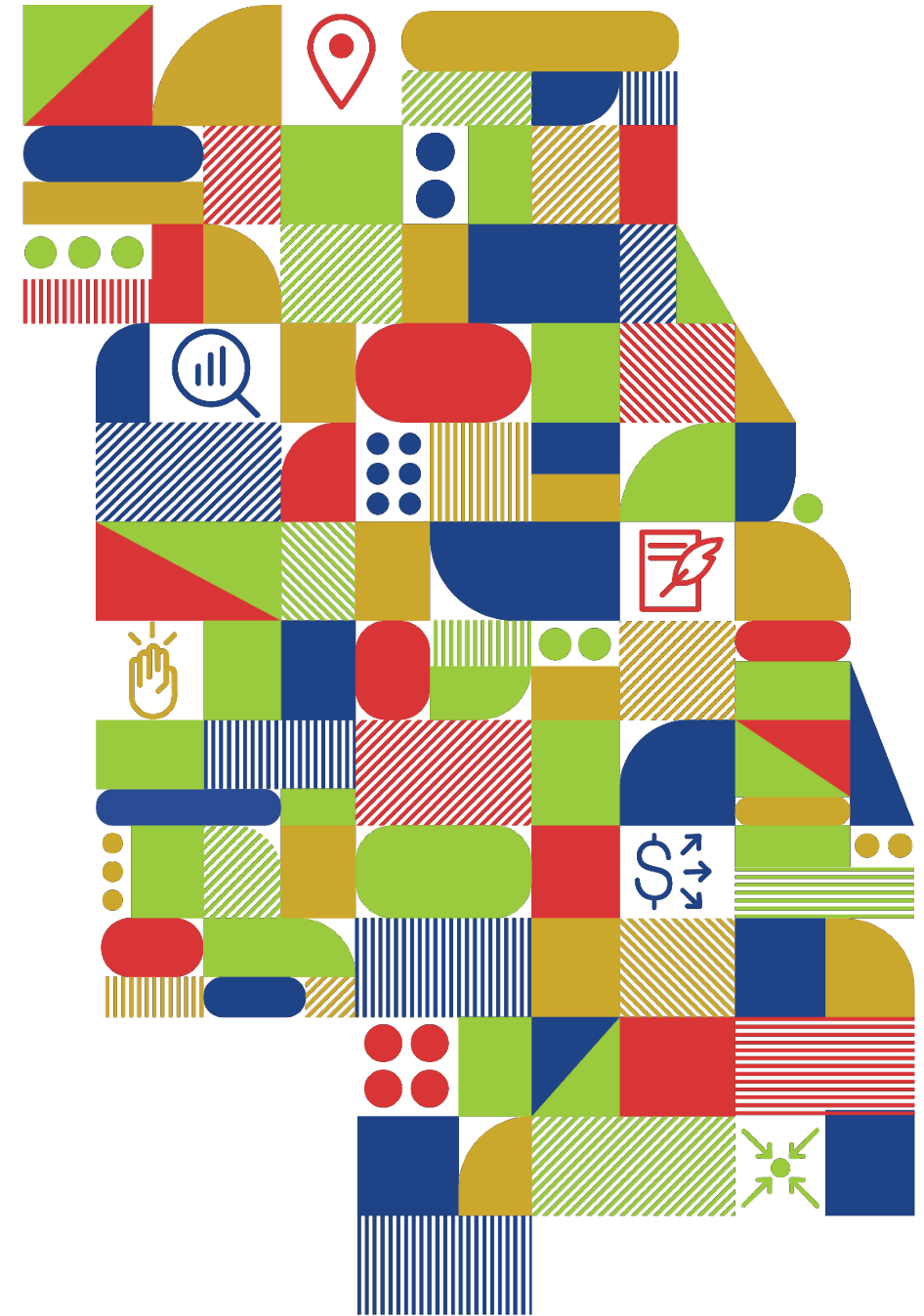




Equity in transportation fees, fines, and fares

February 26, 2021



Implementing and supporting two ON TO 2050 recommendations

Leverage the transportation network to promote
inclusive growth

Fully fund the region's transportation system

Project goals

Assess the equity impacts of existing and proposed transportation revenue sources on residents with lower incomes

Develop policy recommendations to reduce disproportionate impacts on residents with lower incomes while continuing to meet transportation revenue goals

CMAP convened partners to provide expertise

Active Transportation Alliance
Center for Neighborhood Technology
City of Chicago, Department of Transportation
City of Chicago, Office of Equity and Racial Justice
Chicago Jobs Council
Chicago Transit Authority
Cook County
Equiticity
Equity Institute, YWCA of Evanston
Heartland Alliance

Illinois Tollway
Little Village Environmental Justice Organization
Metra
Metropolitan Planning Council
Muse Community Design
Pace
Regional Transportation Authority
Union of Concerned Scientists
University of Chicago Poverty Lab
University of Illinois at Chicago

