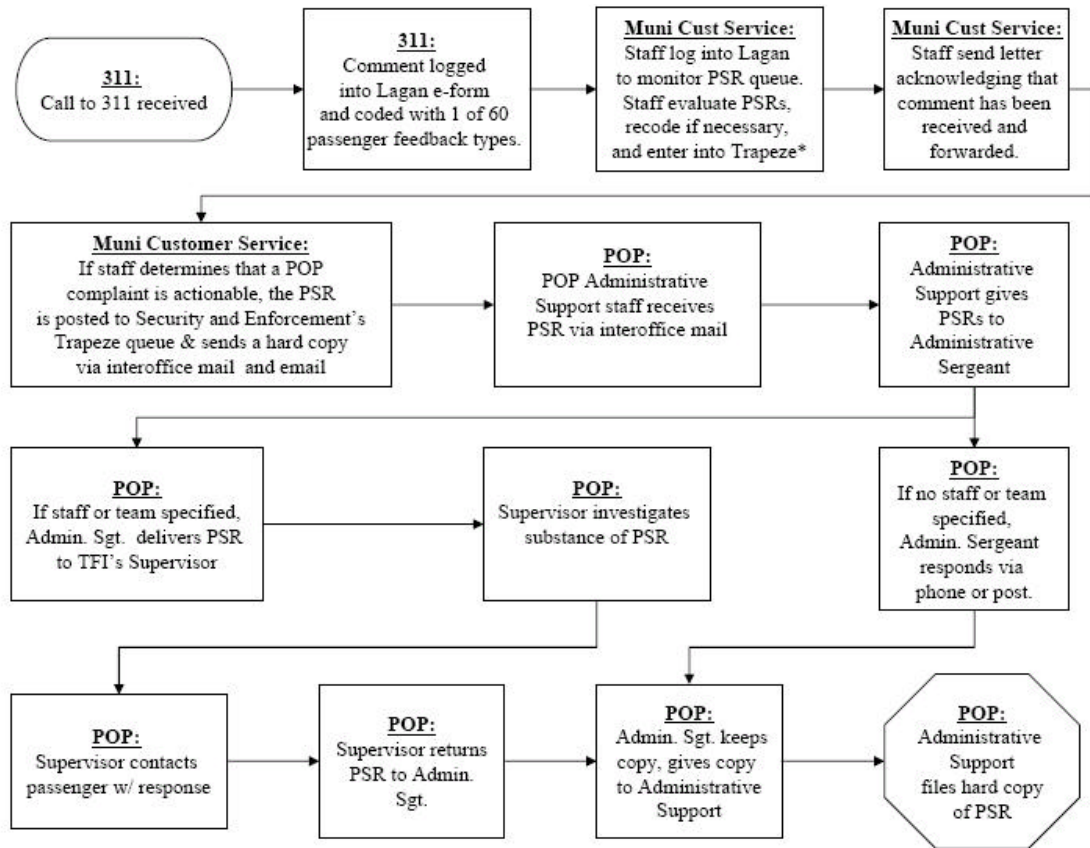
311 and PSR Volume

The implementation and growth in popularity of 311 increased Muni's overall PSR volume. 311's publicity, awareness, and ease-of-use have generated a steady rise of 311 calls and a corresponding steady increase in Muni-related calls. Muni's PSR volume

increased from 13,614 PSRs in 2005 to 29,876 PSRs in 2008, an increase of 115.0 percent.

Figure 4.2

Process Flow: POP Program PSRs



* By the end of 2009, the Muni Customer Service unit expects products, services, and non-transit operator related feedback will stay in Lagan, while transit operator related comments will continue to be entered into Trapeze.

Source: Budget Analyst, based on SFMTA staff interviews

Few Complaints Are Aimed at POP, but POP Can Improve How it Handles Those Complaints

The Budget Analyst found that very few of Muni’s PSRs concern proof of payment or fare evasion. However, the POP program can improve how it handles the ones it does receive.

Few Passenger Service Reports Concern Proof of Payment

Muni receives relatively few PSRs related to fare evasion or proof of payment. From 2005 through 2008, a total of 62 PSRs—less than 0.1 percent of all Muni PSRs—were

coded as “Fare Evasion,” and 329 PSRs—or 0.4 percent of all Muni PSRs—were coded as “Non-enforcement of Fare Collection.” Combined, less than 0.5 percent of Muni PSRs involve fare evasion. Annual counts for POP-related PSRs and total PSRs are included in Table 4.1, below.

Table 4.1
Proof of Payment-related PSRs, by Category, 2005 to 2008

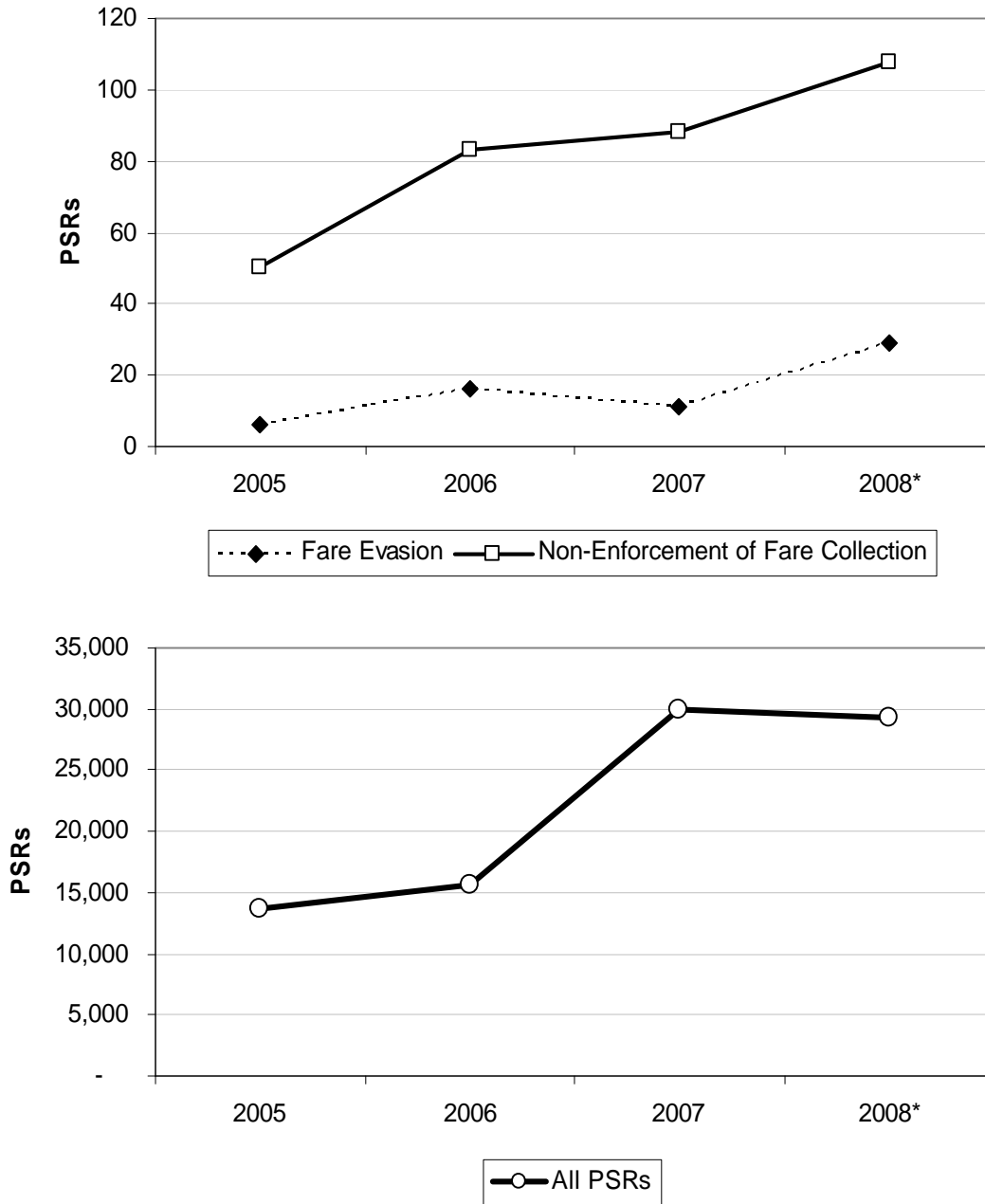
	2005		2006		2007		2008*		2005-2008	
	Total	% of total	Total	% of total	Total	% of total	Total	% of total	Total	% of total
Fare Evasion	6	0.04%	16	0.10%	11	0.04%	29	0.10%	62	0.07%
Non-Enforcement of Fare Collection	50	0.37%	83	0.53%	88	0.29%	108	0.36%	329	0.37%
All SFMTA PSRs	13,614		15,553		29,876		29,273		88,316	

*2008 Evasion and Non-Enforcement of Fare Collection statistics through October 31, 2008. All PSRs through December 31, 2008.

Source: Muni Customer Services Unit.

Although Fare Evasion-coded PSRs remained at 0.1 percent of all Muni PSRs in 2008, the 29 PSRs through October 31, 2008 represent a near-tripling of Fare Evasion PSRs from the year before. Overall, Fare Evasion PSRs increased 383.3 percent between 2005 and 2008, outpacing overall growth of PSRs of 115.0 percent in that period. The increase in 2008 may be due, in part, to the increased number of citations issued by TFIs in 2008. By contrast, Non Enforcement of Fare Collection PSRs grew at approximately the same rate (116.0 percent) as PSRs overall (115.0 percent). Annual changes from 2005 to 2008 are illustrated in Figure 4.3, below.

Figure 4.3
Changes in PSRs, 2005 to 2008



* Fare Evasion & Non Enforcement of Fare Collection Statistics through 10/31/08.
Source: Muni Customer Services unit.

POP's Handling of PSRs Has Shortcomings

The POP program does not systematically process or close POP-related PSRs. One POP staff member described the previous method of handling PSRs as “haphazard.” The POP program’s current processing of PSRs also has some limitations.

- Longer narratives are cut off in the hard copy PSRs, omitting many details at the end.
- The POP program does not maintain an electronic PSR log, and does not aggregate PSR types, responses, response times, or PSR closure information.
- The POP program cannot enter closure information into the SFMTA Trapeze system. Instead, the POP program must email closure information to the Muni Customer Services unit.
- The Muni Customer Services unit has a standard closure time of 30 days for PSRs. The POP program does not track its closure time, but works to meet the 30-day target. However, in 2008, several passengers did not receive responses from POP within two months of filing their feedback.
- The POP program only began retaining the hard copies of PSRs in 2008, including any results of Supervisors’ investigations.

These limitations and shortcomings have led to redundancy and inefficiencies. The Budget Analyst reviewed closed PSRs that were investigated redundantly by separate Supervisors and others that were filed twice by the same Supervisor. Some reports lacked relevant details due to the “Details” field being cut short in the hard copy. Other closed reports lacked any description of the Supervisor’s investigation.

Conclusions

Fare evasion complaints comprise a small portion of Muni’s complaints. In 2007, while Muni received 88 complaints coded “Non-enforcement of Fare Collection” and 11 complaints coded “Fare Evasion,” it received 4,710 complaints coded “Gaps or Delays in Service,” 2,765 complaints coded “Insufficient Service Schedule,” and 1,791 reports coded “Abusive Speech/Manner.”

Despite Muni’s relatively few fare evasion-related PSRs, the POP program’s review of fare evasion-related PSRs is subject to redundancy and breakdowns in internal controls. The Budget Analyst was not able to review POP-related PSRs prior to 2008 because the POP program only began filing or otherwise retaining copies of the PSRs in 2008. The Budget Analyst observed PSRs filed twice, PSRs being reviewed by two separate Supervisors without coordinating with one another, and customers receiving feedback more than two months after their submission.

Recommendations

In order to assure systematic, consistent, and appropriate review of POP-related Passenger Service Reports, the Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:

- 4.1 Discontinue the handling of PSRs in hard-copy and transition the POP program to the SFMTA's computerized Trapeze and 311's computerized Lagan systems, when access to those systems becomes available.
- 4.2 Provide training and access to Trapeze and Lagan to all POP Supervisors when access to those systems becomes available.
- 4.3 Review and sign-off on all PSRs prior to PSRs being designated as closed.
- 4.4 Develop, maintain, and periodically review an electronic log of PSRs, including date received, date closed, responsible Supervisor (if any), TFI (if any), a standardized action taken, and a standardized incident type.
- 4.5 Create written policies and procedures that codify the above and hold staff accountable.

Costs and Benefits

Implementation of these recommendations would reduce inefficiency and increase productive time by eliminating duplication of effort among POP Supervisors.

5. Fare Inspection Safety

- **Transit Fare Inspectors (TFIs) have daily public contact that is sometimes confrontational and occasionally requires emergency response. The Proof of Payment (POP) program trains TFIs in conflict resolution and avoidance during new employee training. POP managers review TFIs' responses to conflict and emergencies, in part, through internal incident reports. Despite this training and oversight, TFIs have been victims of verbal and physical assaults while conducting their work, and have differing understanding of how and when to involve emergency response.**
- **The POP program lacks adequate procedures to ensure the safety of TFIs. The POP program has changed its philosophies and policies over the years, and TFIs hired to conduct fare inspections from an enforcement perspective now serve in a program that emphasizes customer service techniques in conducting inspections. However, POP has not updated trainings and training materials to keep up with changes, and employee manuals are now outdated and contradictory. The POP program does not provide ongoing formal conflict avoidance and resolution training. POP managers and administrators do not adequately review and process incident reports. As a result, the TFIs do not approach emergencies and conflicts consistently. TFIs have differing understandings of POP program protocols for handling incidents that may require police assistance. And while some TFIs ably resolve conflict, others escalate situations.**
- **In order to protect the safety of TFIs and the public, POP management should clearly and consistently communicate its philosophies and practices to Fare Inspection Supervisors/Investigators (Supervisors) and TFIs. POP management should update all employee manuals and include materials on tactical communications. In particular, POP managers should articulate clear and unambiguous guidelines for TFIs requesting emergency response. The POP program should provide formal, regular retraining on tactical communication techniques, at least every three years. To ensure that TFIs are safe and are conducting their work in a safe fashion, POP management should improve its processes for handling and reviewing TFI incident reports, and use those reports to identify additional training needs and opportunities.**

Transit Fare Inspector Safety and Incident Reports

According to interviews with San Francisco Municipal Transportation Agency (SFMTA) staff, the Proof of Payment (POP) program's Fare Inspection Supervisors/Investigators (Supervisors) and Transit Fare Inspectors (TFIs) are aware of safety concerns in the field. The City does not grant TFIs police powers or equipment, such as arrest powers,

handcuffs, or pepper spray. Therefore, the POP program relies on avoiding and defusing conflict to keep TFIs safe in the field. Despite this conflict-avoidance model, TFIs have suffered verbal and physical assaults in the course of their work.

Incident Reports

Supervisors claim to have a limited period of time to conduct field visits with TFIs.¹ Therefore, POP management and Supervisors rely on incident reports, in part, for insight into TFI safety and other work concerns.

Purpose of Incident Reports

Incident reports are brief recounts of incidents and encounters which may result in a police report, complaint, or citation protest. Although TFIs have some discretion as to whether an incident meets these criteria, they always file incident reports for matters that involve police, fire, or medical personnel. TFIs also automatically file an incident report for all juvenile citations, since the court reviews these reports as part of the juvenile citation hearing.

The SFMTA may review incident reports when a passenger requests a hearing to protest a citation; a lawyer might request an incident report related to a lawsuit; and the POP management use incident reports when the reports are relevant to in discipline hearings. Otherwise, the POP program does not share incident reports outside of the POP program, such as with safety or risk management staff.

Incident Report Process

TFIs typically write incident reports at the end of their shift on the day the incident occurred. Supervisors review the reports before submitting them to the POP Operations and Investigations Manager. The Manager will review the reports, request any related police reports, and make a recommendation of corrective action if necessary. If an incident is high profile or otherwise requires another level of involvement, the Manager will pass on a report on to the Director and Deputy Director of Security and Enforcement. Ultimately the reports are filed with the Administrative Sergeant. TFIs submitted more than 130 incident reports in 2006, more than 400 in 2007, and more than 200 in 2008.

Incident Report Limitations

The POP program's logging and filing of incident reports has problems:

- The POP program has difficulty locating recent reports, including reports involving assaults on their own staff. When the Budget Analyst requested copies

¹ POP management disagrees with this assertion, and state that they have made efforts to increase Supervisors' field time.

of 2008 Incident Reports, the program did not include 12 reports related to incidents where TFIs were involved in physical or verbal assaults or accidents. After the follow-up request, the POP program still could not locate 6 of these reports, in full.

- Reports are not checked against the Case Number Log for accurate numbering. Several different 2008 reports were numbered 08-0000. Reviewed reports included other instances of misnumbering.
- Report trends are under-analyzed. The case log is handwritten, preventing the POP program from easily summarizing, searching, or analyzing incident trends. Incident types are not standardized. Inaccurate incident times are not corrected in the log.
- Incident Reports are not reviewed outside of the POP program. The SFMTA does not have a system to ensure that incident reports are reported to managers outside of the Security and Enforcement Division, such as by the SFMTA's risk manager. POP management does not analyze incident report to identify and develop procedures to address commonly occurring events.

POP management does attempt to note trends in locations, incident types, or individual TFIs. Because there is no formal review process, the identification of trends depends on POP management's recall of prior report details.

Outdated Training Materials and Limited Retraining Opportunities Compromise POP Program Safety

The POP program issues separate training manuals to TFIs and Supervisors. The POP program's accepted practices and emphases have changed with time, though training materials have not kept pace with these changes. POP management concedes that the TFI and Supervisor training manuals are out of date—with the Supervisor manual requiring more updating than the TFI manual.

Supervisor and TFI Training Manuals Contradict One Another

The Supervisor training manual contradicts the TFI manual in places, underscoring changes in POP program practices and philosophies. The Supervisor manual includes instructions for TFIs handling uncooperative fare evaders,

If the passenger refuses to give the Fare Inspection Officer identification or to state his name and address, the Fare Inspection Officer must warn the individual that he is subject to arrest. The Fare Inspection Officer must call Central Control for assistance from a supervisor, the (Muni Response Team) or SFPD if the passenger continues to refuse.

This practice contradicts instructions included in the TFI manual:

If a violator does not have identification, then verbal information should be accepted. Law Enforcement should not be utilized to ID Patron at any time.

The Supervisor training manual instructs TFIs to seize evidence

Fast passes, transfers, tokens, etc. are all forms of “Real” evidence. When possible, you should seize the fake/duplicated/expired item after inspection,

which contradicts the TFI manual

Absolutely no tickets, transfers or other items may be confiscated by the Fare Inspector. Fare Inspectors have not authority to seize anything ... Forged documents should be marked ‘VOID’ and returned,

which is further contradicted by an addendum to an August 18, 2008 memo from POP management entitled “Action to be taken when encountering a counterfeit Fast Pass.” Actions include:

Confiscate the counterfeit Fast Pass.

The Supervisor manual contains a number of additional guidelines that are no longer standard practice of the POP program.

Training Manual Limitations

Both the TFI and Supervisor manuals are vague or otherwise fail to provide sufficient guidance to TFIs or Supervisors.

- Neither the TFI nor the Supervisor manual provides specific instruction or tactics for employing verbal judo-inspired techniques to diffuse potential conflicts (see “Tactical Communications,” below).
- Neither manual provides the guidelines for when TFIs and Supervisors should call 911 directly (see “Police Involvement and Central Control,” below). The TFI manual is particularly vague with regard to requesting assistance in the *Unusual and Emergency Situations* section, which reads, in its entirety, “Safety of the Fare Inspection Officer is always the first concern. The Fare Inspection Officer should not hesitate to request assistance as needed.”
- Although both manuals provide guidelines for writing Incident Reports, neither provides an indication as to how they will be processed or otherwise handled.
- Although TFIs executed at least two citizen’s arrests in 2008, the TFI manual is vague as to which instances warrant the execution of a citizen’s arrest, reading “If a situation arises where a Fare Inspector is required to utilize a Citizen’s Arrest,

the Fare Inspector must be sure that they understand the responsibilities of such an action.” Although the manual provides some details on the process, it does not help TFIs distinguish appropriate use of this action.

In the absence of clear and consistent written procedures, individuals will rely on training, developed work habits, and other perceived norms. Because training, practices, and norms have changed over the year—without training manuals or follow-up training sessions to correct and adjust practices—TFIs are handling situations differently from one another.

Transitions in Philosophy Without Retraining Have Led to Inconsistencies

The guiding philosophy of the POP program has changed over the course of its existence. Although past POP managers have previously emphasized enforcement when implementing fare inspections, current management emphasizes customer service techniques in conducting fare inspections. The current force of Supervisors and TFIs includes individuals trained and grounded in one or the other philosophy, approaching the same situation differently.

Tactical Communications

The POP program uses techniques inspired by verbal judo² to avoid or minimize conflict between TFIs and passengers. The POP program trains TFIs in conflict avoidance and resolution techniques during their initial training period. This training complements additional standard procedures, such as knowing how to approach passengers and where to stand on light rail cars and platforms, for conducting fare inspections in a manner that protects TFIs, their partners, and Muni patrons. Although the SFMTA regularly retrains veteran TFIs on sexual harassment and equal employment opportunity issues, the POP program does not provide TFIs refresher courses or retraining in conflict resolution. By contrast, the Verbal Judo Institute requires recertification at least every three years for those who complete its week-long verbal judo certification course. Although not a formal training, POP management has included tactical communication discussions and demonstrations in some of its monthly POP All Hands Staff Meetings.

