



B3: Fare affordability

October 5, 2023

Executive summary

In northeastern Illinois, fares from transit riders are a significant portion of transit operating revenues. Even after COVID-19-related ridership declines, fares still account for 20 percent of regional transit funding.

Although fares can constitute a substantial financial commitment for rider households, transit remains significantly more affordable than many other transportation options, especially driving a personal vehicle. That affordability matters, especially to the riders from low-income households who rely on it most.

However, transit riders – including low-income transit riders – care about more than just the affordability of transit. Most importantly, they prioritize the quality and amount of transit service available. Any strategies to improve affordability must balance their potential cost against opportunities to address other critical system improvements.

CMAP recommends that the state consider the following actions on fare affordability:

- **Adopt fare capping.** The state should require the implementation of fare capping across transit to make existing multi-day pass products more accessible and affordable.
- **Establish and fund a low-income fare subsidy program.** After fully funding existing fare subsidy mandates, the state should require and fund the expansion of fare discount programs to include low-income households. Any new program should also leverage existing local and state administrative mechanisms. This would focus new resources dedicated to the affordability of transit on the riders that would benefit from it the most while preserving the funding necessary to operate robust transit service.

- **Unify existing youth subsidy programs.** The state should support the next generation of riders by requiring transit providers to integrate today’s inconsistent youth discount programs into an all-day and full year regional program.

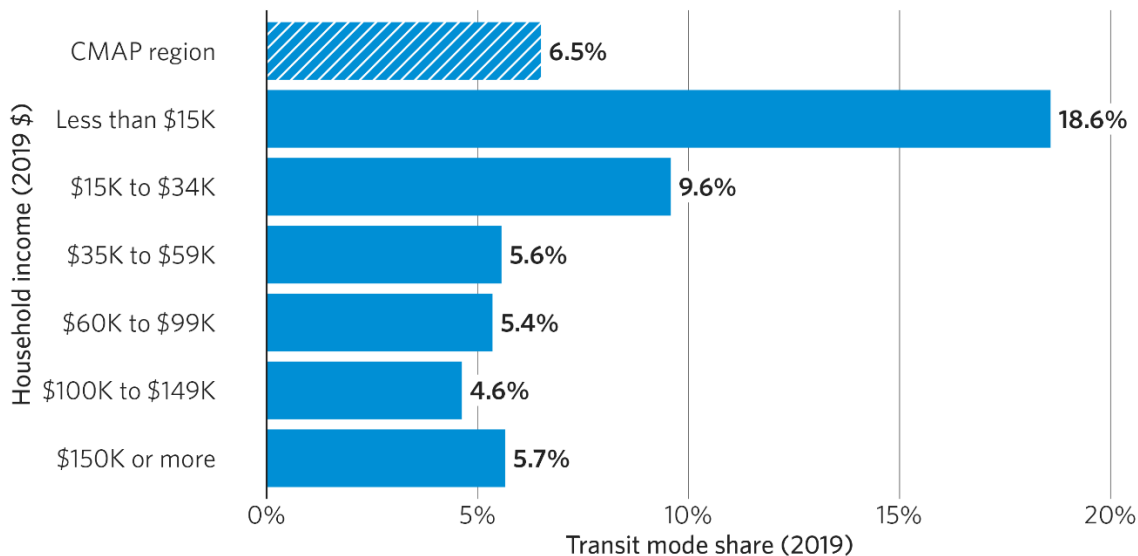
The challenge: Transit operators must balance affordability with fare revenue and service quality

In northeastern Illinois, fare revenue represents a significant share of overall transit funding. While fare revenues have fallen during the COVID-19 pandemic, they still account for about 20 percent of regional transit operating funds (more than \$650 million in 2023).¹

CMAP has long highlighted the importance of “user fees” in transportation funding, such as ON TO 2050’s support for the wider adoption of tolling and road-usage charges.² Similarly, CMAP continues to support the use of fare revenue as an element of the broader transit funding structure, while recognizing that fare revenue will likely play a relatively smaller role in a post-COVID-19 funding structure than it did in 2019. As noted in the companion memo on fare levels (available on the PART [webpage](#)),³ this will require an ongoing commitment to matching fare increases with inflation.