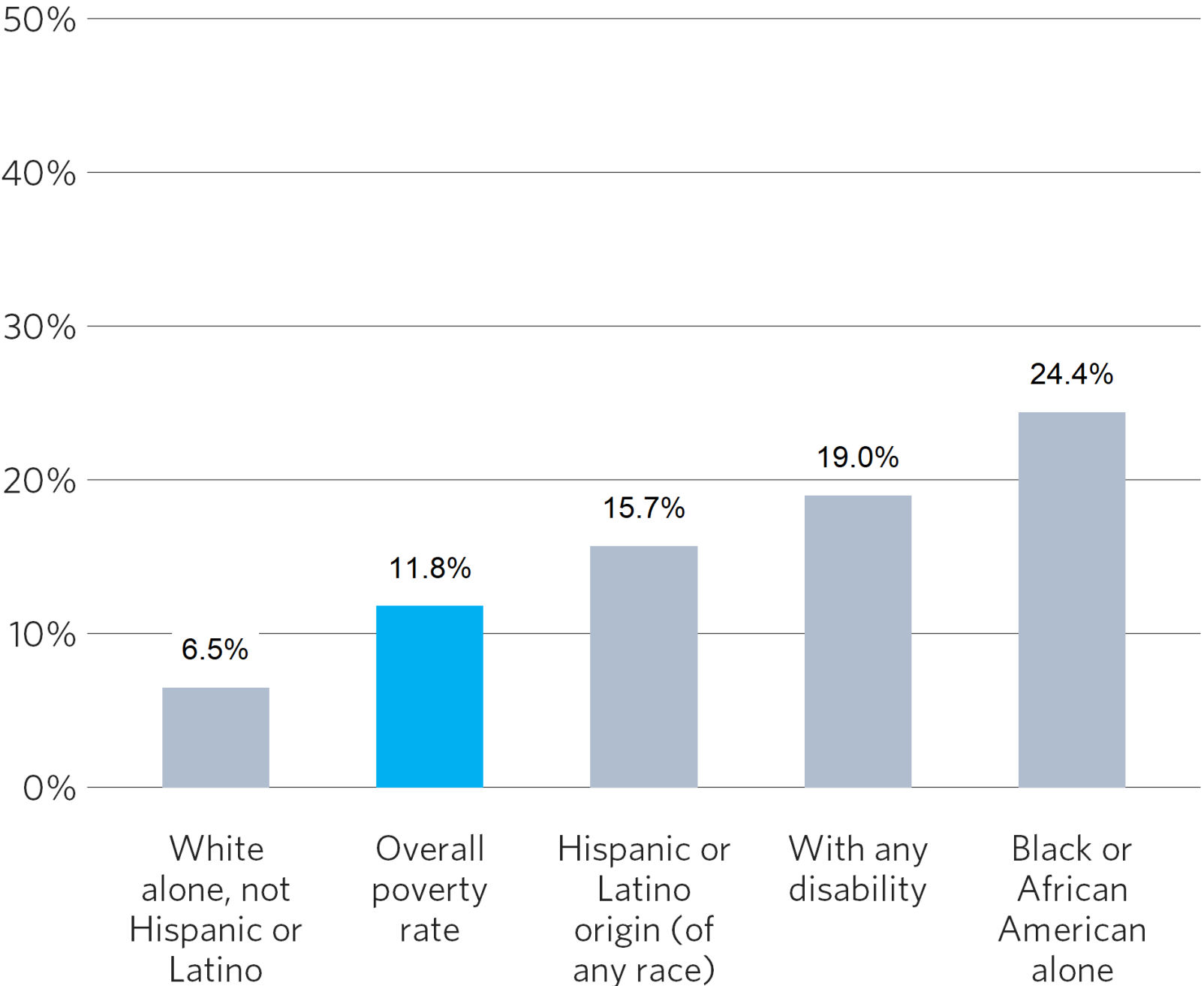
Fees, fines, and fares evaluated

- Motor fuel tax and road usage charge
- Traffic violations and delinquency fines
- Transit fares
- Tolling
- Priced parking
- State and local motor vehicle registration fees
- Transportation network company (TNC) fees

Existing equitable mobility challenges

Proportion of residents living below the federal poverty level, selected categories, Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Area, 2019

Source: Chicago Metropolitan Agency for Planning analysis of American Community Survey 5-year estimates, 2019.



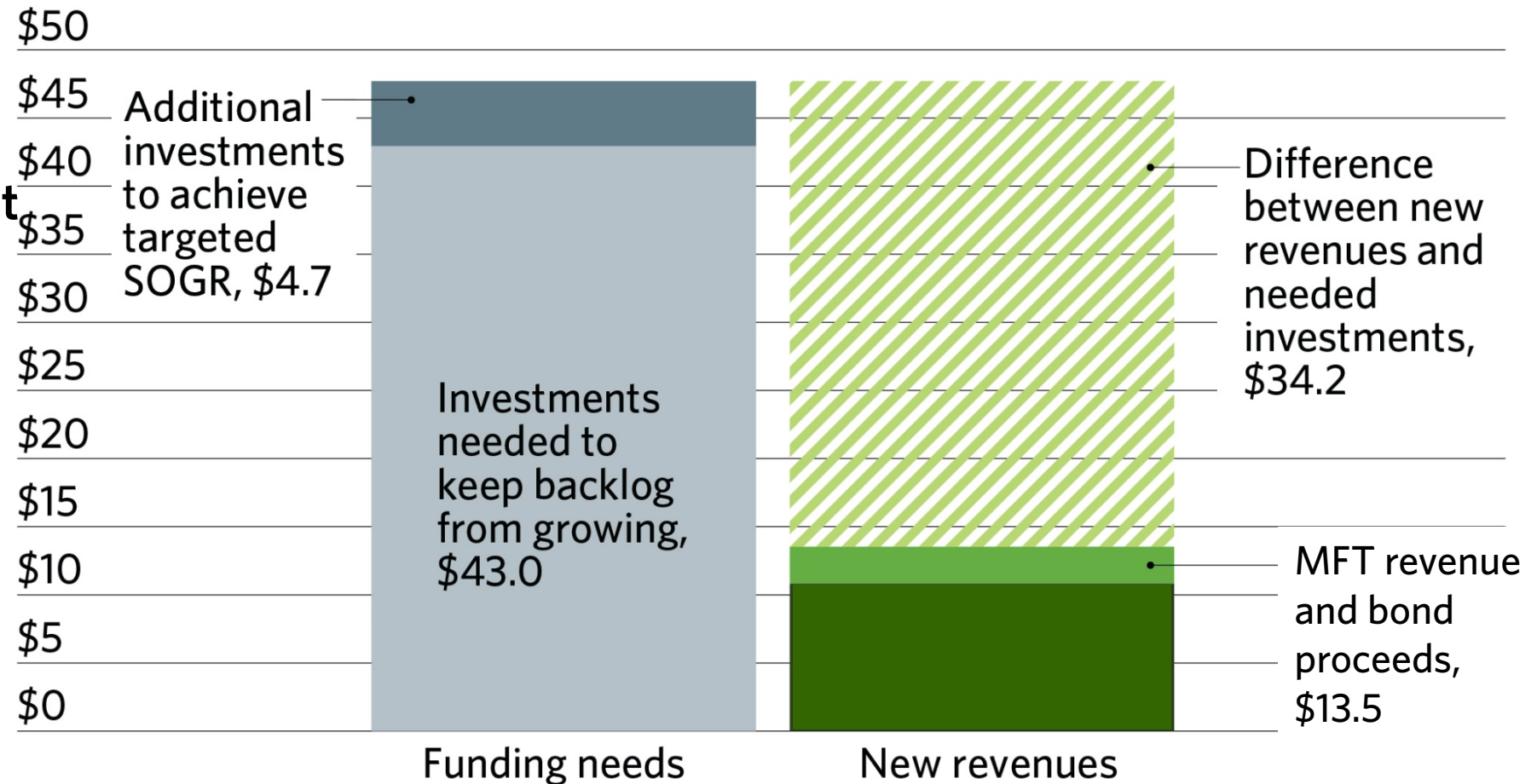
**People in poverty
struggle to pay
basic expenses**