TFIs differ in their use and reliance on conflict resolution techniques. Some TFIs conduct themselves in a manner that ameliorates potential conflict. For instance, when a passenger failed to display proof of payment and then demonstrated that he was going to be belligerent with the TFI, the TFI backed down and did not pursue the individual. In another instance, a Supervisor calmed and ultimately cheered up a patron who had received two fines totaling \$100.

² The Verbal Judo Institute describes verbal judo, or tactical communications, as “the gentle art of persuasion that redirects others behavior with words and generates voluntary compliance.”

However, TFI incident reports reveal that some TFIs escalate conflict. On numerous occasions, TFIs threatened fare evaders with police involvement and arrest for failing to present identification (see “Police Involvement and Central Control,” below). Others have physically engaged fare evaders. In at least two incidents in 2008, TFIs physically restrained fare evaders, despite a POP program policy against physical contact with patrons.³ Both instances involved the TFIs issuing citizen’s arrests for assault. In one, the TFI chased, attempted to tackle, then kicked the patron before the TFI physically restrained the individual. In the second instance the TFI physically held an offender by the offender’s backpack until police arrived.

Even the most masterful use of conflict resolution techniques cannot ameliorate every situation, however. TFIs must sometimes require the use of police or other emergency responders.

Police Involvement and Central Control

TFIs have different understandings of the protocol for requesting police assistance.

Securing Identification from Fare Evaders

TFIs have different understandings on whether they should involve the SFPD when they are unable to compel a fare evader to provide identification. Previous POP program policy, as expressed in the Supervisor manual, stated that they radio Muni Central Control for assistance with such instances. Over time, TFIs had developed the practice of first threatening to involve police, then escalating to a bluffed radio call to police when they can not secure compliance. A TFI may then actually call Central Control for police assistance, or secure a passing officer, in order to compel the passenger to provide identification.

Current policy, as expressed in the TFI manual, explicitly prohibits the involvement of police in instances when identification cannot be secured, but the practice of involving or threatening involving police continues in fare inspections.

Emergency Assistance

TFIs also have different understandings regarding the protocols for requesting emergency assistance. At issue is whether TFIs must always radio Central Control with an emergency assistance request, whether they can call 911 directly using a cell phone or Station Agent phone, or whether the decision depends on the circumstance at hand. Surveyed TFIs gave all three answers, with several insisting that they were to always call Central Control when they require police assistance. POP management states that TFIs

³ According to the TFI Training Manual (“Authorities Continued”), (1) Fare Inspection Officers are not authorized to take violators into physical custody; and (2) It is policy of the MTA that Fare Inspection Officers are not to physically detain a patron nor take the patron into custody

can choose to call Central Control when they have exhausted other options to secure patron compliance, and should call 911 directly if they witness a serious injury or life threatening situation requiring immediate assistance. They may also call 911 directly if they witness a crime in progress.

Calling Central Control first is standard procedure for most situations. However, in an emergency situation, placing emergency calls through Central Control can delay emergency response times. Central Control's primary function is to keep light rail vehicles running efficiently and to clear any system delays. Due to radio traffic, Central Control does not always hear incoming calls for assistance.⁴ TFIs making requests may not know they are not being heard, and have reported difficulty in reaching Central Control. Once a radio request does go through, TFIs must provide all necessary information to a controller, who then calls 911 and must repeat this information.⁵ Thus the time required to call for assistance may be doubled or longer.

The lack of understanding regarding the emergency calling protocol was pronounced in one incident involving a physical assault on a TFI. The assaulted TFI's partner first attempted to radio Central Control as the assault was occurring. Then they used their cell phone to call their Supervisor. The Supervisor then called 911, and although the Supervisor was unable to answer all of the 911 operator's questions, the 911 operator was able to dispatch police to the scene. In the meantime, members of the public restrained the assailant, and a passing SFPD officer stopped and took control of the situation. The delayed emergency call did not impact the police response time in this instance, but underscores the potential implications of a misunderstood policy.

Conclusions

TFIs and Supervisors are not following a consistent set of policies and procedures, and these inconsistencies can impact POP staff and rider safety.

Although TFI incident reports are a tool for POP management to examine TFI behaviors, as well as protection for TFIs in incidents involving the public, TFI incident reports are not handled systematically. The POP program could not locate six 2008 reports concerning verbal or physical assaults or injuries suffered by TFIs. Additionally, reports are misnumbered, the case log inhibits analysis, and reports are inadequately reviewed for incident trends.

⁴ Central Control call-takers are controllers, trained on computers and radios to run light rail vehicles. Three controllers monitor the line, which can be accessed by more than 150 vehicle operators, station agents, and TFIs.

⁵ Controllers receive some emergency training as part of their initial training period.

POP program training manuals are out-of date, with policies that are vague in some places, contradictory in others. Conflict resolution and tactical communication materials are notably absent from these manuals.

Differing understandings of the emergency request policy can delay police and emergency response times. Although the POP program relies, in part, on verbal judo-inspired techniques to prevent conflict escalation and assault, TFIs only receive training when they join POP, and do not receive refresher courses or materials, despite professional standards that dictate retraining every three years. Furthermore, incident reports show some TFIs exacerbate conflict.

Recommendations

In order to improve the value and review of incident reports, the Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:

- 5.1. Include a section in the incident report template for TFIs to note police response times and coordination with Central Control. Begin tracking police response trends in order to inform POP program safety procedures and practices.
- 5.2. Create a digital incident report log with standardized fields.
- 5.3. Digitally file all incident reports, including relevant police reports, Supervisors' notes detailing any verbal feedback provided, as well as any discipline and formal responses.
- 5.4. Analyze incident reports quarterly and annually to identify trends among individuals, teams, locations, times, and incident types, and to inform group retraining needs.

In order to assure safety and security of TFIs and evaluate incidents, the Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:

- 5.5. Revise and refine POP policies and procedures concerning POP staff safety, including:
 - (a) A policy statement on TFIs' roles and responsibilities in responding to emergency situations and guidelines on identifying emergency situations and notifying police or other emergency responders.
 - (b) Guidelines for executing a citizen's arrest, including recommended circumstances for when such an action is appropriate and alternatives to executing a citizen's arrest.
 - (c) Guidelines on repercussions resulting from an employee's failure to act in accordance with the POP program policies.

- 5.6. With Supervisors' assistance and input, revise the TFI manual to reflect policy and procedure changes. Include updated policies and verbal judo reference materials.
- 5.7. With Supervisors' assistance and input, prepare a new Supervisor manual that reflects current POP policies, processes, goals, and expectations.
- 5.8. Work with the Safety Division to create a schedule of retraining workshops for TFIs in verbal judo or other conflict resolution techniques. Provide regularly scheduled training updates for all POP program staff.

Costs and Benefits

Implementation of these recommendations would help improve the safety of POP program supervisors and TFIs, and would therefore help the POP program avoid costly work outages resulting from on-the-job injuries and long-term disabilities. Implementing these recommendations would also lower the SFMTA's legal risks by diminishing the likelihood of escalating conflict between TFIs and passengers. Staff workshops may involve some costs for presenters and materials, but the impact on citation revenue—due to pulling TFIs out of the field—would be negligible.

6. Muni Response Team and Station Agents

- The San Francisco Police Department (SFPD) Muni Response Team provides security services to the San Francisco Municipal Transportation Agency (SFMTA) through a work order. The Muni Response Team has a limited role providing proof of payment services, primarily responding to requests for assistance from Transit Fare Inspectors (TFIs). The SFMTA and SFPD are currently drafting a new Memorandum of Understanding (MOU) for Muni Response Team services. The SFMTA and SFPD should incorporate the Budget Analyst's recommendation for the SFMTA to conduct periodic 100 percent sweeps of the light rail system to detect fare evasion in coordination with the Muni Response Team into the new MOU between the agencies.
- Although adult fare evasion citations became a civil rather than criminal citation in February 2008, the SFPD Muni Response Team issued 54 criminal infraction citations to adults between February 4, 2008 and March 31, 2009. During the course of this audit, the Muni Response Team had ceased issuing criminal citations to adults for fare evasion and related offenses.
- Station Agents staff the nine Metro Stations, of which six have primary and secondary booths. Fare evasion is facilitated by the current, long-standing practice of not systematically staffing the Embarcadero, Montgomery Street, and Civic Center secondary booths, and of not staffing the secondary booths for breaks. Station Agents disable the coin receptacles at the secondary booths when the station is not staffed, and during these times, habitual fare evaders and other Metro System patrons enter unhindered through the utility gate. The SFMTA should fully staff the primary and secondary booths to decrease fare evasion through the utility gates adjacent to the secondary booths.

Both the San Francisco Police Department (SFPD) Muni Response Team and the San Francisco Municipal Transportation Agency (SFMTA) Metro Station Operations Unit provide support to the Proof of Payment (POP) program.

SFPD Muni Response Team Support of the Proof of Payment Program

The SFPD Muni Response Team provides security to the SFMTA through a work-order agreement. Muni Response Team officers ride along with Transit Fare Inspectors (TFIs) on the light rail trains at the request of the POP program. Muni Response Team officers can require adult fare evaders to provide identification, which TFIs cannot do.

The Draft Memorandum of Understanding Should Include Muni Response Team Participation in the POP Program

The City Attorney is currently drafting a new Memorandum of Understanding (MOU) between the SFPD and SFMTA regarding the Muni Response Team's security services on the Municipal Railway (Muni). The prior MOU, which expired in June 2005, did not specify the Muni Response Team's role in providing support to the POP program. In Section 3, *Transit Fare Inspector Deployment*, the Budget Analyst recommends that SFMTA develop a calendar of periodic 100 percent sweeps, in accordance with POP program procedures, varying by time of day and location, and coordinated with the Muni Response Team (see Recommendation 3.6). The SFMTA and SFPD should include this recommendation in the new MOU.

The SFPD Muni Response Team Has Been Issuing Outdated Citations

Until the time of the management audit, the Muni Response Team continued to issue criminal infraction citations under Section 640 of the State Penal Code to both adult and youth fare evasion violators, although adult fare evasion was converted to a civil rather than a criminal infraction in February 2008.

Between February 1, 2008, and March 31, 2009, the Muni Response Team issued 54 criminal infraction citations under Section 640 of the CA Penal Code to adults, although the revised Traffic Code provisions converting adult fare evasion to a civil infraction prohibited uniformed officers, fare inspectors, or anyone else from filing criminal infraction citations. The Sergeant in charge of the Muni Response Team has stated that no one had informed him and that he was otherwise unaware that sworn officers could no longer cite adults under Section 640 of the CA Penal Code for fare evasion and related offenses. The Muni Response Team Sergeant, subsequent to conversations with the Deputy City Attorney and attorneys assigned to the SFPD, has suspended his officers from citing adults under Section 640 for fare evasion offenses.

Unstaffed Station Booths Facilitate Fare Evasion

The Metro Station Operations Unit is responsible for staffing the nine underground Metro Stations located in the Market Street Subway (the six stations between Embarcadero Center through Church Street) and the Twin Peaks Tunnel (the stations at Castro Street, Forest Hill, and West Portal), as shown in Figure 2 of the Introduction to this audit report. These nine Metro Stations comprise the controlled-access segment of the Metro System.

The nine Metro System stations include:

- Four BART (Bay Area Rapid Transit) System controlled stations, the Embarcadero Station through the Civic Center Station; and,

- Five Muni-only stations, the Van Ness Avenue Station through the West Portal Station.

Station Agents assigned to the Metro Station Operations Unit staff the station booths of this controlled access segment of the Muni Metro System. Six stations have primary and secondary booths.

- In the four stations where Muni and Bart are collocated, the primary and secondary booths are located at opposite ends of those stations, approximately one city block apart from each other.
- At the Van Ness Avenue and West Portal stations, the primary and secondary booths are located in close proximity to each other.

Metro Station Booth Staffing

The primary and secondary booths differ, although not to a great degree, in the equipment provided. With the exception of West Portal, which affords line-of-sight platform-level surveillance from both booths, primary booths contain Closed Circuit Television (CCTV) monitors for platform-level surveillance, and are equipped with a NextBus monitor that displays train activity in the subway system.

Primary Booth Staffing

Station Agents staff primary booths the entire time that a station is open, including relief staffing by Break Agents when the assigned Station Agent is on a lunch or rest break. On weekdays, Station Agents staff primary booths from 4:30 a.m. until 1:15 a.m. Saturday staffing is from 5:30 a.m. until 1:15 a.m., and Sunday staffing is from 7:30 until 1:15 a.m.

Secondary Booth Staffing

On weekdays, Station Agents staff secondary booths from 6:15 a.m. (Embarcadero, Montgomery, and Powell), or 8:15 a.m. (Civic Center, Van Ness, and West Portal) until 9:30 p.m., with the exception of West Portal, which is staffed by a Muni Street Supervisor rather than a Station Agent after 1:00 p.m. Station Agents staff the Powell Street secondary booth, which is the only secondary booth staffed on weekends, from 7:30 a.m. until 1:15 a.m., the same staffing hours as at the primary booth.

Effect of Unstaffed Secondary Booths

Fare evasion is facilitated by the current, long-standing practice of not systematically staffing the Embarcadero, Montgomery Street, and Civic Center secondary booths, and of not staffing the secondary booths for breaks. Station Agents disable the coin receptacles at the secondary booths when the station is not staffed, but during these times, fare evaders may enter unhindered through the utility gate.

Wednesday is a farmer’s market day at the United Nations Plaza, with much passenger activity at the Civic Center secondary booth. One need only observe the behavior of patrons using the secondary booth utility gates when the Station Agent is on break to understand the magnitude of fare evasion and other unauthorized entry activity. In response to the following Budget Analyst inquiry, “What action taken by the Metro Station Operations Unit would most improve the Proof of Payment Program?,” the Metro Station Operations Unit Manager responded as follows:

Staffing secondary booths at all times would be the most effective deterrent to fare evasion. Increasing patrol by Fare Inspectors would also help.

The Budget Analyst obtained similar responses from TFIs, citing the lack of Metro Station coverage during breaks and on weekends as one of the most notable flaws in the fare enforcement aspect of the POP program.

In order to determine the number of authorized positions and available-for-duty Station Agents that the Metro Station Operations Unit would require to staff the 195 eight-hour and 53 ten-hour shifts per week needed to fully staff the primary and secondary booths, including staffing for breaks, the Budget Analyst performed the analysis shown in Table 6.1. The analysis includes staffing for scheduled absences, such as for vacations and training, and for unscheduled absences, such as sick leave with pay and jury duty. The Metro Station Operations Unit currently uses overtime pay to staff all station booth requirements for holidays. Further, the Metro Station Operations Unit reports that more Station Agents volunteer for holiday staffing than are required, thus negating the need to consider additional positions to compensate for holidays.

Table 6.1
Metro Station Operations Unit
Weekly Metro Station Booth Staffing Requirements

	Weekly Shifts		Staffing				Total
	8 Hour Shifts	10 Hour Shifts	8 Hour		10 Hour		
			Regular	Extra Board	Regular	Extra Board	
<u>Weekday</u>							
Primary	60.00	30.00	12.00		7.50		
Secondary	50.00	10.00	10.00		2.50		
Breaks	30.00		6.00				
Subtotal	140.00	40.00	28.00		10.00		
<u>Weekend</u>							
Primary	27.00	9.00	5.40		2.25		
Secondary	12.00	4.00	2.40		1.00		
Breaks	16.00		3.20				
Subtotal	55.00	13.00	11.00		3.25		
Total	195.00	53.00	39.00	8.00	14.00	3.00	64.00

* Rounded up from 13.25 positions.

As shown in Table 6.1 above, on a weekly basis, 39 Station Agent positions would be required to staff the 195 eight-hour shifts. Eight Station Agent positions would be required to staff extra-board positions. On a weekly basis, 14 Station Agent positions would be required to staff the 53 ten-hour shifts. Three Station Agent positions would be required to staff the ten-hour extra-board positions. Thus, a total of 64 ready-for-duty Station Agents are required to staff all of the station secondary booths except West Portal, which is in direct sight of the primary booth and has at least one Street Supervisor in the secondary booth until transit service ends at 1:00 a.m. (until 9:30 p.m. on weekdays), including providing secondary booth coverage for breaks. According to the analysis performed by the Budget Analyst, on weekends, the four Metro Stations collocated with BART would receive secondary booth staffing until 1:15 a.m., including coverage for breaks.

Opportunities to Improve Customer Service and Efficiency

Station Agents cite the lack of suitable change machines at three of the four collocated BART stations (excepting the Embarcadero Station), and the malfunctioning of fare gates at all Metro Stations, as two concerns for both Metro System patrons and Station Agents.

Change Machines

The five Muni-only stations all have change machines for exchanging the coinage required for fares. According to information provided by Station Agents, the Muni Finance Division reliably replenishes the change machines on a timely basis.

In contrast to the change machine availability at the Muni-only stations, with the exception of the Embarcadero Station, Station Agents at the collocated stations must rely on BART ticket or change machines that are often incompatible with the coinage needs of Muni patrons. The BART change machines that read “CHANGE” only provide \$5 bills in exchange for \$10 and \$20 bills. The BART “PASS” machines provide change for \$1 bills. Consequently, Station Agents inform Muni patrons requiring change for a \$5 bill to make a purchase either from a coffee shop or other vendor within the station or to exit the station and obtain change from a facility on the surface. The auditors have also observed a Station Agent suggest to a patron that he add value as small as \$0.05 to a BART ticket and obtain change in coinage of \$4.95 for a \$5 bill.

According to the SFMTA, they will begin installing new change machines in the Muni Metro stations collocated with BART in October 2009, funded by \$40,000 from the American Recovery and Reinvestment Act.

Faulty Fare Gates

The Muni Metro Subway fare gates are in continuous need of maintenance due to malfunctioning of the FastPass readers, the transfer dispensing mechanisms, and the coin reader mechanisms. Currently, according to the Muni Maintenance Manager in charge of the Digital Maintenance Shop, the fare gates, which were installed in the Muni Metro Subway 30 years ago, have approximately 250 failures per month requiring Technician assistance. Because the existing fare gates have exceeded their designed service life, they are failing at an increasing rate, with many necessary parts no longer being manufactured. Most failures are repaired by a Technician visit within one shift of their occurrence. Simple failures that do not require tools – such as jammed passes, transfers and coins— are handled by Station Operations personnel (Station Agents).

American with Disability Act (ADA) and utility gates in various station booth areas are located directly to the rear of the Station Agent. Some of the booths have mirrors that permit oblique observation of the ADA or service gate, but Station Agents are severely restricted in observing activities, or facilitating entry or exit for patrons requiring assistance. In any configuration of new fare gates, ADA and utility gate entrances should accommodate Station Agent observation and control, to the extent possible.

The SFMTA is in the process of replacing the Muni Metro station fare collection system, including remodeling station booths, with the intent of completing design and advertising for contractors by December 2009. The current schedule calls for the project to be fully completed by March 2012. The total project is expected to cost approximately \$45.7 million, funded by federal grants and economic stimulus funds and state bond and other funds.

Signage

The Metro Stations lack required signage, notifying patrons of what constitutes acceptable proof of eligibility to use a discount ticket, in compliance with the California Public Utilities Code. The Public Utilities Code requires SFMTA to post the policy defining acceptable proof of eligibility.

Because no such posting exists in the Metro Stations or on Muni Transit vehicles, citations issued for failure to produce acceptable proof of eligibility to use a discount ticket could be invalidated.

Conclusions

The Metro Station Operations Unit is responsible for controlling access to the nine underground Metro Stations located in the Market Street Subway and the Twin Peaks Tunnel. The Station Agents staffing the station booths occupy the first line of responsibility in establishing an effective Proof of Payment System in the controlled access segment of the Metro System—their primary function is to facilitate access to the

Metro System by patrons who are admitted by virtue of having displayed valid proof of payment or by having obtained proof of payment by paying a proper fare. The absence of systematic weekend staffing at the Embarcadero, Montgomery, and Civic Center secondary booths, and the lack of relief agents for staffing the same secondary booths during lunch and rest breaks by the secondary booth Agents, is a weakness in the overall Proof of Payment system.

Recommendations

In order to ensure appropriate and timely law enforcement practices, the Deputy Director of Security and Enforcement should:

- 6.1 Ensure that SFPD Muni Response Team and SFMTA Transit Fare Inspectors have current training and information on all Proof of Payment Program ordinances and regulations.
- 6.2 Ensure that a new Memorandum of Understanding for SFPD services includes provisions specifying services to be provided to the Proof of Payment Program, including the role of the SFMTA Muni Response Team in supporting the POP Program 100 percent sweeps of the light rail system.

In order to curtail fare evasion resulting from unstaffed Metro Station booths, the SFMTA Executive Director/Chief Executive Officer should:

- 6.3 Staff the Metro Station Operations Unit with 64.0 FTE 9131 Station Agent positions to provide Station Agent coverage of primary and secondary Metro Station booths.

In order to increase Metro Station efficiency, the SFMTA Executive Director should:

- 6.4 Install Metro Station signs for use of discount passes.
- 6.5 Consider reconfiguring access gates for ADA compliance as part of the proposed replacement of fare gates at the Metro Stations.

Costs and Benefits

The SFMTA would incur costs of approximately \$475,000 to hire an additional 5 Station Agents (59 positions currently funded compared to the recommended 64 positions to staff both the primary and secondary Muni Metro station booths). The SFMTA would only have to increase daily revenues from decreased fare evasion on the Muni Metro light rail by approximately 1.35 percent to pay for the costs of the additional positions.