However, the region’s transit agencies must also ensure the system remains affordable for all riders, especially those who rely on it most. As shown in **Figure 1**, low-income households in the region are nearly three times more likely to rely on transit than the regional average.⁴

Figure 1. Regional households with low incomes rely on transit the most.



Note: Includes trips by residents age 5 and older of the CMAP seven-county region, Grundy, and DeKalb. Includes only trips that were within, to, and/or from one of those counties.

Sample size: Figures are based on a total of 97,230 recorded trips. Travelers with household incomes below \$15,000 have the lowest sample size, with 4,119 records.

Source: Chicago Metropolitan Agency for Planning analysis of My Daily Travel data.

One reason that low-income households rely on transit is its affordability. CMAP analysis has found that regional residents with low incomes spend 16 percent of their total income on transportation, compared to only 6 percent of higher income residents. That makes transit, which costs significantly less than driving, a vitally important option – provided that the service meets riders’ daily needs. Prior CMAP analysis has found that in northeastern Illinois, the annual cost of driving (including vehicle purchase, maintenance, and fuel) exceeds \$8,000 per year.⁵ In contrast, an annual pass for nearly all CTA, Metra, and Pace service throughout the region currently costs \$1,560 per year.^a

However, transit riders – including low-income transit riders – care about more than just the affordability of transit. As noted above, affordability is only relevant if the system can meet traveler needs. If the bus is not running when a traveler needs it, it does not matter whether the fare is \$2 or \$10. This highlights an important tension: Unless replaced by an outside funding source, any reduction in fare revenues will reduce the resources available for transit operators to maintain and improve the quality of transit service.

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Riders care about the quality of transit services. A survey of the region’s transit riders conducted by TransitCenter in 2019 identified improvements in reliability, frequency, safety, and other “quality” factors as a priority for nearly 80 percent of riders on both buses and trains. In contrast, only 20 to 30 percent identified fare levels as a top priority.⁶ And recent surveys by the region’s transit service boards have found similar results. For example, in recent CTA surveys, riders reported that improvements related to frequency, reliability, and safety would be most likely to make them ride more often.⁷ Lower fares were generally not a top factor for riders surveyed, even among those with the lowest reported household incomes.⁸

Given transit’s role in regional mobility, its affordability and cost-competitiveness remain important considerations. However, any strategies to improve affordability must balance their potential cost against opportunities to address other critical system improvements. Below, this memo will review existing transit affordability strategies and identify recommendations that appropriately reflect the tradeoffs between fare affordability and service quality.

^a \$1,560 is the price of twelve Metra monthly passes and twelve Regional Connect Pass add-ons. If Metra’s proposed fare structure changes (available at <https://metra.com/2024FarePlan>) are implemented without alteration, the annual price of a combined regional transit pass would increase to \$1,980, while an annual pass covering all transit in the City of Chicago and inner Cook County suburbs (the proposed Metra fare zones 1 and 2) would fall to \$1,260.

Regional context: Transit providers already offer discounts, but eligibility and uptake vary widely

Multi-day pricing

One common strategy to make transit more affordable is to provide frequent users with a discount. The region's transit providers each offer a variety of unlimited-ride pass products as a complement to their base single-ride tickets. For example, a 30-day CTA pass costs \$75, equivalent to 30 one-way fares on CTA's train system. This can provide significant savings to any riders who average more than one transit trip per day.

While multi-day pricing can yield significant savings, it requires riders to pay for the cost of a pass upfront. Monthly passes represent an especially significant expense. If riders are unable to cover the costs of a monthly pass, they may instead rely on single-ride tickets or shorter multi-day passes – effectively paying a higher fare than they would if able to take advantage of a daily, weekly, or monthly pass product.