**Transportation
costs are
unaffordable for
many households
with low income**

Transportation funding, particularly for transit, is insufficient to meet mobility needs

Difference between new revenues and additional investments needed to improve transit state of good repair (SOGR), 2019-50, in billions

Source: Chicago Metropolitan Agency for Planning analysis of Regional Transportation Authority data, ON TO 2050 Financial Plan for Transportation, Public Act 101-0029 and Public Act 101-0031.

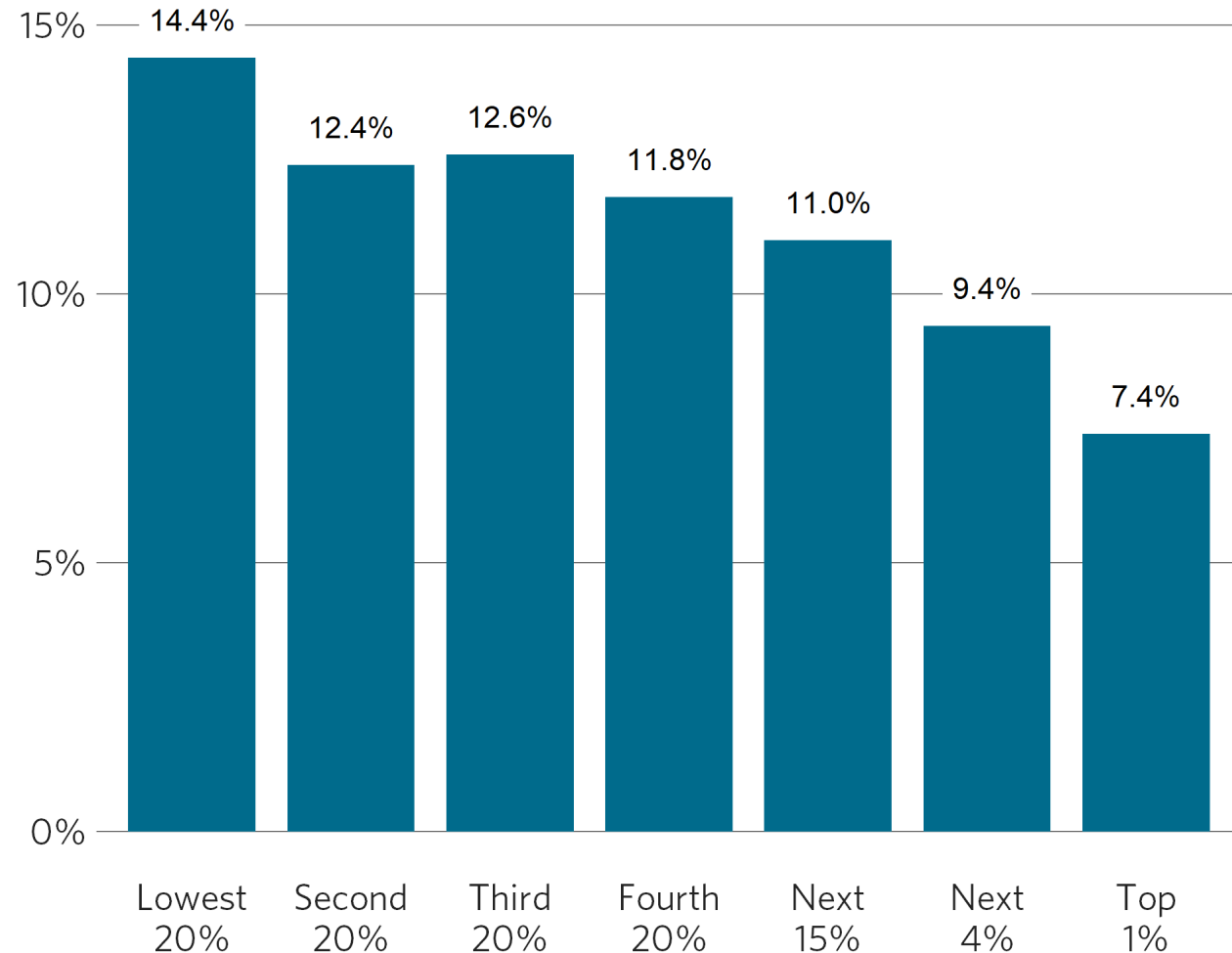


Key findings



Fees and fares are one piece of Illinois' overall regressive tax burden

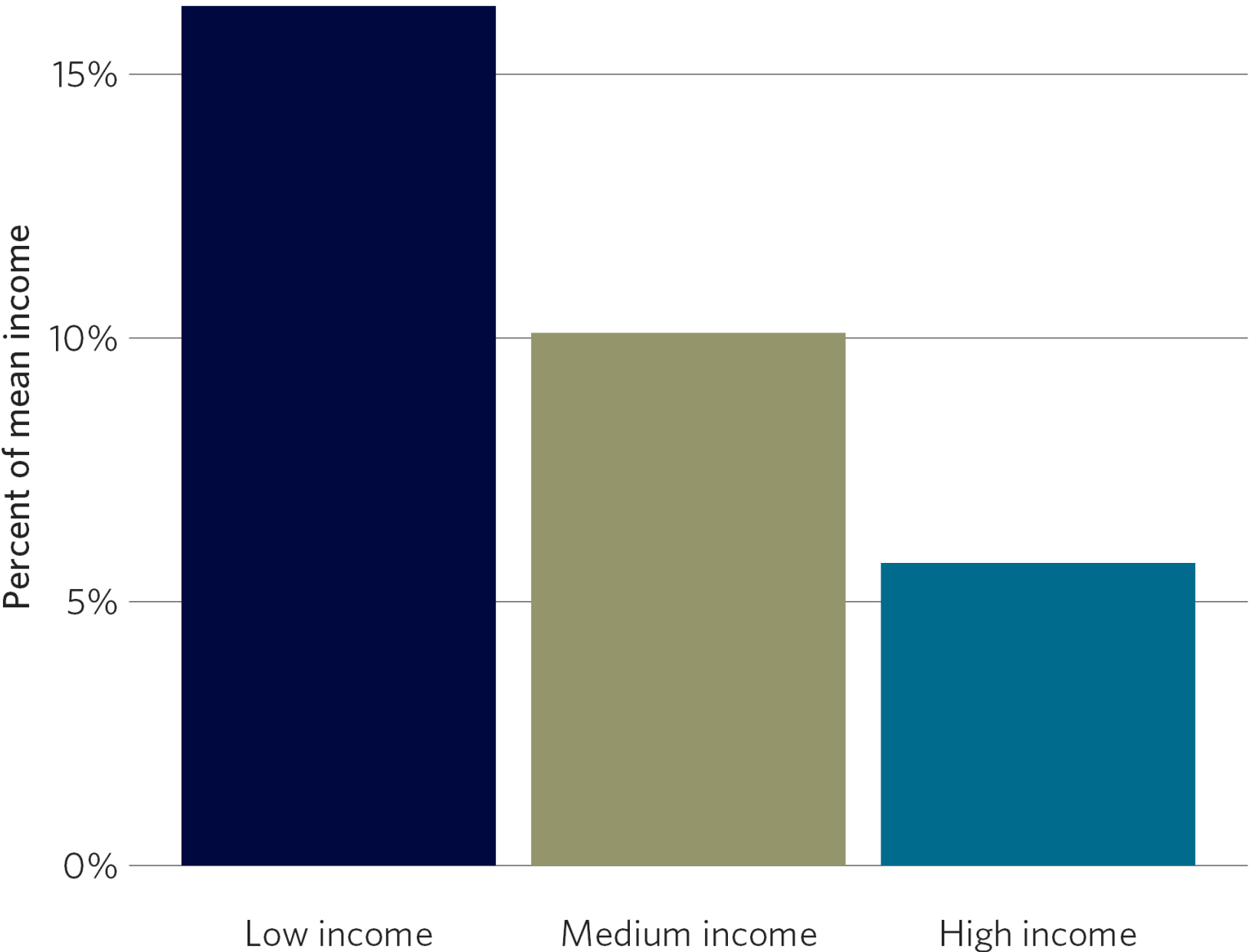
Total tax as a share of family income, Illinois, 2018



Source: Institute on Taxation and Economy Policy, Who Pays, October 2018

Costs of driving remain a burden for households with low incomes that lack mobility options