7. Fare Evasion Fine Structure

- **The civil penalty for fare evasion is a \$50 administrative fine for adults, and a criminal penalty costing up to \$123.97 for juveniles, including court fees. Neither fine is escalated for repeat offenders. As of July 2009, the cost of an adult fine will be lower than the cost of a monthly Muni Adult Fast Pass. Further, a Budget Analyst survey and a Federal Transit Administration study both reveal that the \$50 adult fine is low compared to most other systems, particularly with regard to repeat offenders.**
- **The San Francisco Municipal Transportation Agency (SFMTA) decriminalized fare evasion for adults in February 2008 in order to reduce fare evasion citations on traffic court dockets and to increase SFMTA fine revenue collections. Prior to the transition, the adult fine, with court fees, totaled \$123.97, and the bulk of the fine was kept by the court. By instituting a \$50 administrative fine in its place, the SFMTA keeps 100 percent of all citation revenue. The change also effectively lowered the penalty for adult fare evasion by up to 60 percent.**
- **The SFMTA has received increased fine revenue due to the transition to a civil adult penalty and increased Transit Fare Inspector (TFI) staffing. Although the increased staffing has increased the POP program’s citation issuance, the average citation per TFI is relatively unchanged. SFMTA data actually suggests that the overall fare evasion rate has increased since the decriminalization, despite the simultaneous increase in TFI staffing. Therefore, increases in fine revenue are likely being offset by decreases in fare revenue.**
- **The SFMTA should improve its fare evasion fine structure. The SFMTA should first consider recriminalizing fare evasion to reinstate a more meaningful disincentive to fare evaders. Otherwise, if adult fare evasion is to remain an administrative penalty, then the SFMTA should increase the fine and implement a graduated fine schedule for repeat offenders. Furthermore, the SFMTA should develop a policy and program for prohibiting habitual offenders using the transit system, allow cited offenders of limited means to participate in the “Project 20” community service alternative sentencing program, and direct TFIs to issue written warnings instead of verbal warnings in order to better track fare evasion rates.**

Fine Structure Considerations

When a TFI, police officer, or other SFMTA-designated staff member issues a citation for failure to provide proof of payment, the cited individual receives a fine. According to the Federal Transit Administration's Transit Cooperative Research Program (TCRP), the primary purpose of the fine should be "to deter fare evasion; however, an agency may also benefit by receiving a portion of the fine revenue." They recommend that proof-of-payment transit systems developing a fine structure should consider five main criteria: basic fine strategy, treatment of evaders, agency image, implementation/administration, and the judicial environment:

1. **Basic Fine Strategy.** The size of the fine, coupled with the expectation of possibly being caught, are the major deterrents to evading the fare. Given the limited inspection rates of most SSFC (Self-Service, Barrier-Free Fare Collection) systems ... an individual offender may, in fact, evade numerous times before being apprehended. This suggests that the fine should be set with a goal of discouraging not only a single violation but really a series of violations. Therefore, it is tempting to maximize the fine—and thus its deterrent value. On the other hand, this must be balanced against the negative image impact of a high initial fine (see below), as well as possible inspector and/or court reluctance to assess high fines.
2. **Treatment of Evaders.** Most SSFC systems give their inspection personnel significant leeway in the treatment of individual evaders. Most citations written (and thus most of the evaders apprehended) are for first-time offenders. ... the fine these evaders face is invariably a large multiple of the fare. An inspector may, therefore, be reluctant to issue a citation that carries a particularly high fine because of the lack of proportionality.
3. **Image of Agency.** Because SSFC systems are largely self-policing, they depend not just on the fear of being fined, but also on the riders' good will, to function effectively. The perception that enforcement is fair and just is, therefore, an important ingredient in maintaining a positive public image. If the penalties assessed are seen as out of proportion to the crime committed, the agency could be perceived as unreasonably punitive.
4. **Ease of Implementation and Administration.** This comprises two issues: (1) how simple (or complex) is the fine structure for inspection personnel to administer and for riders to understand and (2) how much record-keeping does the fine structure require of the agency.
5. **Judicial Environment.** The unavoidable connection between the fine structure and the judicial environment is that penalties may be appealed and courts may negate or reduce them. Both the inspection personnel and judges are likely to distinguish among different circumstances, but they may have different standards. For instance, a judge may be reluctant to impose the fine called for in the fine structure because of the lack of proportionality. Requiring an evader to appear in court is itself (i.e., apart from the verdict) a form of punishment.

San Francisco's Fare Evasion Fine Structure

When the SFMTA first implemented the POP program in San Francisco, fare evasion was a criminal offense. As of February 3, 2008, the last day before the offense was decriminalized in San Francisco, the fine for the criminal penalty, plus court fees, totaled \$123.97. However, the court had discretion to lower the fine and fees for individuals. Conversely, if an individual failed to pay the fine or appear in court, the court could issue a \$300 late penalty or warrant. An expanded legal history of Proof of Payment can be found in the Appendix to this report.

Decriminalized Adult Fine

The POP program began issuing its first decriminalized citations in San Francisco on February 4, 2008. Fare evasion is now considered an administrative penalty, as defined by the State of California Public Utilities Code. The intent of decriminalizing proof-of-payment citations was twofold: to lessen the burden of POP citations on traffic court dockets, and to increase the SFMTA's share of citation revenue. The SFMTA now process adult fare evasion fines in a manner similar to parking tickets.

The San Francisco Board of Supervisors amended Traffic Code Section 127, *Fare Evasion Regulations*, Section 128, *Passenger Conduct Regulations*, and related *Penalty and Other Fare Evasion and Passenger Conduct* regulations in September 2007.¹ The amendments clarified the definition of *Proof of Payment* and, for offenders at least 18 years of age, replaced the fare evasion and passenger misconduct criminal penalties with administrative penalties and fees, in accordance with the authority provided by the State of California Public Utilities Code. The amended legislation set a fine of \$50 for the first offense and \$75 and \$100 for the second and subsequent offenses committed within one year of the date of the first offense, respectively. The amended legislation also authorized the SFMTA Board of Directors to set the amounts for the administrative penalty, late payment penalty, and collection recovery fee by resolution, and at an amount not to exceed the highest parking citation amount authorized by the California Vehicle Code (\$300.00).²

The SFMTA Board of Directors enacted Division II of the Transportation Code on July 1, 2008, which included an administrative penalty for violations of fare evasion and passenger conduct regulations of \$50. The penalty does not provide for the above-noted authorized escalated fines of \$75 and \$100 for second and subsequent offenses. Setting the penalty for adult fare evasion to \$50 effectively lowered the penalty 60 percent from the former fine-plus-court-fees total of \$123.97. Late fees can add up to \$60 to the fine.³

¹ Ordinance No. 224-07, File No. 070680.

² As of April 2009, the highest parking citation fine authorized by the California Vehicle Code was \$300 for illegally parking in a disabled parking area. (Section 22507.8).

³ A cited adult fare evader incurs additional financial penalties for late payment: \$25 for failure to pay the fine by the first due date affixed to the notice of violation and an additional \$35 for failure to pay by the

TFIs are not authorized to exclude offenders or repeat offenders from the system, and fare evaders may present a citation as proof of payment for that transit trip.

Appeals and Alternative Sentencing

The SFMTA provides citation recipients with three levels of review for protesting a fare evasion: an initial administrative review, an administrative hearing, and ultimately a San Francisco Superior Court de novo hearing. These processes are modeled after the SFMTA's parking ticket review process. Unlike parking ticket recipients, however, cited fare evaders are not able to participate in San Francisco's Project 20 Alternative Sentencing program, which allows individuals to work off a portion of parking fines through local volunteer opportunities.

Juvenile Fine

State law does not permit the decriminalization of fare evasion penalties for juveniles. The juvenile court continues to handle juvenile fare evasion citations. If cited, a juvenile faces a fine, plus court fees, currently totaling \$123.97. Cited juveniles are required to attend a Court session with a parent or guardian. The judge has discretion to lower the penalty, and the current average penalty in fines and fees for a fare evasion or passenger conduct citation is \$107.97—more than double the financial penalty for an adult citation.

Warnings

The POP program allows TFIs the discretion to issue a verbal warning in lieu of a citation. POP program management cites customer service benefits in issuing discretionary warnings to some individuals who lack proof of payment. TFIs issuing a warning instead of a citation will often request that a passenger pay if they have money, and may accompany a passenger to a fare box or turnstile. Although TFIs do not issue written warnings, the POP program requests that TFIs note the number, time, and location of all warnings issued in their log books.

second due date affixed to the notice of violation. Therefore the total additional late fees are \$60. (SF Transportation Code, Article 300, Section 301).

San Francisco's Adult Fine Is Low Relative to Benchmarks

The \$50 adult fine for fare evasion in San Francisco is lower than, or low relative to, a number of benchmarks.

- It is 11 percent higher than the \$45 cost of a monthly Muni Adult Fast Pass, as of April 2009.
- It will be 9 percent less than the \$55 cost of a Fast Pass, as of July 2009.
- It will be 17 percent lower than the \$60 cost of a Fast Pass, as of January 2010.
- It is 60 percent less than the former cost of a \$123.97 adult citation, including court fees.
- It is 60 percent less than the current cost of a juvenile citation, including court fees.
- The base penalty is lower than many other POP systems surveyed, as shown in Table 7.1, below.
- The maximum penalty is lower than all other POP systems surveyed, as shown in Table 7.1, below.

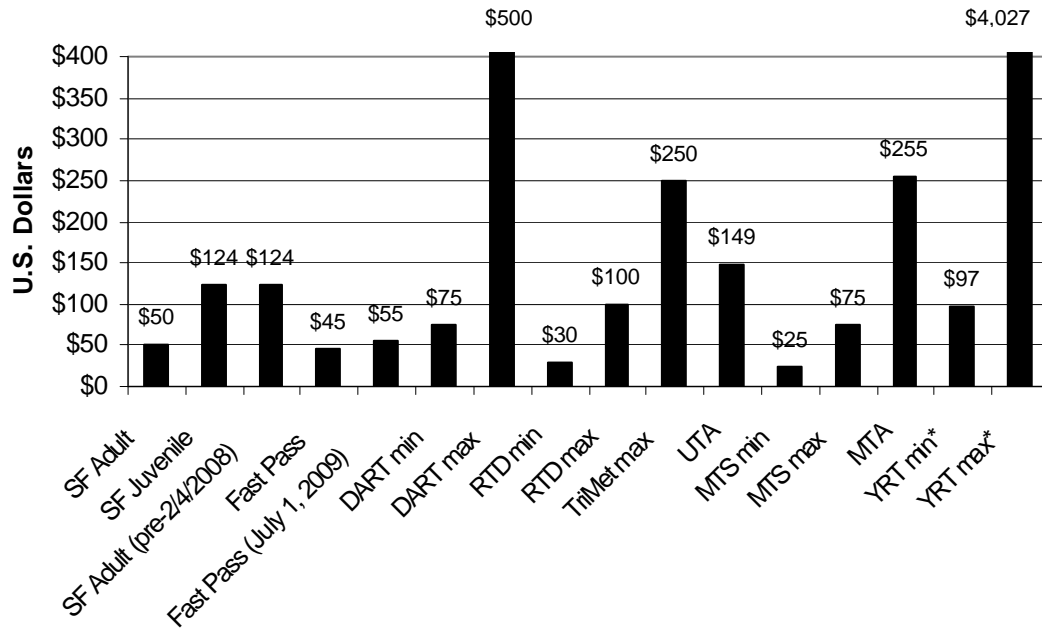
POP Program's Fare Evasion Penalty Is More Lenient than Comparable Systems

The Budget Analyst surveyed five light rail POP programs and two bus POP programs. Five out of the seven programs carried a base fine greater than San Francisco's \$50 adult fine, and all seven systems had a maximum fine greater than San Francisco's \$50 adult fine. The SFMTA's prescribed late fee total of \$60 lags as well. The two systems that listed specific fines for nonpayment issue maximum penalties ranging from \$271 to \$4,027. Five of the seven systems surveyed have additional non-fine penalties for nonpayment, including system exclusion and arrest.

The San Francisco POP program is more lenient to repeat offenders than other systems surveyed. Although the State of California grants the SFMTA the authority to increase the fine for repeat offenders, the SFMTA has not developed policies or practices to identify repeat fare evaders, nor an escalated fine schedule. Although two of the surveyed systems do not have escalating penalties, both have much higher flat fines than the SFMTA (UTA: \$149; MTA Orange Line: \$255).

Figure 7.1

SFMTA Adult Citation Fine Compared to Other Costs or Fines



* U.S. Dollars, based on currency conversion rate of 1 Canadian dollar = 0.805412 U.S. dollars as of 2/24/09.

Sources: SFMTA; Budget Analyst Survey.

The POP Program's Fare Evasion Penalty Eludes Best Practices

In its analysis of proof of payment programs, the Federal Transit Administration's Transit Cooperative Research Program (TCRP) developed the following recommendation for creating or modifying a base fine: "The base fine should be high enough to represent a deterrent to fare evasion, but not so high that (1) the inspectors will be hesitant to issue citations in most cases, (2) the courts may decide in many cases that the fine is too high, and/or (3) the agency seems unreasonably punitive." The TCRP study found an average fine of \$73 in 2002. With regard to repeat offenders, it found that most agencies levied a higher fine for repeat offenders, "generally at least twice the initial fine."

For transportation agencies implementing a new POP system, the TCRP recommended a \$50 first offense, \$100 second offense, and \$200 third or higher offense. It found the benefits of escalating fines include allowing for a lower initial fine for first offenses, increasing the likelihood of transit officers issuing fines instead of warnings, and improving the public's viewpoint. It noted, however, that such a system is more difficult to implement than a flat fine. Where implementing an escalated fine is not possible, the TCRP recommended having a higher initial fine.

The TCRP also recommended that systems consider excluding repeat offenders from the transit system. It found that excluding repeat offenders may be a more effective deterrent than a fine, can improve a system's image by excluding problem riders from the system, and may enjoy a public perception of being fairer than a high fine. It noted that implementing an exclusion penalty involves similar complexities to a graduated fine. The Budget Analyst's survey of other POP systems found that Portland, Oregon's Tri-County Metro Transportation District and Salt Lake City's Utah Transit Authority both exclude fare evaders that are found to have failed to pay outstanding fare evasion fines.

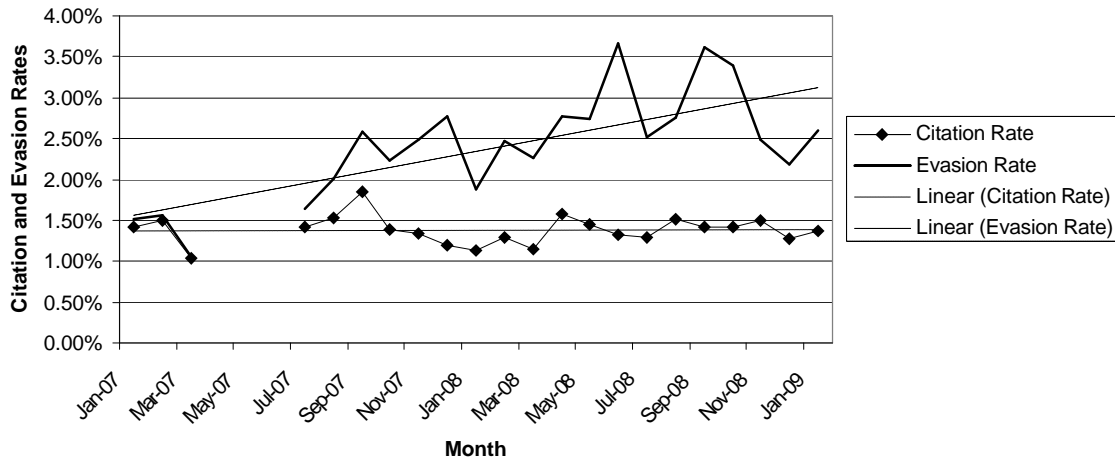
The TCRP found that approximately one third of the transit systems it studied received no share of fine revenue. Of the systems that did receive fine revenue, the share ranged from 50 percent to 100 percent of the fine amount. Further, most North American transit agencies collected \$50,000 or less. The TCRP cautioned transit agencies from expecting significant revenue from fines.

Despite Reducing the Adult Fare Evasion Fine, the Citation Rate Has Not Increased

As noted above, the Ordinance authorizing the SFMTA to set the penalties for fare evasion at \$50 for a first offense, \$75 for a second offense within a year of the first offense, and \$100 for third and subsequent offenses within a year of the first offense. The Ordinance allows for additional late fees, collections costs, and CPI increases. The San Francisco Transportation Code, however, does not prescribe an increased fine for repeat offenders. All adult fare evaders, first-time or chronic, face a \$50 fine.

As is also noted above, decreasing fare evasion was not the motivation behind the shift from a criminal penalty to an administrative penalty. Instead, the SFMTA saw the shift as a way to remove POP citations from the traffic court docket and increase the agency's fine receipts. The SFMTA has seen its share of fine revenue increase since the change was implemented in February 2008 (see Section 8, *Citation Processing and Collection*).

Although research suggests that fare enforcement officers are more likely to issue citations when the fine is lower, information provided by the SFMTA and summarized in Figure 7.2, below, shows that the POP program's citation rate (number of citations per passenger contact) has been fairly constant for the past two years. In other words, although the fine decreased 60 percent, TFIs have issued more warnings but are issuing approximately the same number of citations per POP shift. Furthermore, the fare evasion rate (citations and warnings per passenger contact) has increased since the fine was effectively reduced, despite an increase in TFI positions during this time period. These observations suggest that since the adult fine was reduced, TFIs are issuing the same number of citations per shift, are issuing more warnings, and, therefore, more people may be taking their chances and not paying to ride Muni. Further, additional fine revenue may be offset by increased fare evasion and reduced fare payment.

Figure 7.2.**Citation and Evasion Rates, January 2007 through January 2009***

* Data for April, May, and June 2007 was not available; data through January 14, 2009.
Source: Budget Analyst calculations based on SFMTA POP program data.

The SFMTA POP Program Cannot Easily Identify Repeat Offenders

As noted above, most POP programs have devised ways of identifying repeat offenders and issuing graduated fines for repeat offenses. One of the SFMTA's stated reasons for not issuing graduated fines for repeat offenders is that the SFMTA has difficulty identifying repeat offenders. TFIs do not currently have the technical capability to identify repeat offenders in the field, as they do not have radio or portable access to the fare evader database. Also, because TFIs do not require a driver's license number, passport ID number, or social security number when writing a citation, the SFMTA's citation processing vendor database does not automatically recognize repeat offenders. It is worth noting, however, that experienced TFIs are often able to identify some repeat offenders, as well as known pickpockets, on sight alone.

The SFMTA could take at least two approaches to enabling a graduated fine for repeat offenses. The POP program anticipates transitioning from citation books to hand-held units in Calendar Year 2009. If synchronized to a SFMTA fare evasion database, the units could potentially identify repeat offenders in the field. TFIs could issue a graduated fine at the time of citation issuance. Such technology would also enable TFIs to exclude habitual offenders from the system, if the SFMTA enacted such a policy.

A second option is on the citation processing side. The citation processing vendor automatically issues letters to cited individuals apprising them of the fine. Their database does currently recognize some repeat offenders when identifying information, such as name and address, is consistent. Therefore, the vendor could issue letters to repeat offenders advising them of a graduated fine.

Juvenile Fines Are More Punitive than Adult Fines

When the State of California allowed San Francisco to decriminalize fare evasion, it did so only for adults. As noted above, one effect of this dichotomy is that juveniles face a greater penalty for fare evasion: they must appear in court with a guardian, and the fine, plus court fees, is more than twice the adult administrative fine. TFIs are more reluctant to cite juveniles for fare evasion, in part because the penalty for juveniles is more severe. In such cases, TFIs may issue verbal warnings to juveniles, with or without requiring fare payment (\$0.50 for juveniles, as of April 2009). A number of SFMTA managers have observed that reducing fare evasion in San Francisco requires a cultural shift. Creating this shift will be difficult if the City is regularly allowing juveniles to avoid penalty, even when they are caught.

San Francisco's Transportation Code Needs to Be Corrected and Updated

In the process of conducting this management audit of the SFMTA POP program, we encountered errors and omissions in the San Francisco Transportation Code.

Cross-references in Section 302 of the Transportation Code Need to be Corrected

Division II, Article 300, Section 302 of the Transportation Code, *Transportation Code Penalty Schedule*, includes a four-column table that provides the fine amount and other information for violations of *Off-Street Parking*, *Transit Violations*, and four other violation categories. The *Transit Violations* segment is replicated in Table 7.1, below.

Most, if not all, of the "Transportation Code Section" cross-references in Table 7.1 are incorrect. For example, the correct Transportation Code reference for *Fare Evasion* is Div 1 10.2.49. However, as shown, the reference in Transportation Code Section 302 is Div 1 10.2.101, which section does not exist in the Transportation Code.

Table 7.1
San Francisco Transportation Code Section 302 Cross-references

Former Code Section	Transportation Code Section	Description	Fine Amount
TC 127	Div 1 10.2.101	Fare Evasion	\$50.00
TC 128	Div 1 10.2.102	Passenger Misconduct	\$50.00
TC 128.5	Div 1 10.2.103	Conversing with Operator	\$50.00

Source: San Francisco Transportation Code, Section 302.

Erroneous cross-references in the Transportation Code could lead to confusion among users of the Code, and possibly could lead to an erroneous charging on a Notice of Violation. The City Attorney's Office has advised the Budget Analyst that their Office would coordinate with the SFMTA to correct the cross-reference numbers on an expedited basis.