Subsidized fares

The region also offers discounts on both one-ride and multi-day pass fares for certain travelers. The RTA Ride Free and Reduced Fare programs target riders who receive social assistance from federal or state programs, including Medicare recipients, people with disabilities, veterans, and riders over 65 years of age (see **Appendix A: Existing fare subsidy programs** for more details). These programs help to improve equity in the region's mobility system. However, these programs also result in lower fare revenues, which are only partially offset by additional state funding.

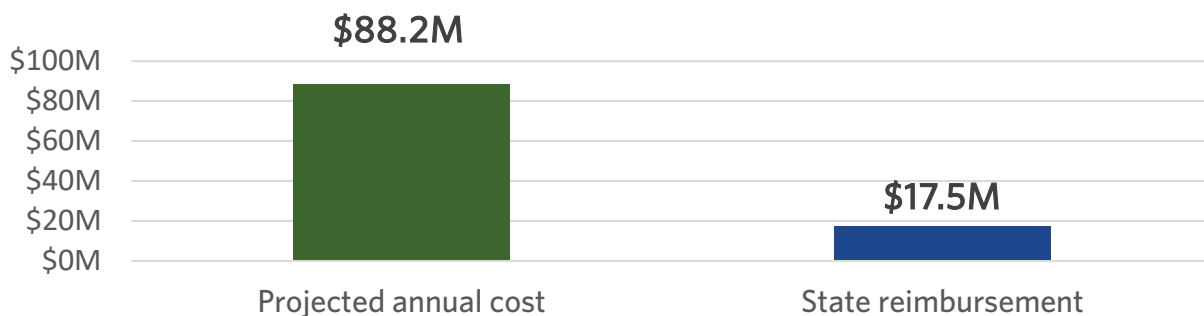
According to RTA, the projected annual cost of these programs is \$88 million. The State of Illinois only offsets 20 percent of this cost, appropriating \$17.5 million in FY 2023. In the state's recently adopted FY 2024 budget, RTA's reimbursement for its subsidized fare programs increased slightly by \$1.5 million – totaling \$19 million.⁹

Without additional funding, transit service providers cover the balance with operating funds that could otherwise go towards improved service and frequency. Prioritizing fully funding these existing programs, which currently serve over 300,000 riders, would allow the system to improve service and explore the development of new programs targeted at other vulnerable populations.

See the [PART webpage](#) for a companion memo on state funding reforms and complementary recommendations regarding state funding of these existing programs.

Figure 2. State reimbursements cover only 20 percent of the total cost of existing free and reduced fare programs.

Total cost and expected state reimbursement for the RTA service boards' free and reduced fare programs (FY2023)



Source: Regional Transportation Authority¹⁰

CTA, Metra, and Pace separately also provide fare discounts for youth and students in the region. However, discount amounts, eligibility requirements, and limitations on when discounts are available vary significantly between these programs (see **Appendix A: Existing fare subsidy programs**).

These youth subsidy programs are an important avenue for building a culture of transit use among the next generation of the region's residents. However, their fragmented and differing eligibility requirements, restrictions, and discounts can be confusing to the end user and may lessen their usage and effectiveness.

Peer agencies have also implemented targeted programs to support riders

LA Metro recently adopted fare capping and expanded low-income fare discounts

The Los Angeles County Metropolitan Transportation Authority (Metro) consolidated various subsidy programs to form the LIFE (Low Income Fare is Easy) program in 2017. The program offers up to a 50 percent discount on Metro's system, including Metro Bike Share, and variable discounted fares for the other 12 participating transit agencies in Los Angeles County.