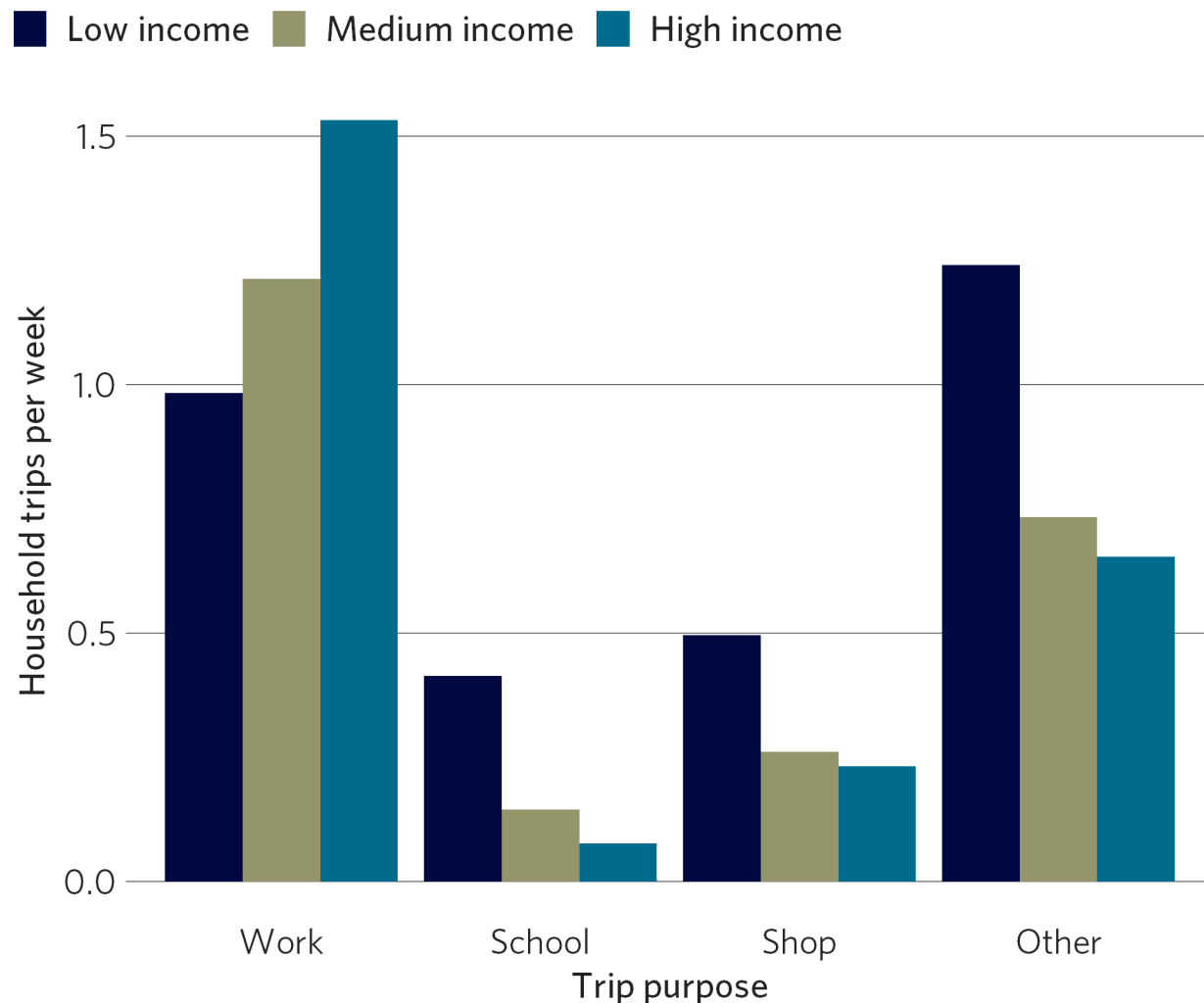
**Transportation
expenditures as a
percent of income,
Chicago-Naperville-Elgin,
IL-IN-WI Metropolitan
Area, 2018**



Source: Chicago Metropolitan Agency for Planning analysis of 2018 Consumer Expenditure Survey microdata, US Department of Labor, Bureau of Labor Statistics. Income cutoffs are in the Methodology appendix. Consumer unit sample sizes: high: 195; medium: 183; low: 187.

Households with low income are more likely to use transit for daily activities

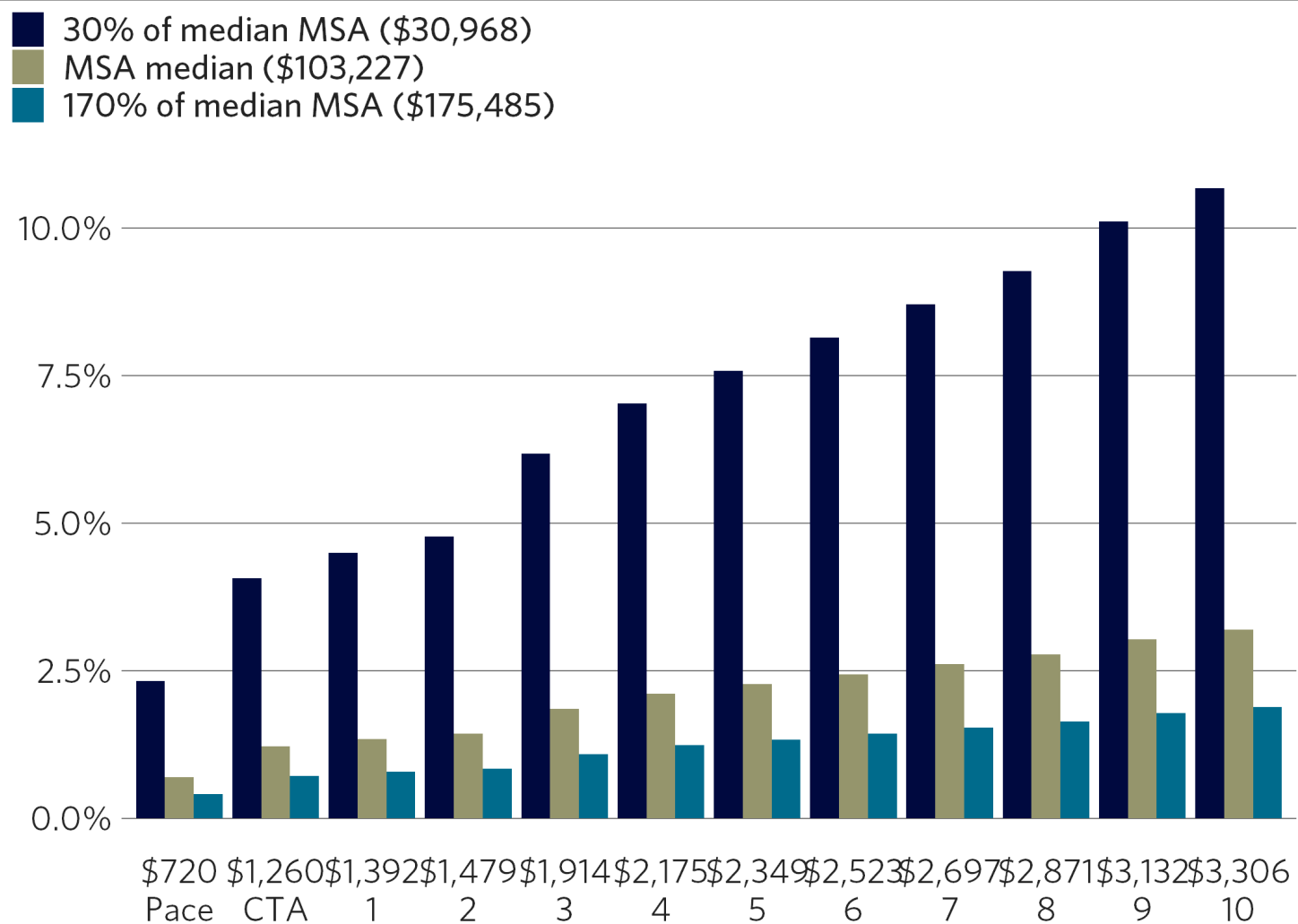
Number of modeled transit trips per household for a Monday through Friday week, CMAP region, by trip purpose