Provisions for Processing Youth Who Violate Fare Evasion and Passenger Conduct Should be Included in the Transportation Code

Section 640 of the California Penal Code establishes maximum penalties for violations of fare evasion and passenger conduct regulations by youth. Section 128.1, (f), of the San Francisco Traffic Code, predecessor to the San Francisco Transportation Code, which became effective July 2, 2008, included provisions for imposing and enforcing penalties as governed by the California Penal Code, as follows:

Any person under the age of eighteen who violates either Section 127 [fare evasion] or 128 [passenger conduct] shall be guilty of an infraction.

If charged and found guilty of an infraction, the penalty shall be as follows: For the first offense, a fine of \$50; for the second offense within a one year period or one year from the date of the first offense, a fine of \$75; for a third and each additional offense committed within a one year period from the date of the first offense, a fine of \$100.

The San Francisco Transportation Code, which replaced the San Francisco Traffic Code in its entirety, does not contain provisions for processing youth, and thus relies on the California Penal Code for governing such cases. This condition is not consistent with the previous practice of including all of the regulations governing violations of fare evasion and violations of passenger conduct regulations in the San Francisco Traffic Code, and could result in inconvenience to users or cause a user to act on less than complete information.

Conclusions

If the primary purpose of the proof of payment citation is to discourage fare evasion, the current adult administrative fine is inadequate. The \$50 adult penalty is 60 percent less than the maximum cost of a juvenile citation, and starting in July 2009 the fine will be 9 percent less than the cost of a standard monthly Muni pass. The fine lags systems that the Budget Analyst surveyed in 2008-2009, as well as systems analyzed by the Federal Transit Administration's Transit Cooperative Research Program (TCRP) in 2002. Repeat and habitual offenders are not fined or otherwise penalized more harshly than first-time offenders. Finally, POP program data suggests that the reduced fine has not changed the rate of citation issuance, but may have led to increased fare evasion. Therefore, the only positive effect of the transition from a criminal penalty to a civil penalty, from the SFMTA's perspective, is an increase in fine revenue—revenue that may be offset by fare revenue lost to increased evasion.

The higher penalty for juvenile offenders is one reason that TFIs are more likely to issue verbal warnings to juveniles than adults. The reluctance to issue a citation is understandable. However, the practice of issuing verbal warnings may send a message to young people that fare evasion is tolerated in San Francisco. Furthermore, because warnings are verbal, not written, the SFMTA misses an opportunity to collect descriptive data on where, when, and to whom TFIs are issuing warnings.

In light of the above findings, the SFMTA should improve Muni's fare evasion fine structure. Increasing the fine to a level that it is proximate to the juvenile penalty would ease the inequity between the penalties. A base fine of over \$100 would be well within the range of fines issued in other POP systems. As the TCRP advises, the fine and the expectation of being caught are the biggest disincentives to not paying for Muni, and the fine should be set to discourage not only one evasion, but multiple evasions. The fine should also escalate, and eventually lead to system expulsion. As noted above, the TCRP found that excluding repeat offenders can be a more effective deterrent than a fine and improve a system's image by excluding problem riders from the system. Although an increased fine may be more burdensome for some, TFIs will continue to have discretion to issue warnings instead of citations, and cited individuals will continue to be able to protest a citation that they believe is unwarranted or that they are unable to pay. For those who have difficulty paying a fine, the SFMTA should allow those who have difficulty paying their fine to participate in Project 20.

Additionally, the SFMTA should work with the City Attorney's Office to update, correct, and maintain the San Francisco Transportation Code as it pertains to the POP program.

Recommendations

In order to create a greater disincentive for fare evasion in San Francisco and decrease the gap between an adult and juvenile penalty, the Board of Supervisors should:

7.1 Revert fare evasion to a criminal citation;

OR

Increase the base fine for adult fare evasion closer or equal to that of a juvenile fine, including court fees;

AND

Create an escalating penalty for repeat offenders at an amount at least twice the base fare evasion fine, as recommended by the Federal Transit Administration's Transit Cooperative Research Program.

In order to create a greater disincentive for fare evasion in San Francisco, the SFMTA Board of Directors should:

- 7.2 Develop a policy and program for excluding habitual offenders from the Muni transit system.
- 7.3 Allow fare evaders to participate in the SFMTA's Project 20 community service alternative sentencing program.

In order to help track habitual fare evasion while discouraging fare evasion in adults and juveniles, the Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:

- 7.4 Direct and enable TFIs to issue written warnings to adults and juveniles instead of verbal warnings and track written warnings in the same customer service database as written citations.

In order to avoid confusion and employ consistency with the San Francisco Transportation Code, the Director of Security and Enforcement, in coordination with the City Attorney's Office, should:

- 7.5 Correct Section 302 cross references in the Transportation Code.
- 7.6 Include provisions for processing juvenile fare evaders in the San Francisco Transportation Code.

Costs and Benefits

Implementation of these recommendations would increase fare revenues by creating greater disincentives to evasion. The recommendations would have a differing impact on citation revenue, however. Recriminalizing fare evasion would lower SFMTA's citation revenue. Increasing the fine and implementing a graduated penalty would increase the SFMTA's adult citation fine revenue, at least until such time that the POP program is able to achieve significant reductions in fare evasion among Muni passengers. Allowing fare evasion recipients to participate in Project 20 would lower citation revenue.

Tracking repeat offenders would involve some administrative costs in time required to update polices and train staff, as well as ongoing administrative time for reviewing the fare evader database.

8. Citation Processing and Collection

- **The San Francisco Municipal Transportation Agency (SFMTA) began processing adult fare evasion citations in February 2008 when adult fare evasion was decriminalized. The SFMTA fails to collect all collectible fare evasion fines and penalties because it is unable to obtain accurate fare evader information and lacks mechanisms to enforce collections. Under the contract between SFMTA and PRWT Services, Inc. (PRWT), PRWT sends up to four notices to adult fare evaders but after the fourth notice, if the fines and penalties have not been paid, the adult fare evasion citation remains open with no further collection efforts.**
- **Although the SFMTA claims that enforcement of adult fare evasion citations is difficult because Transit Fare Inspectors (TFIs) cannot require adult fare evaders to provide proof of identification, the SFMTA could increase the number of accurate names and addresses by training and evaluating TFIs in procedures to obtain correct identification. Further, the SFMTA could implement procedures currently used to enforce payment of parking fines to enforce payment of adult fare evasion fines, resulting in up to approximately \$1 million per year in additional fine and penalty revenues.**
- **The SFMTA does not account for all citations. The SFMTA does not reconcile written citations issued to adult fare evaders against citations in the POP program inventory, and therefore cannot ensure that citations are not lost or misplaced. The program could not account for 36 percent of a random sample of 85 issued citations. Furthermore, from June 2008 through September 2008, POP logged three percent more citations than were recorded in its contractor's database, further frustrating checks on the system.**
- **The POP program has the capacity to improve citation data collection but has not adopted necessary procedures. Although the POP program could purchase handheld units that would automate writing citations, recording citation numbers, and storing citation data, the POP program has delayed purchase due to budget constraints.**

The POP Program Lacks Adequate Controls over Citation Processing

The SFMTA began processing adult transit fare evasion citations in February 2008 when adult transit fare evasion became a civil rather than a criminal offense. Previously, the Superior Court had processed both adult and juvenile citations but now processes only juvenile citations, which remain a criminal offense.

The SFMTA processes adult transit fare evasion citations under its contract with PRWT Services, Inc. (PRWT), effective from September 2008 through September 2013. Under this contract (outlined in Figure 8.1 below):

- The Proof of Payment (POP) program inventories and distributes citations to Transit Fare Inspectors (TFIs), collecting written citations and sending them to the Customer Service Center.
- The SFMTA Customer Service Center batches the written citations into groups of 100 and sends these batches to PRWT.
- PRWT enters the written citations into their automated citation processing and tracking system, Enhanced Technical Information Management System (eTIMS), and sends collection notices to the adult citation processing unit.
- POP program and Customer Service Center staff can generate eTIMS management reports, summarizing collection activity.

The POP Program Does Not Reconcile Citations

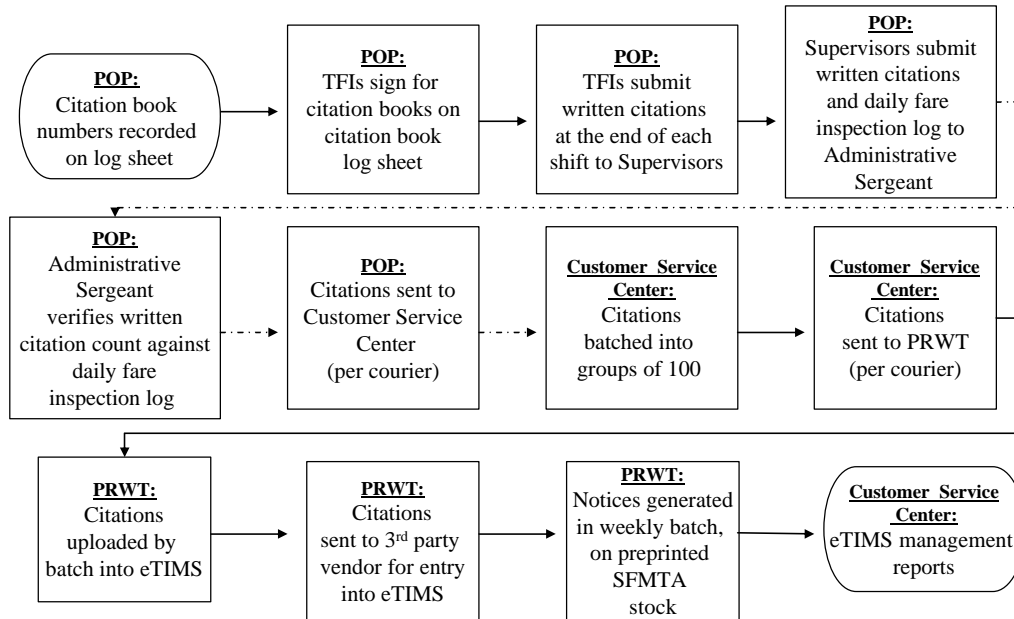
The POP program is responsible for inventorying the citation books it distributes to TFIs and collecting written citations issued to adult fare evaders from the TFIs. Under the POP program's current procedures, the POP program cannot ensure that written citations are not lost or otherwise not accounted for.

The POP program purchases citation books from a vendor with each citation in the book having a unique citation number. Each citation book's beginning and end citation number are recorded on a log sheet. TFIs sign out for these books, writing their name and date on the citation book log sheet.

At the end of each shift, the TFI submits written citations to the Transit Fare Inspection Supervisor/Investigator (Supervisor). The Supervisor submits the written citations and the daily fare inspection log, counting passenger contacts and citations, to the Administrative Sergeant, who then compares the count of written citations to the count of citations recorded in the daily fare inspection log.

The POP program does not reconcile the unique number for each written citation against citation numbers recorded in the citation book log, and therefore cannot account for citations that may be lost or are otherwise missing. For example, the POP program was not able to locate 31 citations in eTIMS from a sample of 85 citations, or 36 percent, indicating that the current procedures cannot fully account for all citations.

Figure 8.1
Adult Fare Evasion Citation Collection Process
February 2008 to Present



---- Dashed connectors indicate breakdown in internal controls

Source: Interviews with SFMTA staff.

The POP Program Does Not Maintain Accurate Citation Data

The POP program has not kept accurate citation data since program inception. The daily fare inspection log collects passenger contact, warning, and citation counts by train or station for each TFI. POP Supervisors enter citation and other daily fare inspection log information into a spreadsheet, and track the information by month and year.

Prior to February 2008, the Superior Court processed fare evasion citations but did not provide routine reports to the POP program. Since PRWT assumed citation processing in February 2008, the Customer Service Center and POP program have been able to generate eTIMS reports summarizing citation processing and collections. However, the POP program citation data, entered into a spreadsheet from the daily fare inspection log, does not correspond to eTIMS reports. For example, eTIMS reported 12,717 citations from June 2008 through September 2008, while the POP program reported 12,347, a difference of 370 citations, or three percent.

Handheld Units

The POP program has the capacity to improve citation data collection but has not adopted necessary procedures. Under the PRWT contract, the POP program could purchase handheld units for automated issuance of fare evasion citations, with a cost per unit ranging from \$6,100 to \$6,430, depending on the type of unit. Therefore, the cost to provide 50 handheld units for the TFIs would be from \$305,000 to \$321,500. The handheld units would increase accuracy in counting citations and assist in data collection, allowing for improved program oversight.

Although the SFMTA included the handheld units in the FY 2008-09 budget, it has not purchased the handheld units due to budget constraints but considers use of handheld units at a future date to be an option. The handheld units automate many of the fare inspector functions as well as standardizing and storing citation information, including:

- Generation of paper citations with standardized fields for time, date, fare inspector, and citation number;
- Storage of all data related to a citation; and
- Automatic updating of information while the handheld unit is in its docking cradle, such as scofflaws, warrants, and other information specified by the SFMTA.

eTIMS Management Reports

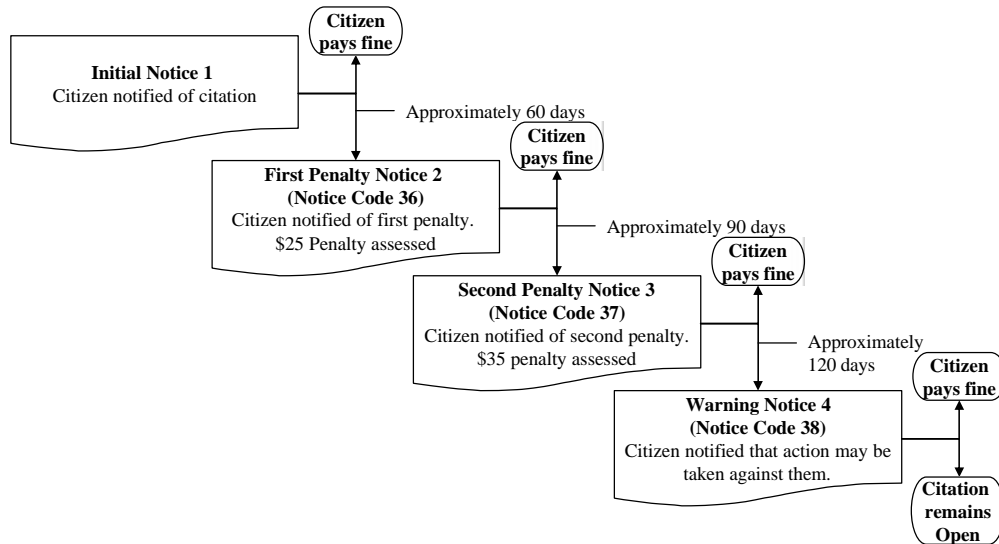
While the POP Operations and Investigations Manager uses eTIMS to produce management reports, the POP Supervisors do not. At the time of the audit review, the POP Supervisors had recently obtained access to eTIMS but had not yet been trained on how to use it. eTIMS reports would provide the Supervisors current and more accurate citation counts than the spreadsheets into which daily fare inspection log data is manually entered, though these reports would not provide passenger or warning counts.

The Fare Evasion Citation Collection Rate Is Low

Prior to February 2008, the Superior Court processed fare evasion citations, which were considered a criminal infraction. The Superior Court issued three notices: a courtesy notice, a notice to pay the fine, and a civil assessment adding a penalty to the initial fine. The Superior Court could issue a bench warrant if the fine was not paid after the civil assessment notice was issued.

Beginning in February 2008, fare evasion became a civil rather than a criminal infraction. Under the current civil citation process, citations that are not paid accrue penalties over time and can remain open indefinitely. PRWT issues four collection notices, and after the fourth notice the citation remains open indefinitely, as shown in Figure 8.2.

Figure 8.2 POP Program Citation Collection Process



Source: eTIMS Action Logic and Interviews.

The Civil Citation Collection Process Lacks an Enforcement Mechanism

When the Superior Court collected fare evasion citations, the Court could issue a bench warrant for unpaid citations. Under the PRWT contract, the SFMTA does not enforce collection after the fourth warning notice is issued. By contrast, the SFMTA does enforce parking citation collections, including referral to third party collection agencies, or reporting to the California Franchise Tax Board or credit bureau.

Low Collection Rate

From February 2008 through July 2008, the SFMTA collected only 42 percent of fare evasion citations, as shown in Table 8.1.¹

¹ The Budget Analyst analyzed eTIMS citation processing data for February 2008 through November 2008. Because the process from citation issuance through final notice takes 154 days on average, the Budget Analyst selected data through July 2008 to allow for collection through November 2008.

Table 8.1

**Number and Amount of Citations, Fines, and Penalties
February 2008 through July 2008**

	Total Citations	Percent of Citations	Total Fines and Penalties	Percent of Fines and Penalties
Assessed	15,597	100%	\$1,292,100	100%
Collected	6,583	42%	358,696	28%
Uncollected	9,014	58%	933,404	72%
Disposed	406	3%	26,810	2%
Not Collectible (Estimated)	3,899	25%	323,025	25%
Available for Collection	5,115	33%	\$583,569	45%

Source: eTIMS

The SFMTA collects most of the fare evasion citations prior to the SFMTA's sending of the second collection notice. Less than six percent of fines and penalties are collected after the second collection notice has been sent.

If notices are returned to the SFMTA after the second notice is sent, the SFMTA marks the returned notices "undeliverable" and sends no further notices. According to the SFMTA, approximately 50 percent of second collection notices were undeliverable in FY 2008-09, or an estimated 20 to 25 percent of all citations.²

Increased Fine Collection Enforcement

As shown in Table 8.1 above, the SFMTA could have collected more than 5,000 additional citations for the six-month period from February 2008 through July 2008 through more effective collection enforcement, resulting in up to \$583,569 in total fine and penalty revenues. Low fare evasion citation collection reduces revenues to the POP program, as well as reducing incentives to adult fare evaders to pay fares. The SFMTA does not have procedures to enforce citation payments after the fourth and final collection notice is sent.

According to the SFMTA, a large number of citations contain incorrect names and addresses, resulting in undeliverable notices to pay fines. TFIs cannot legally compel fare evaders to provide identification, and in cases where an evader does not provide or possess identification, the evader either writes or speaks his/her name and contact information for the TFI. Although TFIs have techniques to verify this information, the

² In the first half of FY 2008-09 (July 2008 through December 2008) approximately 29,000 fare evader citations have been referred to PRWT for collections, of which an estimated 6,400 were undeliverable, or approximately 22 percent.

SFMTA has not sufficiently trained TFIs to verify identification and therefore has not ensured the maximum number of citations with correct names and addresses. The SFMTA should train TFIs, as well as evaluate their performance, in techniques to obtain adult fare evaders' correct name and address, thus increasing the number of citations with accurate information.

Further, the SFMTA could collect a larger percentage of fines and associated penalties by adopting some of the measures used to enforce parking citations, including citation referral to third party vendors, and reporting on unpaid citations to the California Franchise Tax Board or credit bureaus.

Conclusion

The SFMTA lacks adequate controls over citation processing to ensure that citations are not lost or misplaced. The POP program could not account for 36 percent of a random sample of 85 issued citations. Furthermore, from June 2008 through September 2008, POP logged 3 percent more citations than were recorded in its contractor's database, further frustrating checks on the system.

The SFMTA could increase adult fare evasion fine collection through more effective enforcement. Although the SFMTA claims that enforcement of citations and collection of all fines owed is not possible because TFIs cannot require adult fare evaders to provide correct identification, the SFMTA could train and evaluate TFIs on better methods to obtain fare evaders names and addresses, reducing the number of citations with inaccurate information.

The SFMTA could also increase collection of citation fines and penalties by adopting measures used to enforce parking citations. Although an estimated 25 percent of citations have incorrect names and addresses or otherwise undeliverable, the SFMTA could collect up to an additional 10,000 citations per year (based on an estimated 5,000 collectible citations for the six-month period from February 2008 through July 2008).

Recommendations:

In order to increase enforcement of adult fare evasion citations, the Board of Supervisors should:

- 8.1 Petition the California State Legislature to amend the California Public Utilities Code, authorizing the City and County of San Francisco to implement mechanisms to enforce adult fare evasion fine collections under the PRWT contract, including referral to third party collection agencies, and reporting to the California Franchise Tax Board and the credit bureaus.
- 8.2 Consider petitioning the California State Legislature to amend the California Public Utilities Code to authorize the City and County of San Francisco to convert

adult fare evasion civil citations to criminal citations if the evader has not paid the fine after 120 days.

In order to increase reliability of citation counts and data, the Deputy Director of SFMTA Security and Enforcement should:

- 8.3 Identify costs and benefits, including decreased staff administrative tasks and increased citation revenues, and potential timeframe for purchasing and implementing handheld devices.
- 8.4 Upon the purchase and implementation of handheld devices, develop written procedures for reconciling citation numbers to ensure that all citations are accounted for.
- 8.5 Discontinue manual counts of issued citations after implementing the use of a handheld device.
- 8.6 Provide training on eTIMS to all POP Supervisors, focusing on citation issuance and collection reporting.
- 8.7 Develop written procedures for generation and use of eTIMS management reports.

In order to increase collection rates, the Director of SFMTA Security and Enforcement should:

- 8.8 Train and evaluate TFIs in collecting accurate adult fare evader names and addresses when issuing citations.

Costs and Benefits

Increased adult fare evasion fine and penalty collection by employing special collection procedures under the contract between PRWT and SFMTA could result in additional fine revenues of approximately \$1 million per year.