Eligibility is determined and revised annually by Metro based on household size and income and the program is administered externally by non-profit community-based organizations. As part of Metro's Enrollment Plan to double the number of LIFE users by the end of 2022, the agency began offering 90 days of free transit to new LIFE enrollees as incentive.¹¹

On July 1, 2023, the agency also shifted to a fare capping system for all riders. This will allow riders to use the system for free once enough single fares have been purchased to meet the 1-day (\$5) or 7-day (\$18) cap. For LIFE program enrollees, Metro will provide 20 free rides each month instead of discounted passes. Once LIFE program riders have used all 20 free rides, fares will be paid at the normal rate per ride until the 1-day or 7-day cap has been reached.¹²

Seattle transit agencies provide half-fare discounts or free transit to residents in low-income households

The Puget Sound region offers low-income residents up to a 50 percent fare discount on most of the region's transit agencies through the ORCA LIFT program.¹³ The program allows riders with incomes lower than 200 percent of the Federal Poverty Level (FPL) to enroll and maintain their subsidized fare card for two years at a time. Most recently, the region increased the program's discount to a \$1 fare across all 11 participating agencies after a successful six-month pilot meant to increase the program's participation rate to 80 percent of the likely market.¹⁴ The region successfully increased the program's enrollment by December 2022 in its largest counties, reaching the 50 percent enrollment rate milestone.¹⁵

Although limited to only three transit providers, the King County Council also launched a free annual pass for the region's lowest-income residents who make below 80 percent of the FPL and are enrolled in state social benefit programs like Temporary Assistance for Needy Families (TANF) or Supplemental Security Income (SSI).¹⁶ The program is meant to assist riders who cannot afford the other reduced fare options available in the region and is funded primarily by King County. The county partnered with the University of Notre Dame's Lab for Economic Opportunities and found that riders with the free pass rode the bus system twice as much as ORCA LIFT users, and ridership increased mostly during off-peak hours.¹⁷

San Diego offers free transit for youth and fare capping

The Youth Opportunity Pass, an \$8 million pilot program funded by the San Diego Association of Governments (SANDAG) and County of San Diego, provides all riders 18 and under free transit rides on the Metropolitan Transit System (MTS) and North County Transit District (NCTD).¹⁸

Since the program launched in May 2022, the number of youth transit riders tripled and has recorded over 5 million rides as of February 2023. Surveys of young riders utilizing the program showed the importance of building a culture of transit use among the next generation – with 79 percent saying they plan to keep using public transit as adults.¹⁹ The program's success has led the sponsoring agencies and partners to seek permanent funding and expand the program to young adults 24 and under.

MTS riders can also take advantage of the agency's fare capping system, which launched in 2021. The system is designed so that riders pay the "best fare" possible, rather than having to pre-pay for daily or monthly passes. Riders can earn passes by meeting the daily (\$6) or

calendar monthly (\$72) caps, after which all trips during the pass period are free. Riders receiving a reduced fare have discounted caps for the daily (\$3) and monthly (\$23) period.²⁰

Recommendation 1: Implement fare capping

The state should require RTA and the transit service boards to implement a fare structure that incorporates fare capping. This approach allows riders to buy into a time-based pass without the significant upfront cost it entails. With a fare capping system in place, riders using an eligible fare product (e.g., a Ventra card) would be allowed to ride for free once reaching the cap over a specified period.

To maximize the value of the fare capping approach, any system should ultimately allow for a combined cap across the RTA service boards. For example, if implemented with current pricing, a regional transit rider who spends \$130 on individual rides across a combination of CTA, Metra, and Pace would automatically qualify for unlimited rides for the remainder of the month. This cross-agency approach would advance fare integration, which is another regional priority and PART recommendation (*see the [PART webpage](#) for more information*). As an interim milestone, the fare capping approach could be deployed for CTA/Pace fares, with Metra maintaining its own capping approach.

Implementation steps

Legislative action

- Amend the RTA Act to require the transition to a fare capping structure, including a specified timeline and interim milestones.
- Appropriate funds necessary for investment in back-office fare systems to accommodate cross-system fare capping.
- If pursued, consider overlaps with timeline and requirements on system fare integration and fare system governance (*see [PART webpage](#) for additional details*).