Source: Chicago Metropolitan Agency for Planning Activity Based Model.
Note: Income categories are detailed in the Methodology section. "Other" category includes activities such as medical appointments, dining out, and other trips taken for the purpose of recreation and socializing.

A transit monthly pass comprises a high share of earnings for those with low income

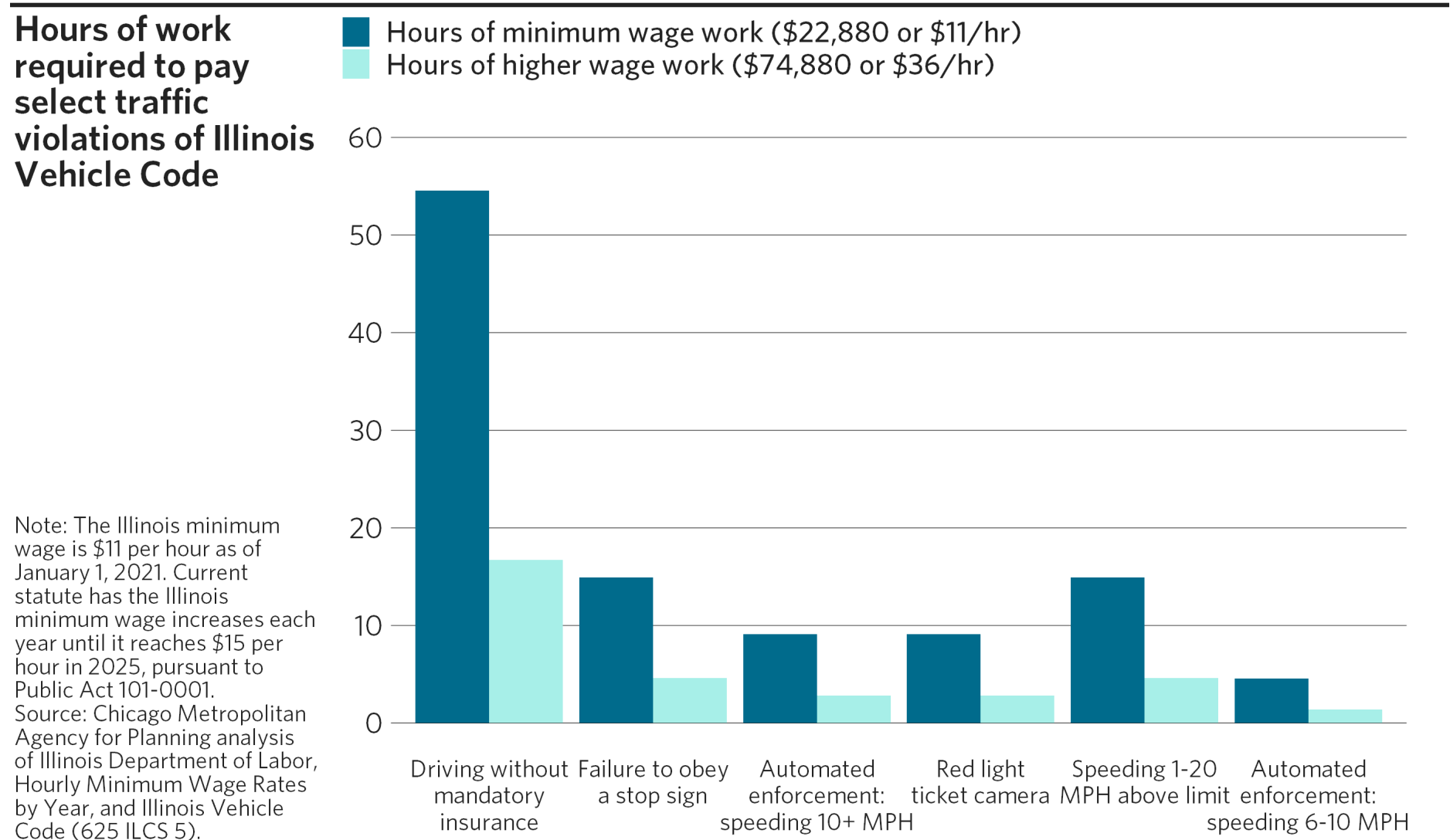
Annual cost of transit monthly pass as a percent of annual earnings for a family of four, for CTA, Pace, and Metra (by zone) and income



Source: Chicago Metropolitan Agency for Planning analysis of American Community Survey data for the Chicago MSA, 2014-2018 estimates and CTA, Pace, and Metra fare policy.
Note: Income selected here for illustrative purposes are near the midpoint for each income bracket used in this analysis.