9. Expanding Proof of Payment to Buses

- The San Francisco Municipal Transportation Agency (SFMTA) is in the process of implementing Proof of Payment (POP) on buses. The SFMTA's buses handle more than three times the passenger volume of its light rail system: the current domain of the POP program. POP has conducted three phases of a pilot expansion to buses, focused on portions of three bus transit corridors. The goals of this expansion are reducing boarding times and improving on-time performance, increasing fare box revenue collection, assisting in orderly and compliant boarding, and providing customer service. To date, only one other transit system in North America has expanded POP to an entire bus fleet.
- The SFMTA is now considering implementing Phase IV of the bus pilot program, including hiring 14 Transit Fare Inspectors (TFIs) with annual salary and benefit costs of \$1.2 million. Under the first three phases of the pilot program, TFIs facilitated back door bus boarding at specific locations while under Phase IV, the SFMTA plans for TFIs to board and ride buses along two major corridors.
- The SFMTA has implemented its bus pilot program one phase at a time without a longer term plan for piloting POP on the buses. The SFMTA has moved forward with Phase IV, although a formal plan has not been made public or approved by the SFMTA Board of Directors, and without first defining the specific goals of Phases I, II, or III or evaluating if these phases have achieved set goals. The goals of Phase IV are as yet unclear.
- The SFMTA is not currently well-situated to expand POP to the bus fleet. The POP program has difficulty conducting performance management at the program's current scale, and increasing the size and scope of the program will only exacerbate this problem. Expanding POP to buses poses a number of new obstacles that the POP and its pilot program have not addressed, including communication, cultural, and physical obstacles.
- The SFMTA should discontinue the pilot program to expand POP to the SFMTA bus fleet, including suspending hiring for the 14 Transit Fare Inspectors, until a bus pilot program implementation plan is approved. Before POP can expand to buses, it must improve its overall performance management, while also developing a full implementation plan for bus POP that includes defining the main goals of Proof of Payment on the buses, developing criteria for selecting bus routes that are consistent with program goals, developing bus-specific program measures and goals to evaluate its performance, and conducting a cost assessment of upgrading buses and bus shelters to facilitate POP.

SFMTA's Bus Fleet

The SFMTA bus system handles more than three times as many passengers as the light rail system—nearly 80 percent of all SFMTA transit boardings. The bus system's 72 number routes carry more than 3 million passengers per week and more than 160 million passengers per year. Passenger traffic on several Muni bus routes exceeds Muni light rail lines; the 38 Geary and 14 Mission bus routes carry more passengers than any of SFMTA's light rail lines, except for the N Judah line. To date, the SFMTA has focused Proof of Payment (POP) enforcement on the City's light rail lines. Given the scale of the bus system, expanding POP to buses is a major undertaking.

Fare Evasion on Buses

Fare evasion on buses is often conspicuous. Passengers may board a bus through the rear-door, may present counterfeit and invalid passes, may display illegally purchased or expired transfers, or may simply refuse to pay. The SFMTA does not know the frequency of these individual incidents, the overall fare evasion rate, or the total revenue loss.

Rear-door Boarding

The SFMTA prohibits rear-door boarding on buses with few exceptions. Despite this prohibition, rear-door boarding occurs regularly on Muni buses. Valid pass or transfer holders will sometimes use a rear door if the front of the car is crowded or to hasten boarding, and vehicle operators will occasionally facilitate this behavior by opening the rear doors. Regardless of whether an individual has proof-of-payment, rear-door boarding is a violation of SFTMA policy and is conspicuously posted on the outside of vehicles (see Figure 9.1, below).

Front-door Evasion

Fare evasion occurs on the front-door of buses as well. SFMTA staff report riders refusing to pay, although they do not collect a count of such instances. An evader may also enter the front door without a vehicle operator checking for valid proof of payment. The SFMTA is also aware of numerous instances of passengers providing counterfeit passes, although it does not have an estimate for their use.

Figure 9.1

“Enter Through Front Door Only” Decals on Muni Bus Windows



Source: Flickr.com

Confrontation Concerns

Vehicle operators who recognize a fare evasion may choose not to confront the fare evader. Vehicle operators are under pressure from operations managers to minimize vehicle delays. They are also reluctant to create a conflict that may escalate into verbal or physical confrontation, knowing that such incidents have taken place. Therefore, vehicle operators will often tolerate fare evasion in order to avoid delaying a bus trip, inciting a violent reaction, or both.

Public Perception

As is discussed in Section 4, *Complaints and Complaint Handling*, few of the complaints lodged with the SFMTA concern fare evasion, and fewer, still, concern back-door boarding. From January 1, 2005 to October 31, 2008, “Fare Evasion” and “Non-Enforcement of Fare Collection” combined for less than 0.5 percent of all SFMTA Passenger Service Reports. In 2008, out of 29,273 SFMTA Passenger Service Reports, 6 reports (less than 0.1 percent) concerned public requests for POP on buses.

POP on Buses, In Perspective

There is little precedent for conducting POP on buses. The Budget Analyst is only aware of one transit system in North America that has expanded POP inspections to an entire bus fleet (Portland's TriMet, where back-door boarding is prohibited). The Federal Transit Administration's Transit Cooperative Research Program (TCRP) found that bus POP exists in "cases where minimizing boarding time is critical because a multiple-unit streetcar or articulated bus is used." The TCRP notes, however, that in these situations POP was not the only fare collection method employed. In other places where POP has been expanded to buses, it has been relegated to select corridors or Bus Rapid Transit (BRT) lines. Los Angeles County MTA, York Region Transit in Ontario, Canada, and the New York City MTA conduct POP on select bus routes. These bus POP systems also employ bus shelter design improvements, such as designated proof-of-payment zones, ticket machines, and off-board fare collection to facilitate POP implementation and enforcement.

POP on Muni Buses

The SFMTA provided funding for the expansion of POP to buses beginning in FY 2006-07. Its expansion initiative intended for POP to more than double its inspection staff levels in order to target the busiest light-rail lines as well as bus routes 1, 14, 15, 30, 38, and 49.

Bus Pilot Program

The SFMTA has implemented its pilot program for expansion to the buses one phase at a time, without specific goals or a longer-term implementation plan. In April 2008, the POP program launched a three-phase bus pilot program. The SFMTA has identified several goals for the three-phase pilot program, which involves Transit Fare Inspectors (TFIs) checking for proof of payment on boarding passengers. The goals of the pilot include:

- Reduced boarding times and improved on-time performance
- Increased fare box revenue collection
- Orderly boarding
- Customer service
- Fare payment compliance

TFIs have not issued citations during the first three phases of the pilot program, nor have they conducted fare inspections on buses.

The phases of the pilot are described below.

Phase I: Van Ness at Market

Phase I of the pilot program commenced April 1, 2008. TFIs were trained to check for proof of payment for riders boarding buses, allow those with valid passes or transfers to board through the rear of the bus, and direct those without valid passes or transfers to the front of the bus. Four TFIs per day facilitated rear door boarding at the bus shelters at the intersection of Van Ness Avenue and Market Street, focusing on the 47 and 49 bus routes. The rear-door boarding facilitation occurred on weekdays, from 7 a.m. to 9 a.m. and 3 p.m. to 6 p.m. TFIs did not board buses. In all, 10 TFIs were trained to facilitate rear-door boarding during Phase I.

Phase II: Van Ness at Market, O'Farrell, and Geary

Phase II of the pilot program commenced April 29, 2008, four weeks after the commencement of Phase I. Phase II was the same as Phase I, with the added inspection of the 38 Geary bus route at Van Ness Avenue and O'Farrell Street in the morning (inbound) and Van Ness Avenue and Geary Boulevard in the afternoon (outbound). Phase II also expanded the inspection times, from 6 a.m. to 9 a.m. and from 3 p.m. to 7 p.m. The March 2008 class of TFI trainees was trained on rear-door boarding facilitation during Phase II.

Phase III: Van Ness, Market, and Geary Bus Transit Corridors

Phase III of the pilot program commenced December 8, 2008, seven months after the commencement of Phase II. Phase III expanded Phase II by focusing on some of the busiest Muni transfer points, as identified by the Transit Effectiveness Project, as well as a greater number of stops along Van Ness Avenue (between Chestnut Street and Market Street), Market Street (between 3rd Street and Castro Street), and Geary Boulevard (between Divisadero Street and Van Ness Avenue). In addition to the 38, 47, and 49, TFIs began facilitating rear-door boarding for the F Market & Wharves and J Church street cars, and the 6, 7, 9X, 22, 24, 30, 30X, 31, 35, 27, 41, 45, and 71 bus routes. During Phase III, the POP program authorized TFIs to issue citations to "egregious" evasions; however, TFIs issued no actual citations during this phase.

Proposed Phase IV of the Bus Pilot

During the management audit, the SFMTA had not developed a longer range plan for the bus pilot program. The SFMTA was completing Phase III of the bus pilot at the same time that the management audit was completed but had not reported on what were the Phase III main goals (whether reduced boarding times, increased fare box revenues collection, orderly boarding, or other goals) or analyzed the extent to which these goals had been achieved.

The POP program informed the Budget Analyst of the proposed implementation of Phase IV, with TFIs boarding and conducting fare inspections along two bus routes, although the intent of Phase IV, following on Phase III, was not clear. The Proof of Payment program had not fully developed the Phase IV plan at the time of the management audit

nor had the SFMTA Board of Directors approved the plan. Nonetheless, the SFMTA had advertised 14 vacant Proof of Payment positions, planning to hire these positions for the bus pilot program.

In expanding the POP program to the buses, the POP program has considered distributing flyers and using other public education techniques to educate bus riders about the requirement of carrying proof of payment. The SFMTA will also need to add signage to buses about proof of payment and remove existing signs prohibiting rear-door boarding. The POP program has not developed the formal plan for increasing public communication, removing contrary messaging, or deploying fare inspectors to buses. Other obstacles to expanding POP to buses are discussed below.

POP Is Not Ready to Expand to Buses

Expanding the POP program to include the SFMTA's much larger and more dispersed bus system is a challenge in itself. However, the system poses additional bus-specific obstacles to POP expansion, as well as significant hiring expenses and other costs.

The POP Program Must Overcome Obstacles to Expand to Buses

The POP program must overcome several obstacles in order to effectively and efficiently implement POP on buses.

Communication Obstacles

Implementing POP on buses involves communication hurdles.

- Throughout the pilot phases, the SFMTA has failed to adequately communicate the existence and the purpose of the pilot program to vehicle operators. As TFIs have attempted to facilitate rear-door boarding, many vehicle operators were not aware of the program. Although some teams of TFIs were able to explain the program to vehicle operators, in other instances vehicle operators failed to allow rear-door boarding. The POP program did not develop alternate methods to communicate POP to vehicle operators.
- Communicating the program to the ridership will require a multilingual rider outreach effort. Despite some signage on buses, POP management believes riders of all language backgrounds are not aware of the SFMTA's proof-of-payment requirements.
- SFMTA senior managers have different understandings as to the existing legality of rear-door boarding. Furthermore, the POP program has not informed all senior managers about the existence of the POP pilot program.

Physical and Mechanical Obstacles

Implementing POP on buses faces practical and structural hurdles.

- As noted above, Muni buses currently display signage on and around the rear doors expressly prohibiting rear-door boarding. This signage would need to be removed from buses allowing rear-door boarding. According to the SFMTA, approximately 530 staff hours would be required to remove decals from the buses.
- Bus shelters are not designated Proof of Payment zones. They are not designed to facilitate off-board fare inspections or collections, nor are they designed to facilitate staffed rear-door boarding.
- On some newer bus models, drivers are not able to open rear doors from the driver's seat, making rear-door boarding on these buses impractical without retrofitting the vehicle.

Citation Obstacles

POP managers and TFIs express concern over the practicality of issuing POP citations on- and off-board buses.

- TFIs may have difficulty issuing citations onboard buses due to crowding and to the regular stopping and starting of vehicles.
- TFIs may have difficulty issuing citations off-board buses because bus shelters are not recognized as POP zones and there is no structure preventing passengers from walking away.

Cultural Obstacles

Implementing POP on buses faces cultural hurdles.

- Although the SFMTA does not know the degree to which fare evasion occurs on the bus system, staff report that a portion of the ridership has become accustomed to not paying, whether they board in the front or rear of the bus.
- Riders have developed a habit of enabling rear-door boarding by opening and holding doors for patrons boarding the back of the bus.
- Drivers are often reluctant to insist that passengers pay fares or check for proof of payment, whether a passenger boards by the front or rear of the bus.

Geographic Obstacles

Fare evasion on buses occurs outside of the Van Ness/Market/Geary corridors.

- Illegal rear-door boarding was prevalent enough along Mission Street to garner its own previous effort to combat fare evasion in FY 2004-05. Furthermore, according to the FY 2004-05 survey used to inform the POP pilot program, 4 of

the top 12 Muni-to-Muni transfer sites occur on Mission Street, at Geneva Ave (8th overall), 16th Street (9th), 24th Street (11th), and 1st Street (12th).

- The Transit Effectiveness Project found that the key bus corridors with notably poor on-time performance are Mission Street, Haight Street, Potrero-San Bruno Avenues, and Sunset Boulevard. If one of the purposes of the POP expansion is to reduce boarding times and improve on-time performance, the POP program should explore conducting POP in these transit corridors.
- Expanding POP to buses may require additional research and configuration to deploy TFIs to all heavy bus-use corridors.

Performance Management Obstacles

As is discussed in Section 1, *Proof of Payment Performance Management*, the POP program is not managing its existing operations to achieve results. Implementing POP on buses creates additional performance management obstacles for the POP program.

- The SFMTA does not currently record fare box collections for individual buses or bus lines and therefore can not determine any fare box revenue changes attributable to POP, although the SFMTA system improvements may allow more specific revenue tracking in the future.
- The POP program has not determined a fare evasion rate for the bus fleet or individual bus lines, therefore it does not have a baseline evasion rate. The SFMTA reports that the Transit Effectiveness Project is in the process of conducting such an assessment.
- Boarding time is not the only factor affecting bus on-time rates, therefore the SFMTA will have a challenge in attributing changes in on-time performance to the POP program.
- Because of the sheer scale of the bus system, the POP program needs to develop criteria for implementing POP on buses, including methods for selecting bus lines and stops appropriate for POP.

Expanding POP to Buses Requires Significant Financial Investments

The primary cost of expanding POP to buses would be salaries and benefits. Although the POP program currently has 6 Transit Fare Supervisor/Investigators (Supervisors) and 46 TFIs on staff, the SFMTA FY 2009-10 budget, as of May 12, 2009, included a total of 9 Supervisors and 60 TFIs. The purpose of these additional positions is fare enforcement in the bus system. Hiring 14 additional TFIs would cost the SFMTA approximately \$1.2 million in additional salary and fringe benefit costs annually. These costs do not include human resources, training, uniforms, materials, and other costs related to the hiring, training, and deployment of 14 additional TFIs.

The SFMTA would need to address and additional costs related to facilitating POP on buses. Several bus shelters are not designed to facilitate back-door boarding or proof-of-payment inspection. Removing signage from buses that discourages rear-door boarding would be another necessary cost, requiring approximately 530 staff hours at a cost of approximately \$30,000.

Conclusions

The SFMTA is in the process of expanding POP from light rail to its larger and more-dispersed bus system. The goals of this expansion are to increase revenue through fare payment, improve and hasten bus boarding, and improve vehicle on-time performance. A phased pilot program is underway. If the SFMTA successfully implements POP on buses, it will only be the second transit system in North America to have done so.

POP is not currently well-situated to expand fare inspection to the bus fleet. The POP program has difficulty conducting performance management at the program's current scale and scope, and increasing the scale and scope of the program will only exacerbate this problem. Expanding POP to buses poses a number of new obstacles that the POP and its pilot program have not addressed. Budgetary constraints on the system will make dollars for staffing, equipment, and signage changes more difficult to come by.

The SFMTA has been conducting a pilot program on the buses without a long term plan for implementing the succeeding phases of the pilot program. The SFMTA is considering establishing Phase IV of the pilot, placing TFIs on two bus routes, without specifically defining the goals of Phase IV or how Phase IV will be evaluated. SFMTA completed Phase III without defining the main goal of the pilot. To date, the SFMTA has not reported on the achievement of the pilot's goals (once defined) while moving forward to Phase IV.

The SFMTA does not know the magnitude of the problems it is trying to solve by expanding POP to buses. Before the SFMTA expands POP to the bus fleet, it should make an effort to quantify the problem of fare evasion on buses as well as the extent that facilitating rear-door boarding can actually improve on-time performance. It should then develop a full implementation plan that matches bus routes and transit corridors to its program goals and measures and evaluates its performance on buses. The POP program should also work closely with SFMTA's Operations Division to determine the best ways that vehicle operators and fare inspection staff can communicate and cooperate to curtail fare evasion.

Recommendations

In order to provide the SFMTA with immediate budget savings and avoid an unprepared expansion of POP to the Muni bus fleet, the SFMTA Board of Directors should:

- 9.1 Direct the Security and Enforcement Division to discontinue the pilot program to expand POP to the SFMTA bus fleet until an implementation plan is approved (see Recommendation 9.4)
- 9.2 Immediately suspend hiring of vacant 8124 Supervisor/Investigators and 9132 Transit Fare Inspectors positions until the pilot program implementation plan is completed and approved by the Board of Directors.

Before proceeding with future plans to expand POP to the Muni bus fleet, the Director and Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:

- 9.3 Measure fare evasion on SFMTA buses and compare the evasion rate with other bus systems.
- 9.4 Develop an implementation plan for Phase IV of the bus pilot. In doing so, the Security and Enforcement Division should:
 - (a) Define the main goal(s) of the Phase IV bus pilot (e.g., reduce boarding time through facilitating back door boarding; increase revenue collection from reduced fare evasion);
 - (b) Develop criteria for the selection of bus lines that are in concert with the goals of the POP program and any POP bus expansion (e.g., main transfer points, high rider volume, high incidence of fare evasion);
 - (c) Develop specific performance measures and identify required data to measure performance that aligns with the Phase IV bus pilot goals (e.g., bus dwell times; increased revenue collection specific to bus route);
 - (d) Adapt light rail POP best practices, as well as those from other systems, in order to develop best practices that can be adapted to the bus system; and
 - (e) Conduct a cost assessment of upgrading buses and bus shelters to facilitate POP.

Costs and Benefits

The SFMTA has included funds in the FY 2009-10 budget to pay for the 14 Transit Fare Inspector positions, with annual salary and fringe benefit costs of \$1.2 million. Hiring these positions and placing them on buses as part of the Phase IV bus pilot is ineffective if the program goals have not been determined. The SFMTA could avoid these costs by delaying hire of new positions until the implementation plan for Phase IV has been fully formed, resulting in a more effective pilot and evaluation. To eventually expand the Proof of Payment program to the larger bus fleet will be costly and SFMTA should only proceed once the pilot has been successfully evaluated and the Proof of Payment program's impact on fare revenues can be calculated.

Appendix

Supplemental Data Tables

Table A.1

**SFMTA TFI Staffing,
January 2007 to March 2009**

Month	TFI FTEs
Jan-07	27
Feb-07	29
Mar-07	27
Apr-07	Not Available
May-07	Not Available
Jun-07	Not Available
Jul-07	37
Aug-07	37
Sep-07	36
Oct-07	35
Nov-07	39
Dec-07	37
Jan-08	35
Feb-08	35
Mar-08	35
Apr-08	34
May-08	48
Jun-08	51
Jul-08	51
Aug-08	51
Sep-08	51
Oct-08	50
Nov-08	50
Dec-08	49
Jan-09	49

Source: Budget Analyst calculations based on SFMTA POP Program data.

Table A.2
Average Monthly Contact and Evasions,
January 2007 to January 2009

Average Contacts/Month	TFI Count	Average Evasions/Month	TFI Count
<1000	0	<25	3
1000-2000	1	25-50	5
2000-3000	6	50-75	6
3000-4000	13	75-100	12
4000-5000	21	100-125	14
5000-6000	8	125-150	6
6000-7000	7	150-175	3
7000-8000	2	175-200	3
8000-9000	0	200-225	4
		225-250	1
		250-275	1
		> 275	0

Source: Budget Analyst calculations based on SFMTA POP Program data.

Table A.3
Citation and Warning Rate Variances among Transit Fare Inspectors,
January 2007 to January 2009

Issuance Rate Range	TFI Count	
	Warning Rate	Citation Rate
0 to 0.25 percent	6	0
0.25 percent to 0.5 percent	7	0
0.5 percent to 0.75 percent	10	5
0.75 percent to 1.0 percent	10	4
1.0 percent to 1.25 percent	6	17
1.25 percent to 1.5 percent	5	7
1.5 percent to 1.75 percent	5	9
1.75 percent to 2.0 percent	4	7
2.0 percent to 2.25 percent	2	4
2.25 percent to 2.5 percent	2	0
2.5 percent to 2.75 percent	1	1
2.75 percent to 3.0 percent	0	0
3.0 percent to 3.25 percent	0	1
3.25 percent to 3.5 percent	0	1
3.5 percent to 3.75 percent	0	0
3.75 percent to 4.0 percent	0	0

Note: Outliers have been remove from this table

Source: SFMTA POP Program

Source: Budget Analyst calculations based on SFMTA POP Program data.

POP Statutory History

Part 1, Title 15, Chapter 2, Section 640 of the California Penal Code establishes the authority for jurisdictions to impose penalties under criminal infraction filings for fare evasion and passenger conduct violations. Under Section 640, each criminal infraction is punishable by both a not to exceed \$250 fine, and a total not to exceed 48 hours of community service to be completed within 30 days.

California Senate Bill No. 1749, approved by the Governor on September 14, 2006, amended Section 640 of the State Penal Code to permit both the City and County of San Francisco and the Los Angeles County Metropolitan Transportation Authority to enact ordinances providing that violations of Section 640, committed by persons at least 18 years of age, would be subject only to an administrative penalty imposed in a civil proceeding. The criminal provisions of Section 640 continue to regulate violations committed by minors. The amended legislation established that the California Public Utilities Code, rather than the California Penal Code, would govern ordinances imposing and enforcing such administrative penalties.¹

The San Francisco Board of Supervisors amended Traffic Code Section 127, *Fare Evasion Regulations*, Section 128, *Passenger Conduct Regulations*, and related *Penalty and Other Fare Evasion and Passenger Conduct* regulations in September of 2007.² The amendments clarified the definition of *Proof of Payment* and, for offenders at least 18 years of age, replaced the fare evasion and passenger misconduct criminal penalties with administrative penalties and fees, in accordance with the authority provided by the Public Utilities Code.

The City's electorate passed Proposition A, titled *Transit Reform, Parking Regulation and Emissions Reductions*, on November 7, 2007. Proposition A amended the San Francisco Charter to provide the San Francisco Municipal Transportation Agency with significantly enhanced authority in administering the operations of the Agency, including setting parking and traffic regulations and approving contracts. Proposition A required that the Board of Supervisors enact implementing legislation to repeal all provisions of the Traffic Code that were inconsistent with Proposition A. Subsequent to the Board of Supervisors adopting Division I and the Municipal Transportation Agency enacting Division II, the San Francisco Transportation Code, comprised of the two Divisions, replaced the former Traffic Code in its entirety, effective July 2, 2008.

The Municipal Transportation Agency in Section 302, *Transportation Code Penalty Schedule*, set a fine of \$50 each for violations of both fare evasion regulations and

¹ California Public Utilities Code, Division 10, Part 11, Chapter 3, commencing with Section 99580.

² Ordinance No. 224-07, File No. 070680.

passenger conduct regulations. In Section 301, *Late Payment, Collections and Boot Removal Fee*, the Municipal Transportation Agency established late fees of \$25 and \$35 for failure to pay by the first and second due dates, respectively, which are affixed to the notice of violation.

Definitions

Division I, Article 1, Section 1.1, Part (b) of the San Francisco Transportation Code defines “Proof of Payment or Proof of Payment Program,” and “Proof of Payment Zone,” as follows:

Proof of Payment or Proof of Payment Program. A fare collection system that requires transit passengers to possess a valid fare receipt or transit pass upon boarding a transit vehicle or while in a Proof of Payment Zone, and which subjects such passengers to inspections for proof of payment of fare by any authorized representative of the transit system or duly authorized peace officer.

Proof of Payment Zone. The paid area of a subway or boarding platform of a transit system within which any person is required to show proof of payment of fare for use of the transit system.

Violations and Penalties

Fare Evasion

Division I, Article 10, Section 10.2.49 of the Transportation Code lists violations of *Fare Evasion Regulations*, as follows:

- (a) For any passenger to evade any fare collection system or Proof of Payment Program instituted by the Municipal Transportation Agency.
- (b) For any person to board or ride a MUNI transit vehicle without prior or concurrent payment of fare.
- (c) For any person to board or ride a MUNI transit vehicle through the rear exit except:
 - (1) When a representative of the transit system is present at such exit for the collection of fares or transfers or the inspection of proof of payment;
 - (2) When the MUNI transit vehicle is operating at a station or boarding platform where fares are collected prior to boarding the transit vehicle;
 - (3) When necessary for access by persons with disabilities on wayside boarding platforms;
 - (4) When the MUNI transit vehicle is operating on a transit line³ or in a Proof of Payment Zone.

³ Transit line in this context means operating as a part of the MUNI Metro System.

- (d) To fail to display a valid fare receipt or transit pass at the request of any authorized representative of the transit system or duly authorized Peace Officer while on a transit vehicle or in a Proof of Payment Zone.
- (e) To misuse any transfer, pass, ticket, or token with the intent to evade the payment of any fare.
- (f) To knowingly use or attempt to use any illegally printed, duplicated, or otherwise reproduced token, card, transfer or other item for entry onto any transit vehicle or into any transit station with the intent of evading payment of a fare.
- (g) For any unauthorized person to use a discount ticket or fail to present, upon request from a system fare inspector, acceptable proof of eligibility to use a discount ticket.

Passenger Conduct Regulations

Division 1, Article 10, Section 10.2.50 of the Transportation Code lists violations of *Passenger Conduct Regulations*, as follows:

- (a) Playing sound equipment on or in a system facility or vehicle;
- (b) Smoking, eating, or drinking in or on a system facility or vehicle in those areas where those activities are prohibited by that system;
- (c) Expectorating upon a system facility or vehicle;
- (d) Willfully disturbing others on or in a system facility or vehicle by engaging in boisterous or unruly behavior;
- (e) Carrying an explosive or acid, flammable liquid, or toxic or hazardous material in a system facility or vehicle;
- (f) Urinating or defecating in a system facility or vehicle, except in a lavatory. However, this paragraph shall not apply to a person who cannot comply with this paragraph as a result of a disability, age, or a medical condition;
- (g) Willfully blocking the free movement of another person in a system facility or vehicle;
- (h) Skateboarding, roller skating, bicycle riding, or roller blading in a system facility, vehicle, or parking structure. This restriction does not apply to an activity that is necessary for utilization of the transit facility by a bicyclist, including, but not limited to, an activity that is necessary for parking a bicycle or transporting a bicycle aboard a transit vehicle as permitted by the Municipal Transportation Agency.

As previously stated, Division II, Article 300, Section 302, *Transportation Code Penalty Schedule*, provides a fine amount of \$50 for violations of both fare evasion regulations and passenger conduct regulations.

Misdemeanors

Division I, Article 10, Section 10.3.1 of the Transportation Code, *Other Fare Evasion and Passenger Conduct Regulations*, lists actions in or about a public transit station or a MUNI transit vehicle that are prohibited and which violation of constitutes a misdemeanor. Upon sentencing, the Court may reduce the charge to an infraction. The prohibited action in Section 10.3.1 concerning fare evasion is as follows:

- (a) Knowingly providing false identification to a peace officer, fare inspector, or other representative of the transit system when engaged in the enforcement of City or state laws regarding fare collection, fare evasion, passenger conduct or proof of payment of fare.

According to the City Attorney's Office, the court maintains penalty schedules for misdemeanors.

Metro Station Operations Unit Response to the 1996 Audit Report Recommendations

The Director of Public Transportation should:

- 1.5.1 Direct MUNI Metro Station Operations management to develop a plan for reducing absenteeism, and to closely monitor and manage staff absences in order to achieve at least 80 percent of paid time on the job.
- We issue a sick abuse list every quarter. Agents on the list would be brought in to have a conference with the superintendent, and a documented verbal warning would be placed in agent's personnel file. We also keep a Tardy/AWOL Record. When the agent is late reporting to assigned station booth, he or she would be written up by the supervisor on duty and a conference with the Superintendent would be scheduled. The agent would receive documented verbal warning for the first offence, written warning for the second offence and up to suspensions for additional offences. As a result of this aggressive campaign against absenteeism, we are able to achieve 95 percent of paid time on the job.
- 1.5.2 Staff the MUNI Metro Station Operations Unit at its authorized strength of 57 full-time positions, using existing resources authorized for the Department.
- Currently we have 60 agents and only two of them are on long-term worker's compensation leaves. With our successful absentee prevention program, we are able to staff all scheduled shifts including secondary coverage with our existing resources.
- 1.5.3 After regular full staffing has been achieved, investigate and report back to the Transportation Commission on the costs and benefits of installing electronic monitoring equipment at all of the station booths, taking into consideration the full benefits from more consistent staffing in the primary and secondary booths..
- After cost and benefit analysis, we decided to equip only the primary booth with CCTV monitors.
- 1.5.4 Request that the Department of Human Resources survey and classify the top management position in the MUNI Metro Station Operations Unit to determine whether it would be more appropriately staffed at the Transit Manager I level.
- Per your 1996 audit recommendation, the head of Station Operations is currently budgeted as a Transit Manager I position, and is being held by an acting Transit Manager II, who also manages Green Division

1.5.5 Conduct a study of the Metro Stations and report to the Transportation Commission on steps that can be taken at minor cost to improve operational and working conditions, and on those working and operational condition improvements that may require significant funding through a capital project. The Budget Analyst amplified recommendation 1.5.5 in the body of the report that the study should include all facts of the station environment, including:

- 1) Location of Monitors,
- 2) Removal of Rodents,
- 3) Lighting in Metro Tunnels,
- 4) Update of Station Agent Manual,
- 5) Air Conditioning Systems,
- 6) Bathroom Remodeling,
- 7) Change Machines,
- 8) Control of water flows in Church Station,
- 9) Public Address System,
- 10) Replacement of Chairs,
- 11) Security of Booth Doors, and
- 12) Metro Station Signage.

1) After thorough analysis, we relocated the CCTV monitors to a better location, although they are not on the front console (not feasible per stationary engineers) as some agent would prefer;

2) Pestec, a pest control company, was hired to remedy and control the rodent infestation. Pestec makes biweekly inspections in all stations;

3) The subway stationary engineers have determined that the lighting in Metro Tunnels is sufficient;

4) The Station Agent Manual aka SOP was last updated in May, 2001;

5) The stationary engineers are replacing existing air conditioning unit on as needed bases;

6) Bathrooms have been remodeled on as needed bases determined by stationary engineers;

7) Revenue Department has added change machines at Embarcadero Station. After cost and benefit analysis, Revenue Department decided not to add change machines at Montgomery, Powell, and Civic Center Stations;

8) Agents are instructed to be vigilant about clogged storm drains on the street during raining seasons, and to call the stationary engineer for assistance when needed. We have not experienced any flooding in Church Station in recent memories;

9) A better PA system was installed on both primary and secondary booth. West Portal Station agent is able to make system wide announcements through the subway, so is the train controller at Operations Central Control.

10) The latest system wide chair replacement took place in 2008;

11) Locks with better security features were installed on booth doors;

12) Station signage has been improved significantly due to the installation of flat panel screens at each station, displaying train movements and arrival time information throughout the metro subway system.


San Francisco Municipal Transportation Agency
Written Response

Gavin Newsom | Mayor
Tom Nolan | Chairman
Rev. Dr. James McCray Jr. | Vice-Chairman
Cameron Beach | Director
Shirley Breyer Black | Director
Malcolm Heinicke | Director
Jerry Lee | Director
Bruce Oka | Director
Nathaniel P. Ford Sr. | Executive Director/CEO

MEMORANDUM

DATE: May 27, 2009

TO: The Honorable Members, Board of Supervisors

FROM: Nathaniel P. Ford, Sr.
Executive Director/CEO 

SUBJECT: Management Audit of the SFMTA Proof of Payment Program

The San Francisco Municipal Transportation Agency (SFMTA) is in receipt of the May 27, 2009 Management Audit of the SFMTA Proof of Payment Program prepared by the San Francisco Budget Analyst. Attached is an Executive Summary and responses to the 76 recommendations outlined in the Management Audit. While the SFMTA appreciates the efforts of the Budget Analyst and acknowledges that useful information was contained throughout the document, I strongly encourage refinements to future management audits that will yield an overwhelming cost-value added to the audited City departments.

The recommendations are as follows:

- Entry and exit interviews with the Department Head of the audited department;
- Mutually agreed upon formulas and calculations by the Budget Analyst and the Department prior to commencing with the auditing process; and
- A minimum 90-day Departmental review of the Budget Analyst's findings and response preparation.

I look forward to working with the Board of Supervisors as the SFMTA continues to make significant advancements towards enhancing San Francisco's transportation network.

cc: Mayor Newsom
SFMTA Board of Directors

SFMTA RESPONSE TO BOARD OF SUPERVISORS BUDGET ANALYST AUDIT Proof of Payment Program

Executive Summary

SFMTA Overview

The San Francisco Municipal Transportation Agency (SFMTA) manages a ground-transportation system encompassing pedestrians, bicycles, transit, taxis, parking and traffic. As the steward of the City's *Transit First* policy, the SFMTA is proud that for a city of its size, San Francisco has a high number of walkers, bicyclists and transit customers. Increasing the use of all green modes to protect the environment and to ensure The City's sustainability for future generations is one of the primary goals of the SFMTA.

Transit

Known as Muni, the City's transit system is one of the oldest in the nation, dating back to the mid-19th Century. It currently is ranked as the eighth largest North American transit operation with approximately 700,000 daily boardings on a fleet of over 1,000 vehicles.

Muni operates the following vehicles:

- 495 motor coaches using biodiesel (including 86 hybrids);
- 351 electric trolley coaches;
- 151 light rail vehicles;
- 40 cable cars; and
- 31 historic streetcars

Muni provides service within a quarter of a mile of all residents and includes 14 miles of transit-only lanes and 74.9 miles of rail tracks including light rail, cable car and streetcar.

Taxi

Taxi regulation in San Francisco falls under the SFMTA as of March, 2009. Taxi regulation supports the *Transit First* policy by ensuring taxis conform to clean vehicle standards, operate safely and are available to serve San Francisco residents and visitors.

- 1,456 Total Permits
- 32 Authorized Color Schemes
- 10 Dispatch Service Permits

Parking and Traffic

Parking and Traffic plans and implements San Francisco's traffic engineering, parking regulation and enforcement as well as the pedestrians, bicycle and better streets programs. It establishes traffic and on-street parking regulations that further San Francisco's *Transit First* policy.

The SFMTA manages:

- 946 miles of lane striping
- 1,156 traffic signals
- 200,000 signs
- 1,157 signalized intersections
- 24,000 parking meters
- 208 miles of City streets with bike lanes or enhancements
- 130 school crossings with adult crossing guards.

Parking Enforcement

The primary goal of parking enforcement is to ease traffic congestion and to promote parking turnover throughout the City by enforcing regulations and directing traffic as well as monitoring parking at metered parking spaces across the City. Parking enforcement also has oversight of the Residential Parking Permit areas and removal of abandoned vehicles and vehicles blocking driveways. Finally, and most importantly, parking enforcement improves the speed and reliability of Muni by controlling traffic and double parking along transit routes.

Off Street Parking

Off Street Parking oversees 40 City-owned parking garages and lots with 15,130 spaces including spaces for car sharing and electric-charging stations. These facilities offer parking options for those who choose to use their cars and revenues from the facilities are used to fund transit operations.

Audit - General Comments

As requested by Supervisor Bevan Dufty on June 10, 2008, the Board of Supervisors' Budget Analyst was asked to audit the SFMTA Transit Proof of Payment (POP) program. The purpose of the audit as stated by the Budget Analyst was to evaluate the effectiveness and efficiency of the program in accordance with Government Auditing Standards, 2007 Revision. The scope of this effort was to evaluate the program's planning and evaluation; staff deployment; internal controls related to citations, passenger service reports, staff incident reports; and "other issues" related to fare enforcement.

The SFMTA welcomed the audit as an opportunity to evaluate the effectiveness of a relatively new program which began in 2000. While the audit findings highlighted and affirmed many of the known issues associated with the POP program and presented numerous useful recommendations, many of the recommendations are based on outdated statistics and comparisons with transit agencies that do not operate in comparable service environments. Additionally, the audit's main reference source was the Federal Transit Administration (FTA) sponsored Transit Cooperative Research Program (TCRP-80), published in 2002 which was more than seven years ago.

It is understandable that the audit was performed from a financial focus given the Budget Analyst's expertise. However, balancing the financial viewpoint with operational and industry expertise would have been more beneficial to target the recommendations and provide additional value. After all, the purpose of a POP program clearly has multiple objectives of equal weight including, but not limited to: increased customer service; improved safety; less fare evasion and better compliance; improved transit speed and reliability related to on-time performance. Both the direct and indirect benefits of the POP program should be assessed to truly determine the success of the program and unfortunately the audit did not accomplish this goal. Furthermore, most enforcement programs are not evaluated on financial returns but on operational and public service returns. Hence, the SFMTA's POP program should have been evaluated on the aforementioned.

In summary, while the SFMTA appreciates the efforts of the Budget Analyst the Agency believes that the audit and recommendations do not consider the entirety of the direct and indirect costs and benefits of the program and instead narrowly focuses on specific fiscal criteria. We hope that in future efforts of this nature; expertise in transit operations, transit industry practices, customer service as well as financial expertise is used to complete value-added audits.

Audit Specific Comments

The following summary outlines SFMTA's specific comments on the audit:

Fare Evasion Rates

As per the findings of the Budget Analyst the SFMTA fare evasion rate is 2.4% based upon ([warnings + citations] divided by contacts) and falls within acceptable TCRP-80 ranges from 1.5% - 3.0%. In comparison, the David Binder Research report, dated June 13, 2006, found the fare evasion rate in the Muni system to be 10.5% and a 7.5% on the J,K,L,M & N light rail lines which included both underground and surface stops. The SFMTA is also in the midst of a study which will survey customers on buses and the F-Market historic streetcar line to determine fare evasion rates on these vehicles. With over 8,000 customers surveyed to date, partial results indicate that the fare evasion rate is within

several percentage points of the rate identified in the 2006 study, but this estimate may change as more sampling is completed.

POP Productivity Measurements and Staffing Needs

The SFMTA Enforcement staff contacted the five transit agencies cited in the audit. The transit officials (ranging from Security Chiefs to Field Operations Managers to Statistical Analysts) with whom we spoke provided recent data which differed from the data provided by the Budget Analyst.

The Budget Analyst related to SFMTA Security staff that they only compared those transit agencies that responded to their requests for information, rather than selecting transit agencies which are more similar to Muni. The transit agencies used for comparison were not similar in urban configuration, service model and ridership as outlined in Appendix A.

There are significant differences between Muni and the systems used for comparison. For example, Dallas Area Rapid Transit (DART) spans six counties and 700 square miles. Muni provides transit service in one county spanning 49 square miles. Most other transit properties provide a mix of urban and suburban transit service, while Muni provides service strictly in an urban setting. The Muni system is accessible approximately every two blocks within San Francisco making it easier for fare evaders to board and disembark quickly while other systems travel much longer distances between transit stops allowing for more comprehensive checking for fare evaders. Back door boarding is a known practice throughout the Muni bus network due to the vast number of customers utilizing our transit vehicles. The front doors of our buses could not accommodate the flow of boarding customers solely when there are customers needing to disembark as well, especially on articulated buses and buses traveling on our more popular routes. Additionally, the transit system provides significant service for special events including major league sporting events, concerts, outdoor festivals, etc. most weekends which requires a different level of enforcement than commuter systems.

The five transit agencies surveyed by the Budget Analyst all have more resources than that of the SFMTA, e.g., TFIs, security guards, and sworn law enforcement officers for fare enforcement. Hence, these agencies have a significant law enforcement component that supports fare enforcement, even though their ridership is significantly less than Muni's ridership.

Moreover, when compared to the five transit agencies, the SFMTA's TFIs issue three to four times as many fare evasion citations, despite having far fewer staff as shown in the two following tables.

Table 1

Table 1 shows that the monthly citations issued per TFI far exceeds the number issued by the other agencies referenced in the Budget Analyst's audit.

Monthly Citation Issuance Comparison

Agency	Total Fare Evasion Citations Written Per Month	Total Fare Enforcement Staff	Monthly Citations Per Fare Enforcement Staff
SFMTA	3,500	46	76.09
Denver RTD	631	179	3.53
Portland TriMet	1,440	83	17.35
Utah (UTA)	1,000	57	17.54
Dallas (DART)	1,500	225	6.67
San Diego (MTS)	1,583	145	10.92

Table 2 shows the TFIs issue more citations per one million passengers in comparison to the five transit agencies referenced in the Budget Analyst's audit.

Table 2

Comparison of Citations Issued per 1M Passenger Trips

Transit Agency	Number of Fare Evasion Citations Per Month	Number of Warnings Per Month	Number of Passenger Trips Per Year ¹	Total Annual Number of Citations Per 1M Passenger Trips ²
Muni (LRV Only)	3,500	2,600	48,889,600	859.08
Muni (Total Annual Ridership)	3,500	2,600	221,213,200	189.86
Denver RTD	631	3,273	89,214,900	84.87
Portland TriMet	275	912	103,637,300	31.84
Dallas (DART)	1,000	500	63,047,600	190.33
San Diego (MTS - LRV only)	1,583	Unavailable	36,054,600	526.87
San Diego (MTS - Total Annual Ridership)	1,583	Unavailable	65,707,800	289.10
Utah (UTA - LRV Only)	400	Unavailable	13,949,000	344.11
Utah (UTA - Total Annual Ridership)	400	Unavailable	39,554,700	121.35

Note: San Diego MTS is the Parent agency for San Diego Transit Corp (Bus - 29,653,200 annual riders in 2008) and San Diego Trolley (LRV - 36,054,600 annual riders in 2008)

¹ From 2008 APTA Annual Ridership Statistics

² Formula of Calculation is Number of Fare Evasion Citations Per Month X 12 Months / Annual Passenger Trips X 1,000,000

The Budget Analyst's audit report indicates TFI inspection and productivity rates are below the TCRP-80 recommended acceptable ranges. SFMTA disagrees

with the methodology utilized by the Budget Analyst in calculating the inspection rate as shown on page 2-7, Table 2.2 of the audit report. Our calculations contained below demonstrate the inspection rate and productivity rates are within TCRP-80 acceptable ranges:

Table 3

Inspection Rate

Inspection Rate = Inspections / Ridership

Inspections Per Year ¹	LRV Ridership Per Year ²	Inspection Rate	Comments
4,295,828	42,229,441	10.17%	LRV Only (minus F-Line)

Table 4

Productivity Rate

Productivity Rate = Inspection Rate X Daily Ridership / # of TFI's³

Inspection Rate	Daily Ridership	# of TFI's	Productivity Rate ³	Comments
10.2%	138,531	30.0	469.6200	LRV Only Ridership, Using Number of TFIs from Budget Analyst
10.2%	138,531	28.0	503.2925	Using Number of TFI's (28) as estimated by SFMTA Finance Per Day, Including SP, VA, FH, etc.