Annual cost of monthly passes for Pace, CTA and Metra (by number of Metra zones)

Fines are a larger share of wages for households with low income



Traffic fines can compound to become a source of financial hardship

- Debt spiral and bankruptcy
- Tax garnishment
- Vehicle impoundment
- Employment restrictions
- Credit score damage

Next steps and opportunities to advance equity



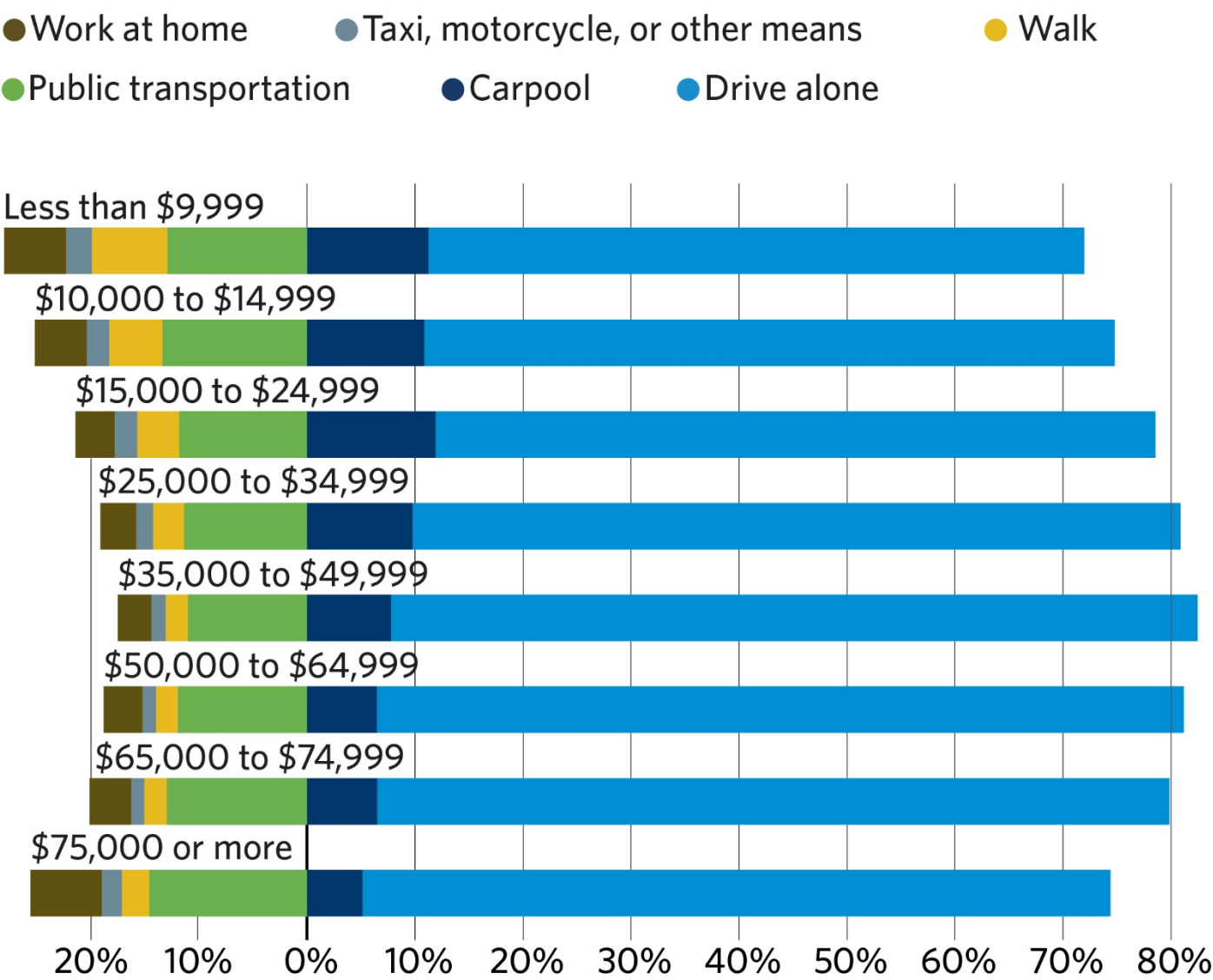
Recommendations

Improve mobility options	Implement ON TO 2050
Implement progressive tax strategies	Options include increasing exemptions, earned income tax credit, or graduated rates
Affordable transportation fees	Reduced transit fare permits and vehicle registration fees, vehicle registration based on vehicle value, TNC fees to support transit
Improve access to lower costs tools	Transit Benefit Program, Ventra access, I-PASS transponders, future user fees
Pilot fee and fare coordination	I-PASS accounts access, one-stop state and local vehicle registration fee collection, full fare integration across service providers
Residents and delivery drivers parking	Reduced transaction fees for short-term parking, payment options for drivers without credit cards
Fine reform	Income-based fines or waivers, assess appropriateness of fine levels, report with equity lens, offer alternatives, collection practices, end employment prohibitions