¹ Inspections = Customer Contacts

² This is Total LRV Ridership Per Year minus the F-Line annual Ridership (6,660,159) From NTD (No POP on F-Line)

³ Reasonable Productivity Rate Range is 400 to 700 Inspections Per TFI Per Day (Page 2-3 in BOS BA Draft Audit)

The TCRP-80 study the indicated of the 13 transit agencies studied inspections rates ranged from 6% to 42% with most systems falling with the 15% - 30% range for an average of 26%. The TCRP-80 study states:

*“There is **no** specific formula for establishing a reasonable inspection rate. However, based on existing SSFC experience, agencies introducing new systems **might** consider inspection rates on the order of 15% to 25%, and in doing so, can expect to experience evasion rates on the order of 1.5% to 3%”*

The Budget Analyst's reports calculated the POP inspection rate at 7.4% (Table 2.2, page 23) we believe the correct inspection rate to be 10.2%. While the TCRP-80 study suggests a higher inspection rate, the study does not make a recommendation of optimum performance it is only stating the averages found across very diverse systems. In addition, the Budget Analyst's calculation of the POP programs productivity rate is understated. They reported an average of 331 daily inspections per TFI, while we believe the average productivity rate to be 469 daily inspections per TFI as detailed in the previous.

Transit Fare Inspector Staffing

It is important to consider and compare the number of fare evasion enforcement personnel per every one million passenger trips for the agencies compared in this study. As demonstrated in Table 5 below our ratio of Fare Inspector personnel to passenger trips is at the low end of the scale.

Table 5

Fare Evasion Enforcement Staffing per 1 Million Passenger Trips

Agency	Staffing Makeup			Total Fare Enforcement Staffing	Passenger Trips Per Year ¹	Security Staff Per 1,000,000 Passenger Trips
	Transit Fare Inspectors	Law Enforcement	Security Guards			
SFMTA (LRV Only Ridership)	46 TFI, 6 Sups	14 SFPD (MRT)	No Guards	46	48,889,600	0.94
SFMTA (Total Annual Ridership)	46 TFI, 6 Sups	14 SFPD (MRT)	No Guards	46	221,213,200	0.21
Denver RTD	9	70 PD	100 Armed Guards	179	89,214,900	2.01
Portland TriMet	30	53 PD	No Guards	83	103,637,300	0.80
Dallas (DART)	31 TFI, 8 Sups	190 PD	No Guards	225	63,047,600	3.57
San Diego (MTS - LRV Only Annual Ridership)	30 TFI, 8 Sups		115 Armed Guards	145	36,054,600	4.02
San Diego (MTS - Total Annual Ridership)	30 TFI, 8 Sups		115 Armed Guards	145	65,707,800	2.21
Utah (UTA - LRV Only Annual Ridership)		40 PD	17 Guards	57	13,949,000	4.09
Utah (UTA - Total Annual Ridership)		40 PD	17 Guards	57	39,554,700	1.44

¹ From 2008 APTA Annual Ridership Statistics

Additional Benefits of Fare Inspections

The Budget Analyst did not acknowledge additional services provided by Fare Enforcement staff. It is important to mention that Fare Enforcement personnel bring a uniformed presence on transit in addition to providing crime deterrence and customer service. San Francisco transit customers expect SFMTA to provide effective fare enforcement on all transit modes, so that everyone pays their share and protects one of The City's most valuable assets. While the SFMTA POP personnel are not sworn law enforcement officers, the uniform presence of POP staff does deter criminal activity. TFIs will take appropriate safe actions, as trained, when necessary. Such examples are included below:

1. A TFI was approached by a customer who stated that a young adult on a light rail vehicle (LRV) had a gun. The customer provided a detailed description to the TFI. The TFI called Central Control to request police assistance. The LRV was held at the next station until the San Francisco

Police Department (SFPD) arrived which resulted in an arrest of the armed offender before anyone on-board was harmed.

2. TFIs were approached by a female customer exiting an LRV stating an intoxicated female customer was out of control and attempted to snatch her baby from her arms. The TFIs boarded the LRV, located the suspect and asked her to exit the LRV. One of the TFIs called Central Control to request police assistance. While waiting for SFPD, the customer attempted to assault the TFIs, but they maintained a safe distance. SFPD arrived and arrested the woman for public intoxication and attempted kidnapping.
3. A TFI witnessed a low vision customer walk off a boarding platform and fall under a train coupler onto the tracks. The TFI acted swiftly by stopping the LRV doors from closing and then was able to pull the customer to safety before the LRV closed its doors and departed the station.
4. A TFI witnessed a customer fall down the stairs at a subway station and hit his head. The TFI stayed with the customer until medical assistance arrived on the scene to assess the situation.
5. On New Year's Eve a TFI found a 12 year-old child separated from his family. The TFI was able to locate his parents at another station and escorted the child to reunite with his family.
6. A TFI was notified by the parents of a 5 year-old child that their child had not disembark from an LRV with them. The LRV subsequently left the station with their child still on board. The TFI immediately notified Central Control and had the LRV held at the next station for inspection. Unfortunately the child had exited without the Train Operator's knowledge. The TFI went to the next station to look for the child and found him on the mezzanine level near the Station Agent's booth and escorted the child back on the LRV to be reunited with his parents.
7. A TFI at the Powell station was checking for POP and citing a customer, when another customer shouted there is a man down who needed assistance. He immediately observed the man had no pulse and was not breathing. He began administering CPR while his partner called Central Control for medical assistance. Before medical assistance arrived the gentleman responded to the CPR administered and began breathing on his own. The gentleman was transported by the paramedics to the hospital for further medical treatment.

POP on the Buses

It is well known that there is a need to address the high level of fare evasion on the Muni bus fleet as the lack of POP on the buses is the one of the highest complaints SFMTA's receives from customers. It is the intent of the Agency to implement a pilot POP program on the rubber tire fleet and subsequently on SFMTA's historic streetcar line. Through the implementation of a pilot program the Agency will have the ability to assess the feasibility of a rubber tire fleet POP program and any operational issues associated with efficient boarding and disembarking, as well as impacts attributed to Muni's on-time performance through data collection during the pilot phase. Once this information is obtained an in-depth analysis will be done to identify the facets of a program should the pilot's findings indicated a permanent program is warranted.

Furthermore, best practices suggest when a new initiative is undertaken a pilot program provides a level of understanding that is required to develop viable strategies, goals and operational objectives. Without a pilot effort, the development of strategies, goals and operational objectives often do not add value.

Conclusion

In sum, the SFMTA appreciates Supervisor Dufty's request to evaluate the POP program as well as the efforts of the Budget Analyst. The audit and the recommendations include useful information; however, the audit would have been more valuable if it was conducted with a full understanding of transit operations, Muni's service environment and customer service.

Appendix A (From 2008 APTA Public Transportation Ridership Report)

Rank	Agency, State	Total Annual Ridership	LRV Only Annual Ridership
1	New York MTA, NY	3,205,422,600	
2	Chicago, IL	526,336,500	
3	Los Angeles MTA, CA	495,925,900	
4	Wash DC WMATA	428,904,700	
5	Boston MBTA, MA	384,735,900	
6	Philadelphia, PA	329,863,900	
7	Newark NJ	265,605,700	
8	SFMTA, CA	221,213,200	48,889,600
9	Atlanta, GA	158,590,900	
10	Seattle, WA	122,616,400	
11	BART, CA	117,171,200	
12	Miami, FL	115,813,200	
13	Baltimore, MD	105,205,800	
14	Portland, OR	103,637,300	35,772,900
15	Long Island NY	103,215,100	
16	Houston, TX	96,813,800	
17	Denver, CO	89,214,900	20,617,500
18	New York Metro North, NY	83,611,800	
19	Minneapolis, MN	81,853,000	
20	Jersey City, NJ	78,672,500	
21	Chicago Metra, IL	77,166,900	
22	AC Transit, CA	72,346,000	
23	Orange County, CA	69,508,800	
24	Pittsburgh, PA	68,524,800	
25	Las Vegas, NV	68,351,900	
26	Dallas, TX	65,988,100	19,826,500
27	San Diego RTD, CA	65,707,800	36,054,600
28	Cleveland, OH	57,287,100	
29	Saint Louis, MO	55,949,100	
30	Milwaukee, WI	52,106,400	
31	Phoenix PTD	49,518,260	
32	San Antonio, TX	46,980,700	
33	VTA, CA	46,643,200	
34	Fort Lauderdale, FL	41,978,900	
35	Arlington Heights, IL	40,510,700	
36	Salt Lake City (Utah UTA), UT	39,554,700	13,949,000
37	Detroit, MI	38,741,700	
38	Austin, TX	38,140,700	
39	Garden City, NY	33,027,600	
40	Rockville, MD	29,110,200	
41	Buffalo, NY	28,379,100	
42	Orlando, FL	26,898,200	
43	Charlotte, NC	26,366,500	
44	Hartford, CT	26,227,700	
45	Hampton Roads, VA	25,101,300	
46	Cincinnati, OH	21,592,500	
47	Tucson, AZ	21,015,300	
48	New York City DOT, NY	20,750,300	
49	Kansas City, MO	17,187,000	
50	Sacramento, CA	17,169,800	

San Francisco Municipal Transportation Agency Response to the Budget Analyst's Management Audit of the Proof of Payment Program

Recommendation	Agree	Disagree	Action to be Taken/ Comments
<p>1. Proof of Payment Program Performance Management The Director and Deputy Director of SFMTA Security and Enforcement and the POP Operations and Investigations Manager should:</p>			
<p>1.1 Develop Proof of Payment Program performance objectives and goals that:</p> <ul style="list-style-type: none"> a) Include prevention of fare evasion as the primary objective b) Identify secondary objectives (such as safety and security or customer service), as secondary objectives; c) Establish short term quantifiable goals (such as increasing the program's contact rate), and long term quantifiable goals (such as increasing the percentage of riders who pay fare), to help POP focus on and meet its objectives; d) Establish POP implementation strategies for meeting those goals; e) Establish clear, quantifiable, and actionable criteria for evaluating the POP program's efforts toward achieving short- and long-term objectives. 	<p>Partially Agree</p> <p>Partially Agree</p> <p>Partially Agree</p> <p>Partially Agree</p> <p>XX</p>		<p>a) and b) The Proof of Payment Program has multiple objectives and it is clear that the success of the program must be evaluated across all these objectives. Therefore, the SFMTA does not agree that the program has a "primary" objective and "secondary" objectives.</p> <p>a) and b) Additionally, while the practices of the program have been aligned to these multiple objectives, we agree that these objectives should be in a written policy statement.</p> <p>c) We agree that goals must be established only to the extent that goals can be measured directly. For example, it will be impossible to determine whether increases or decreases to the percentage of customers who pay fare can be directly attributable to the success or failure of the POP program. For example, as the fare infrastructure is replaced and customers find it easier to pay, then it is likely that the percentage of customers who pay fares will increase. This result could not be claimed by the POP program.</p> <p>d) and e) Having said that, the SFMTA will develop quantifiable goals and implementation strategies for meeting these goals which are directly attributable to the success of the POP program (e.g. the number of customer contacts)</p> <p>d) and e) Measurable goals, implementation strategies and actionable criteria will be fully documented by the end of the calendar year.</p>
<p>1.2 Calculate and communicate inspection rate and fare evasion rate on a monthly basis. Both require reliable passenger contact counts (see Recommendation 3.4.b). The latter can be bolstered with 100 percent sweeps (see Recommendation 3.5).</p>	<p>Partially Agree</p>		<p>The fare evasion methodology offered by the Budget Analyst, warnings plus citations divided by contacts, will not adequately capture the correct fare evasion rate as the ability to determine fare evasion rates requires statistically significant data. Using the number of warnings plus citations divided by passenger</p>

**San Francisco Municipal Transportation Agency Response to the Budget Analyst's Management Audit of
the Proof of Payment Program**

Recommendation	Agree	Disagree	Action to be Taken/ Comments
			<p>contact as the basis of the fare evasion rates is a questionable methodology as the POP program deployment strategies, the productivity of the TFI's and the reliability of passenger contacts will affect the calculation of fare evasion rates.</p> <p>Therefore, correct fare evasion rates are difficult to determine without significant resources requiring manual evaluation. A 2006 study by a consultant indicated that the overall fare evasion rate was approximately 10%. The SFMTA is in the midst of conducting a more comprehensive, statistically significant systemwide fare compliance study involving the survey of at least 15,000 customers – approximately triple the previous 2006 study. With over 8,000 customers surveyed to date, partial results indicate that the fare evasion rate is within several percentage points of the rate identified in the 2006 study, but this estimate may change as more sampling is completed. SFMTA intends to gather enough samples to better understand fare compliance patterns on an individual route/line basis. SFMTA expects that the survey and analysis will be complete over the next few months.</p> <p>Finally, the time and effort spent on data collection and reporting to calculate fare evasion rates must be evaluated on a cost-benefit basis so as to ensure minimal time spent on these efforts while ensuring value added reporting and maximizing customer interaction. Therefore, updating fare evasion statistics can only be completed when resources are available without negatively impacting day-to-day operations. We will continue to use the fare evasion rates determined by the most recent study.</p> <p>We do agree, however, that inspection rates can be calculated and communicated monthly based on passenger contact counts. However, the ability to conduct 100 percent sweeps effectively is dependent on the availability of staff and given the recommendation to discontinue hiring, this effort may not be possible.</p>

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	Recommendation	Agree	Disagree	Action to be Taken/ Comments
1.3	<p>Evaluate the nature of the data that is collected by staff, the recording and reporting of that data, and the evaluation of the data.</p> <p>a) Review the metrics collected by TFIs on a daily basis. Keep existing metrics and add additional metrics that would allow the POP program to evaluate its progress toward its goals. Eliminate unnecessary data collection. For example, TFIs currently log the number of walk-aways (passengers who purposefully vacate a fare enforcement zone before a proof of payment check can be conducted or warning or citation issued). However, the walk-away count is not aggregated in any meaningful way.</p> <p>b) Review and audit TFI passenger contact counts. Provide retraining for TFIs who are consistently miscounting passenger contacts.</p> <p>c) Develop a staff performance database for TFIs or their Supervisor/Investigators to log daily performance statistics. Such a database should allow multiple simultaneous users and allow managers to review and analyze performance data.</p>	XX		<p>Additionally, efforts will be made to ensure improvements in the reliability of passenger contact counts.</p> <p>As the SFMTA conducts a review of the current metrics, based on the recommendations in this report, all data collected will result in improved monitoring and management of the POP program.</p> <p>a) Walk-aways normally take place as a result of a contact and therefore are recorded as a contact and aggregated. Security and Enforcement will conduct a review of the metrics collected by TFIs daily and conduct random checks through the increase of supervisory oversight by means of announced and unannounced field supervised visits. Finally, Security and Enforcement will recommend modifications to improve activity reports for program monitoring.</p> <p>b) Training for TFIs related to passenger contact counts was completed on May 4, 2009. The training was accompanied with a Bulletin restating the policy and procedures for proper use of the counter and the requirement to carry the counter as part of their mandatory uniform equipment. Additionally, new counters were reissued to all TFIs recently. An audit schedule for passenger contact counts will be developed in fall 2009 and will include the methodology for the audits.</p> <p>c) Presently, the POP program does not have a database system. An upgrade of present spreadsheet system as recommended will enhance our performance monitoring capability. The design and development of a database will require funding. The SFMTA will determine the cost of this effort and will include the project for funding request in the 2011-2012 budget.</p>
1.4	<p>Oversee the implementation of bi-monthly 100 percent sweeps or blitzes to determine and regularly assess Muni's fare evasion rate. These sweeps should occur in coordination with Muni Response Team Members to assure TFI safety and passenger</p>	Partially Agree		<p>The Budget Analyst is defining a total station shut down and 100% proof of payment checking of all customers in the station and on a trains as "100 percent sweep." From an operations and customer relations perspective, this is not feasible without</p>

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	Recommendation	Agree	Disagree	Action to be Taken/ Comments
	compliance.			negatively impacting service. Therefore, we will continue with our modified version of sweeps and blitzes every two months which do not impact service negatively and are available within the constraints of available TFI, MTAP and MRT staffing. A formal calendar for the bi-monthly sweeps will be completed by fall 2009.
1.5	Work with the SFMTA's Finance and Customer Service Departments to determine performance measures and standards, and arrange for regular data collection and reporting.	XX		We agree with this recommendation and Security and Enforcement will work with Finance and Customer Service to determine performance measures and standards, arrange for regular data collection and reporting.
1.6	Continue to revise the performance review format for TFIs and Supervisors, including specific definitions for performance and emphasis on objectives and goals.	XX		Security and Enforcement will continue to revise the performance review format for TFIs and Supervisors by December 31, 2009.
1.7	Develop a schedule to ensure annual review of TFIs and Supervisors.	XX		As per recommendation, an annual review schedule will be started by December 31, 2009 and Security and Enforcement plans to conduct annual performance reviews.
2. Proof of Payment Staffing Needs				
	The SFMTA Board of Directors should:			
2.1	Suspend all POP-related hiring, including hiring currently underway, until the POP program has devised metrics for evaluating the appropriate staffing levels and implemented Budget Analyst recommendations for expanding POP to buses (see Recommendation 9.4).		XX	The additional 14 staff for the expansion to buses is intended to pilot this new effort. Until the pilot is completed for the bus program, comprehensive metrics cannot be devised and appropriate staffing levels cannot be developed. Viable metrics are only possible once the program and the issues with the program are known through a pilot effort. Security and Enforcement will continue to hire as required to conduct a pilot to set the groundwork for a viable expansion to our rubber tire fleet. Once the pilot is completed, the specific goals, strategies and operational standard practices will be developed for the full program. It is critical that the bus program be launched after careful consideration of the issues surrounding our open transit system.

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Recommendation	Agree	Disagree	Action to be Taken/ Comments
			Preliminary feedback from the Fare Compliance Study has been overwhelmingly positive from both transit operators and fare-compliant customers.
The Deputy Director of SFMTA Security and Enforcement should:			
2.2 Oversee the development of criteria for evaluating appropriate staffing levels in order to achieve established performance goals and objectives within the POP program.	XX		In conjunction with actions to be taken in response 1.1 (e) criteria for evaluating appropriate staffing levels will be developed.
The Director and Deputy Directors of SFMTA's Security and Enforcement Division, in coordination with the POP Operations and Investigations Manager, should:			
2.3 Establish a target contact rate for the POP program as a whole.	XX		This was addressed in 1.1 (b)
2.4 Calculate, report, and audit the contact rate monthly, as well as individual and team productivity rates.	XX		Contact rates will be tracked individually, by teams and by unit on a monthly basis. Discussions with Finance and Customer Service will take place to establish reporting process and methodology to track productivity.
2.5 Work with Supervisors and TFIs to develop strategies for improving the program's contact rate and achieve established contact rate goals. These strategies should include overall TFI deployment efforts as well as individual work performance.	XX		The SFMTA continuously seeks input from our multiple stakeholders and will continue to include participation from employees, customers, business and advocates.
3. Transit Fare Inspector Deployment			
The SFMTA Board of Directors should:			
3.1 Evaluate designating elevated Muni platforms, including the T Third light rail platforms, as Proof of Payment Zones. Such a designation would allow TFIs to conduct inspections on these platforms, and would exclude non-patrons from these areas, which have had additional problems of graffiti and other vandalism.		XX	The SFMTA does not believe that this is feasible on the T-Third line light rail platforms as customers are not able to purchase fares on the platforms. Additionally, the cost-effectiveness of purchasing, installing and maintaining fare vending machines along the T-Third line platforms is questionable. The platforms along the Embarcadero, however, may present more suitable options for this designation given the ability to purchase fares.

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Recommendation	Agree	Disagree	Action to be Taken/ Comments
<p>The Deputy Director of SFMTA Security and Enforcement should:</p>			
<p>3.2 Bolster the program's understanding of its deployments by maintaining ongoing logs of:</p> <ul style="list-style-type: none"> a) Hours assigned to various lines and districts, including specific Metro platforms. b) Areas of high evasion and other safety and customer service needs. c) Team departure and return times. 	<p align="center">XX</p>	<p align="center">XX</p>	<p>As mentioned previously, the time and effort spent on data collection and reporting, particularly manually, must be evaluated on a cost-benefit basis so as to ensure minimal time spent on these efforts while ensuring value added reporting while maximizing customer interaction.</p> <p>The SFMTA currently maintains "Weekly Assignment" worksheets which assigns TFIs to specific Districts, Lines, Special Details, and Buses and includes assigned lunch times.</p> <p>As part of the Fare Compliance Study, SFMTA has been surveying nearly every route/line in the system at different locations and during different times of the day in an effort to achieve as much of a true random sample as logistically possible and not target a specific population. Partial results to date have indicated a wide variation of fare compliance in different areas of the system. When complete, the study data will enable SFMTA to identify areas of high fare evasion and develop an effective fare inspection deployment strategy.</p> <p>Recently, improvements were made by reducing the amount of time spent on briefings and travel times were shortened by 30 minutes.</p> <p>The deployment of handheld devices would dramatically reduce the time spent in the office at the end of a shift by eliminating the need for TFIs to hand tally their daily stats. We are in the process of identifying funds for these handhelds. Security and Enforcement staff attended several Handheld Device demonstrations and are working with our Citation Processing System Vendor to select devices for piloting.</p>
<p>3.3 Develop a staffing and line assignment strategy that:</p>			<p>Security and Enforcement is working collaboratively with Muni Operations to identify target enforcement areas and adjust staff deployment accordingly.</p>

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<p>a) Is synchronized to Muni ridership patterns and other strategic objectives.</p> <p>b) Minimizes the impact of diminished system coverage due to lunch breaks and shift changes during peak system ridership periods.</p> <p>c) Specifies and coordinates Muni Metro station platform coverage and provides simultaneous coverage of primary and secondary entrances, when appropriate.</p> <p>d) Allows for alternative assignments for TFI pairs and trios during periods of overcrowding or line delays.</p> <p>e) Targets areas known to have high levels of fare evasion.</p> <p>f) Provides sufficient coverage of the evening rush-hour on Mondays and Fridays.</p>	<p>XX</p> <p>XX</p> <p>XX</p> <p>XX</p> <p>XX</p> <p>XX</p>	<p></p> <p></p> <p>XX</p> <p>XX</p> <p></p> <p></p>	<p>a) This was addressed in 3.2. In addition, we will evaluate and develop plans to maximize shift coverage during peak ridership period.</p> <p>b) Security and Enforcement will evaluate our deployment to maximize coverage during peak ridership periods. This will likely involve a Meet & Confer with each Collective Bargaining Unit due to potential changes in shift times and days off.</p> <p>c) Our current deployment strategy already addresses this issue.</p> <p>d) Our current deployment strategy already addresses this issue.</p> <p>e) This was addressed in 3.2 (b).</p> <p>f) We will evaluate shift alignment structure to provide additional coverage.</p>
<p>3.4 Adjust staff deployment to minimize non-POP transit time and to ensure coverage of the full length of the various transit line districts. The Deputy Director may consider utilizing the existing POP automobile, BART, Muni bus, or other transportation methods to deploy staff to light rail lines terminuses.</p>	<p>Partially Agree</p>	<p></p>	<p>Presently piloting this recommendation via SFMTA non revenue vehicles, i.e., Security vehicles, to see if transporting TFIs to remote transit stops provides any time savings. As the BART system parallels Muni Metro, therefore no added benefit. Buses are presently utilized.</p>
<p>3.5 Work with the POP Operations and Investigations Manager to streamline Supervisor administrative requirements through the implementation of a shared database, as discussed in Section 1, <i>POP Performance Management</i>.</p>	<p>XX</p>	<p></p>	<p>Development of shared database amongst Supervisors will allow multi-user data entry for more current and efficient data collection for management reporting. Discussions with Finance for design analysis and project development will be finalized by December 31, 2009.</p>
<p>3.6 Develop a calendar of periodic 100 percent sweeps or blitzes, in accordance with POP program procedures, varying by time of day and location, and coordinated with the Muni Response Team.</p>	<p>XX</p>	<p></p>	<p>As discussed in the response to recommendation 1.4, SFMTA does not believe that a "100 percent sweep" – defined as a total station shut down and 100% proof of payment checking of all customers in the station and on a trains - is feasible without</p>

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	Recommendation	Agree	Disagree	Action to be Taken/ Comments
				negatively impacting service.
	The POP Operations and Investigations Manager should work with Supervisor/Inspectors to:			
3.7	Continue to emphasize timely departures and discourage early returns in order to maximize the portion of the work day spent in conducting fare inspections.	XX		In the past three months, departure and return times have been shortened by 30 minutes. This will be revisited periodically at staff "all hands" meetings and individually as needed. Security and Enforcement will periodically (every 3-6 months) re-issue the policy through the bulletin process.
3.8	Clarify the break policy, including break times and appropriate break locations, convey this policy clearly, and enforce this policy with formal, documented site checks.	XX		The time limits of breaks are set in the MOU. Breaks are conducted in the field within assigned areas for the day. The Supervisors will continue to re-iterate, re-emphasize and monitor the adherence of the break policy. Security and Enforcement will periodically (every 3-6 months) re-issue the policy through the bulletin process.
	4. Complaints and Complaint Handling			
	The Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:			
4.1	Discontinue the handling of PSRs in hard-copy and transition the POP program to the SFMTA's Trapeze and 311's Lagan systems, when access to those systems becomes available.	XX		The SFMTA is implementing a three-phased plan to more effectively track, classify and report on feedback in order to improve resolution of customer concerns. In phase I (which was completed in January 2009), the Agency completed a comprehensive update to the Passenger Service Report (PSR) categories and types and resolution codes to facilitate better reporting on customer feedback and resolution at the Division level. Phase II - July 1, 2009), Muni Customer Services staff will electronically transmit all Products and Services and Non-Transit Operator Employee Conduct PSRs via the Trapeze application for review. Phase III - will be completed by December 31, 2009. In this phase SFMTA will partner with the 311 Customer Service Center to transition handling of all Products and Services and Non-Transit Operator Employee Conduct related PSRs from the Trapeze application to 311's Lagan Customer Relationship Management (CRM) application. To be completed by December 31, 2009.
4.2	Provide training and access to Trapeze and Lagan to all POP Supervisors when access to those systems becomes available.	XX		

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	Recommendation	Agree	Disagree	Action to be Taken/ Comments
4.3	Review and sign-off on all PSRs prior to PSRs being designated as closed.	XX		At conclusion of a PSR investigation, we will notify Muni Customer Services of our findings and request closure of the request.
4.4	Develop, maintain, and periodically review an electronic log of PSRs, including date received, date closed, responsible Supervisor (if any), TFI (if any), a standardized action taken, and a standardized incident type.	XX		Security and Enforcement will work with Muni Customer Services to conduct periodic reviews to evaluate PSR trends for standardization and service improvement. Administrative Sergeant presently maintains an in-house log of customer complaints (PSR's, letters, email, and phone calls). Will develop a list of standardized incident types and action taken.
4.5	Create written policies and procedures that codify the above and hold staff accountable.	XX		Existing guidelines for complaint handling are being reformulated into more detailed procedures (including staff accountability requirements) in advance of the transition from Trapeze to Lagan Muni Customer Services and Security.
5. Fare Inspection Safety				
	The Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:			
5.1	Include a section in the incident report template for TFIs to note police response times and coordination with Central Control. Begin tracking police response trends in order to inform POP program safety procedures and practices.	XX		If police response is necessary and requested, Security and Enforcement will track police response times and will include a specific section in the incident report template to document these times. Any deficiencies discovered during the reporting and response process are presently reviewed, and will continue to be reviewed and addressed jointly by Security, Central Control and SFPD.
5.2	Create a digital incident report log with standardized fields.	XX		SFMTA will develop a digital incident report log with standardized fields to the extent funding is identified for this project in FY 2011-2012 budget.
5.3	Digitally file all incident reports, including relevant police reports, Supervisors' notes detailing any verbal feedback provided, as well as any discipline and formal responses.	XX		SFMTA will develop a computerized filing system by, except for disciplinary materials which are confidential SFMTA HR documents; to the extent funding is identified for this project in FY 2011-2012 budget.
5.4	Analyze incident reports quarterly and annually to identify trends among individuals, teams, locations, times, and incident types, and to inform group retraining needs.	XX		Presently only tracking criminal incidents. Will expand this process to other incidents. Will initiate such analysis and have a working structure started by December 31, 2009.

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	Recommendation	Agree	Disagree	Action to be Taken/ Comments
5.5	<p>Revise and refine POP policies and procedures concerning POP staff safety, including:</p> <ul style="list-style-type: none"> a) A policy statement on TFIs' roles and responsibilities in responding to emergency situations and guidelines on identifying emergency situations and notifying police or other emergency responders. b) Guidelines for executing a citizen's arrest, including recommended circumstances for when such an action is appropriate and alternatives to executing a citizen's arrest. c) Guidelines on repercussions resulting from an employee's failure to act in accordance with the POP program policies. 	XX	XX	<ul style="list-style-type: none"> a) This is already covered in the training manuals for TFIs; however, this section needs further clarification and will be completed by December 31, 2009. b) We have discussed this issue during routine briefings with TFIs and provided a general verbal guideline. Expansion of citizen's arrest information training will be provided by the City Attorney. c) Standard progressive discipline applies if an employee fails to act in accordance to POP program policies. Security and Enforcement will expand section 10A of General Rules to include repercussions for not adhering to POP policies and procedures.
5.6	<p>With Supervisors' assistance and input, revise the TFI manual to reflect policy and procedure changes. Include updated policies and verbal judo reference materials.</p>	XX		<p>Security and Enforcement acknowledges that the current manual is out of date and needs a comprehensive revision. Will complete this task by the end of Fiscal Year 2009-2010.</p>
5.7	<p>With Supervisors' assistance and input, prepare a new Supervisor manual that reflects current POP policies, processes, goals, and expectations.</p>	XX		<p>Security and Enforcement acknowledges that the current manual is out of date and needs a comprehensive revision. Will complete this task by the end of Fiscal Year 2009-2010.</p>
5.8	<p>Work with the Safety Division to create a schedule of retraining workshops for TFIs in verbal judo or other conflict resolution techniques. Provide regularly scheduled training updates for all POP program staff.</p>	XX		<p>Will continue to coordinate with the SFMTA Safety Division to review available training classes offered (i.e. Verbal Judo) to schedule and provide annual training. Presently we offer and coordinate continuous training of all Transit Fare Inspectors and Supervisors in Conflict Resolution, Customer Service, CPR/First Aid and Track Safety. For Supervisors, continuous management skill enhancements through leadership training and DHR courses. Report indicates we have not been providing training to the TFI's and Supervisors. However, this is not accurate as the following has been completed: * 2006 ALL staff received customized computer training for</p>

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	Recommendation	Agree	Disagree	Action to be Taken/ Comments
6. Muni Response Team and Station Agents The Deputy Director of Security and Enforcement should:				spreadsheet updates. * 2008 All staff received EEO & LGBT Sensitivity Training * Supervisors Conflict Resolution Training (Oct., 2008) and various DHR Management Classes (Sept. 2008 - to current) = Using Progressive Discipline Successfully, Managing Your Probationary Employee, Performance Evaluation Analysis Part I & II: The Performance Review & Plan, 24Plus for New/Experienced Mgr/Supv., 7 Habits for Effective People. * TFI/Supv - On Track Safety & Evacuation provided by Safety Division). Continue with Training Plans for Transit Fare Inspectors and Supervisors: * TFI's/Supv.-CPR/First Aid (May, 2009) * Supvs.-Leadership Training (Aug., 2009) * TFI - Conflict Resolution Training (Nov., 2009) * Subway Station Evacuation Drill (Mar., 2009)
6.1	Ensure that SFPD Muni Response Team and SFMTA Transit Fare Inspectors have current training and information on all Proof of Payment Program ordinances and regulations.	XX		POP, MTAP and MRT (SFPD) have currently information of the laws and regulations they are enforcing. (Attachment B – SFPD Information Memorandum, 02-01-08) Continuous contact with SFPD Deputy Chief of Field Operations Bureau and the O.I.C. of the Muni Response Team will ensure up to date ordinances and regulations information is shared. SFMTA Security Unit memos will be drafted and disseminated as needed.
6.2	Ensure that a new Memorandum of Understanding for SFPD services includes provisions specifying services to be provided to the Proof of Payment Program, including the role of the SFMTA Muni Response Team in supporting the POP Program 100 percent sweeps of the light rail system.	XX		The revised MOU will include establishing regular meetings between SFMTA and SFPD to address all transit concerns including P.O.P. strategies. The MOU includes the following language: <i>“The MRT shall provide law enforcement services to support the SFMTA’s public safety and policing priorities, including the SFMTA’s proof of payment (“POP”) program. The MRT shall respond to POP deployment requests, as needed, throughout the Public Transit System.”</i>
6.3	The SFMTA Executive Director should: Staff the Metro Station Operations Unit with 64.0 FTE 9131 Station Agent positions to provide Station Agent coverage of	Partially Agree		Security and Enforcement agree that full staffing of the secondary booth is important not only from a fare evasion

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	primary and secondary Metro Station booths.			reduction point-of-view, but also from a customer service point-of-view. However, additional staff will cost SFMTA roughly \$480,000 for four additional station agents at the four downtown stations as recommended. As a result of our current budget deficit, eight station agent positions have been deleted. The Agency does not foresee any funding available in the immediate term to restore the eliminated positions.
6.4	Develop a plan, budget, and time frame to (a) implement cash machines at the Metro Stations collocated with BART, and (b) install Metro Station signs for use of discount passes.	XX		The SFMTA is currently in the process of repairing, upgrading and installing new change machines at the subway stations. The Agency is currently procuring units with \$40,000 in Federal Stimulus funds to acquire additional change machines in the BART/Muni shared stations. We anticipate the upgrades and installation of change machines by October 1, 2009. Additionally, the signs for use of discount passes will be installed in the stations by the same date.
6.5	Consider reconfiguring access gates for ADA compliance as part of the proposed replacement of fare gates at the Metro Stations.	XX		The planned fare gate replacement project will provide ADA-compliant equipment, most notably through the introduction of accessible, extra-wide fare gates. The project is estimated for completion in 24 months.
7. Fare Evasion Fine Structure				
The Board of Supervisors should:				
7.1	Revert fare evasion to a criminal citation, which requires an action of the State Legislature to amend the California Public Utilities Code, deleting the civil citation, and the Penal Code, adding the criminal citation; OR Increase the base fine for adult fare evasion closer or equal to that of a juvenile fine, including court fees.	XX	XX	A policy decision was made recently to seek San Francisco and Los Angeles specific legislation to decriminalize these offenses given the lack of attention and lack of understanding of the seriousness of these citations by the Courts. Fare evasion/passenger conduct violations are punishable as an infraction subject to a fine not to exceed \$250 in other jurisdictions in California. The City Attorney has advised that civil penalties of up to \$250 are legally defensible and that graduated penalties can be imposed up to a maximum penalty of \$250.

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	Recommendation	Agree	Disagree	Action to be Taken/ Comments
AND	Create an escalating penalty for repeat offenders and a method of identifying these offenders, at an amount at least twice the base fare evasion fine, as recommended by the Federal Transit Administration's Transit Cooperative Research Program.	XX		See above
	The SFMTA Board of Directors should:			
7.2	Develop a policy and program for excluding habitual offenders from the Muni transit system.		XX	Security and Enforcement will consult with the City Attorney's Office and SFPD regarding this recommendation; however, it is unlikely that this recommendation is operationally feasible in the City's transit system. Enforcement of any court ordered banishment for the Muni transit system would have to be administered by local law enforcement in this case SFPD.
7.3	Allow fare evaders to participate in the SFMTA's Project 20 community service alternative sentencing program.		XX	The SFMTA does not believe that this recommendation is feasible given the operational, legal and other potential risks to a program of this type.
	The Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:			
7.4	Direct and enable TFIs to issue written warnings to adults and juveniles instead of verbal warnings and track written warnings in the same customer service database as written citations.		XX	Creating and issuing written warnings are not value added and, furthermore, will result in additional litter. However, if a verbal warning is given, it is important to capture this data.
	The MTAB Government Affairs, Director of Security and Enforcement, in coordination with the City Attorney's Office, should:			
7.5	Correct Section 302 cross references in the Transportation Code.	XX		Section 302 has already been updated and currently contains the correct references to Division I regarding fare evasion, passenger conduct violations, and conversing with the operator violations
7.6	Include provisions for processing juvenile fare evaders in the San Francisco Transportation Code.		XX	Penal code section 640(c) provides that San Francisco may enact an ordinance imposing a civil penalty for fare evasion/passenger conduct violations; however, such penalties shall not apply to minors. Minors are still subject to a criminal citation and adjudicated through the juvenile court system pursuant to state law.

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Recommendation	Agree	Disagree	Action to be Taken/ Comments
<p>8. Citation Processing and Collection The Board of Supervisors should:</p>			
<p>8.1 Petition the California State Legislature to amend the California Public Utilities Code, authorizing the City and County of San Francisco to implement mechanisms to enforce adult fare evasion fine collections under the PRWT contract, including referral to third party collection agencies, and reporting to the California Franchise Tax Board and the credit bureaus.</p>	XX		<p>The City could sponsor state legislation to provide remedies for adult violators who fail to pay fare evasion/passenger conduct citations. Some of the remedies that could be authorized by such legislation include: (1) requiring payment of outstanding citations before a violator could renew his or her driver's license or vehicle registration; (2) garnishing a violator's state income tax return; or (3) authorizing the city to obtain a civil judgment for unpaid citations and pursue collection actions.</p>
<p>8.2 Consider petitioning the California State Legislature to amend the California Public Utilities Code to authorize the City and County of San Francisco to convert adult fare evasion civil citations to criminal citations if the evader has not paid the fine after 120 days.</p>	Partially Agree		<p>This recommendation will require research by the City Attorney's office to assess the legal ramifications.</p>
<p>The Deputy Director of SFMTA Security and Enforcement should</p>			
<p>8.4 Upon the purchase and implementation of handheld devices, develop written procedures for reconciling citation numbers to ensure that all citations are accounted for.</p>	XX		<p>The SFMTA will ensure that best practices regarding citation numbering and inventory control will be in place as part of the programming of the handheld devices as well as written standard operating practices for the use of handheld devices.</p>
<p>8.5 Discontinue manual counts of issued citations after implementing the use of a handheld device.</p>	XX		<p>Agree that there is no need for manual counts after implementing use of handheld devices.</p>
<p>8.6 Provide training on eTIMS to all POP Supervisors, focusing on citation issuance and collection reporting.</p>	XX		<p>SFMTA will work with eTIMS vendor to develop a training package for TFI Supervisors for access and utilization of eTIMS management reports. This will be completed once handhelds have been purchased and programmed contingent on adequate funding.</p>
<p>8.7 Develop written procedures for generation and use of eTIMS management reports.</p>	XX		<p>SFMTA will work with eTIMS vendor to develop the required management reports as well as a training package for TFI Supervisors for access and utilization of eTIMS management reports. This will be completed once handhelds have been purchased and programmed contingent on adequate funding.</p>

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Recommendation	Agree	Disagree	Action to be Taken/ Comments
<p>The Director of SFMTA Security and Enforcement should:</p> <p>8.8 Train and evaluate TFIs in collecting accurate adult fare evader names and addresses when issuing citations.</p>	XX		<p>Fare Inspectors are trained in this process during initial training course and supervisors are required to inspect daily issued citation to insure they are completed correctly including names and addresses. Continual lack of this data will be incorporated into the performance feedback to TFIs.</p>
<p>9. Expanding Proof of Payment to the Buses</p> <p>The SFMTA Board of Directors should:</p>			
<p>9.1 Direct the Security and Enforcement Division to discontinue the pilot program to expand POP to the SFMTA bus fleet until an implementation plan is approved (see Recommendation 9.4)</p>		XX	<p>See response to Section 2.1</p>
<p>9.2 Suspend hiring of vacant 8121 Supervisor/Investigators and 9132 Transit Fare Inspectors positions until the pilot program implementation plan is completed and approved by the Board of Directors.</p>		XX	<p>See response to Section 2.1</p>
<p>The Director and Deputy Director of Security and Enforcement and the POP Operations and Investigations Manager should:</p>			
<p>9.3 Measure fare evasion on SFMTA buses and compare the evasion rate with other bus systems.</p>	XX		<p>The SFMTA is currently conducting a statistically significant Fare Compliance Study of the entire system, including bus and rail. The study is expected to be completed in the next few months and will be available for public review. Fare evasion on the SFMTA system will be compared with fare evasion rates in other cities, where available.</p>
<p>9.4 Develop an implementation plan for Phase IV of the bus pilot. In doing so, the Security and Enforcement Division should:</p> <p>a) Define the main goal(s) of the Phase IV bus pilot (i.e., reduce boarding time through facilitating back door boarding; increase revenue collection from reduced fare evasion);</p> <p>b) Develop criteria for the selection of bus lines that are in concert with the goals of the POP program and any POP bus expansion (i.e., main transfer points, high rider volume, high incidence of fare evasion);</p>	XX	XX	<p>(a-d) See response to Section 2.1. At the completion of the pilot, the SFMTA will develop detailed goals, objectives and operational strategies and practice for the POP program on buses and will incorporate all of the issues identified.</p>

**San Francisco Municipal Transportation Agency Response to the Budget Analyst's Management Audit of
the Proof of Payment Program**

Recommendation	Agree	Disagree	Action to be Taken/ Comments
<p>c) Develop specific performance measures and identify required data to measure performance that aligns with the Phase IV bus pilot goals (bus dwell time, increased revenue collection specific to bus route);</p> <p>d) Adapt light rail POP best practices, as well as those from other systems, in order to develop best practices that can be adapted to the bus system; and</p> <p>e) Conduct a cost assessment of upgrading buses and bus shelters to facilitate POP.</p>	<p align="center">XX</p> <p align="center">XX</p>	<p align="center">XX</p>	<p>(e) The new transit shelters are to be constructed and maintained by a vendor selected through an RFP process and the design of these shelters have already been approved by the Arts Commission and finalized. The new shelters will be deployed across the City beginning mid-2009.</p>