Improve mobility options

Mode share by worker earnings, CMAP region, 2010-14

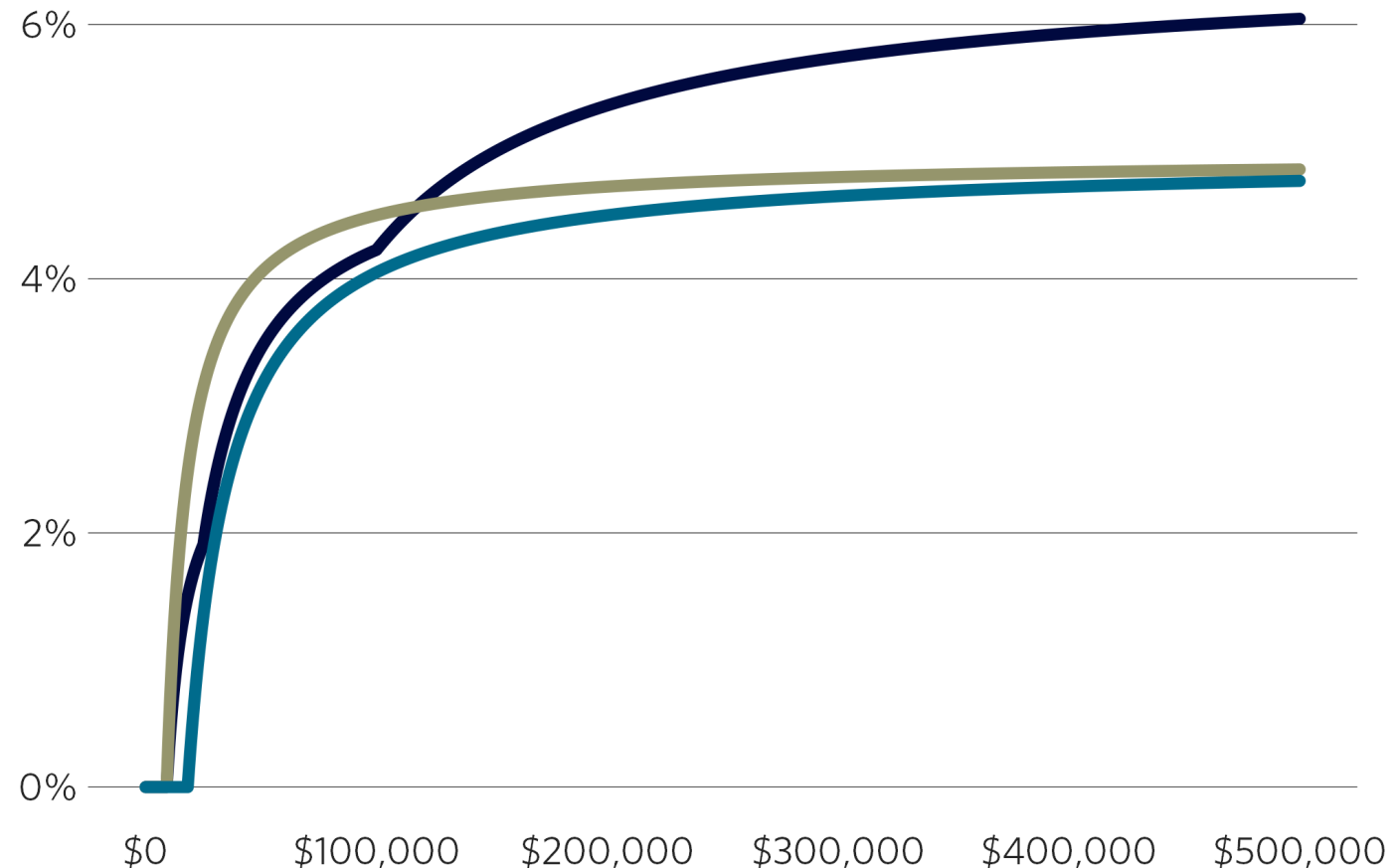
Source: Chicago Metropolitan Agency for Planning analysis of American Community Survey estimates for 2010-2014.



Implement progressive tax strategies

Illinois income tax strategy scenarios for a family of four

- Average tax rate under example graduated rates
- Current rate with exemptions
- Current rate with increased exemptions



Note: The example graduated rates scenario would tax income under \$25,000 at 3 percent, income between \$25,001 and \$100,000 at 5 percent, and income above \$100,000 at 6.5 percent. The example increased exemptions scenario would double the current exemption to \$4,550.

Source: Chicago Metropolitan Agency for Planning analysis

Make transportation fees more affordable for households with low income

Expand reduced fare permits

Expand reduced vehicle registration fees

Vary state and local vehicle registration fees based on vehicle value

Ensure any new TNC fees support regional transit goals

Improve access to lower costs tools for households with low income

Encourage employers to participate in the Transit Benefit Fare Program

Bolster efforts that help riders utilize Ventra

Develop a lower-cost alternative to I-PASS transponders

Waive any road usage charge equipment cost

Pilot initiatives that coordinate fee and fare collection

Increase availability of I-PASS accounts, including to unbanked households

Allow local vehicle fees to be paid at ILSOS

Implement full fare integration across service providers

Make paying for parking more feasible for both residents and delivery drivers

Designate short-term loading and standing spaces with reduced transaction fees

Ensure multiple payment options for drivers without credit cards

Implement traffic and parking violation fine reform

Integrate ability to pay through income-based fines or ability to pay waivers

Assess appropriateness of fine and late fee amounts

Report ticketing outcomes and impacts with equity lens

Offer alternatives to monetary fines

Improve repayment plans and collection practices

End employment prohibitions due to ticket debt

Discussion

How should the region prioritize opportunities to advance equity?

- Should we consider recommendations with the greatest impact or those that would be less difficult to implement?

Do these recommendations align with the equity work in your agency?

- What are your agency's priorities around equity?



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