Local and regional actions

- Transit providers to develop more detailed pricing/capping structure and revenue-sharing agreements in response to principles articulated in statute.
- Transit providers to assess and coordinate technology improvements required to implement fare capping.
- Expand retail partnerships to increase accessibility of Ventra card purchases for under- and un-banked riders to fully capitalize on fare capping discounts

Rationale

Transitioning to fare capping would help to improve the affordability of regional transit, especially for travelers from lower-income households. Fare caps at either the service board or regional level would make the discounts from multi-day pass products more easily available to all system users, regardless of their ability to pay the upfront price.

A capped approach would increase the affordability and attractiveness of the regional transit system. Riders who previously did not purchase a monthly or weekly pass due to the upfront cost would now get the cheapest fare option for which they are eligible. Riders who previously purchased a monthly pass even when it did not save money could also pay less.






Both situations highlight the challenges of the existing non-capped approach: a portion of existing fare revenues rely on riders paying more than they ultimately should to use transit.²¹ While this may modestly increase transit fare revenues, it is not consistent with the broader principle that transit system decisions should be made with the experience of the user in mind. Furthermore, COVID-19-era changes in both pass pricing and purchase behavior have lessened the potential revenue impacts from a shift to fare capping.

Because fare capping requires the use of non-cash payment options, capping also provides an incentive for riders using cash to switch to a fare card or mobile payment option. Adoption of Ventra and mobile payment platforms is already high, but any additional reduction in cash fare payments would further reduce the associated time and costs of administration. There are equity implications that should be considered for riders to fully capitalize on fare capping discounts. Moving to cashless fare payments via a Ventra card can be a challenge, particularly for under- or un-banked riders. CMAP's research on equitable fees, fines, and fares found that less than 10 percent of unbanked households used electronic payments, credit cards, checks, etc.²² To mitigate inequitable implementation, the region's transit agencies could consider additional strategies, such as further expanding retail partnerships to increase access for purchasing a Ventra card with cash.

Finally, if adopted across the RTA service boards, fare capping would encourage the integration of fares between different modes – allowing riders to potentially switch between CTA, Pace, and Metra without purchasing separate passes. This facilitates a seamless transit experience for the end-user, especially those taking multi-modal trips, and encourages riders to take the trip that best suits their needs.





Evaluation^b

Policy

Category	Rating	Rationale
 Mobility	Medium	Could modestly increase transit ridership by reducing complexity of transit fare purchase decisions, although effects would likely be limited. Potential increases could be offset by reductions in incremental ridership from pass pre-purchases, although overall ridership impacts are likely to be limited.
 Equity	High (note need for study on risks)	Allows riders with limited incomes to buy into a weekly or monthly pass without the upfront cost. Additional study would be required to understand relative distribution of benefits based on existing suboptimal pass purchase decisions, as well as the potential impacts on customers who currently rely on cash payments and may not have access to the Ventra card or mobile application.
 Environment	Medium	Likely has no incremental effect on GHG emissions, though it may lead to increased ridership due to user experience improvements.
 Economy	Medium	Could modestly increase accessibility of employment and education destinations by transit by increasing the affordability of existing transit services. However, unlikely to have significant effects (vs. preserving status quo levels of access).
 Regional benefit	Regional	Applicable to all regional transit riders.

^b To evaluate different recommendations, CMAP developed a rubric for both policy impact and process difficulty. Policy evaluations are ranked from low to high. "High" means the recommendation would lead to significant improvements in the policy outcome (e.g., greater mobility or additional access to economic opportunities); "Medium" means the recommendation would have a neutral or minimal impact (e.g., no significant impact on transit ridership); and "Low" means the recommendation would worsen policy outcomes (e.g., having a disproportionate impact on low-income communities). For the "Regional benefit" category, the options are "Urban," "Suburban," and "Regional," designating where benefits are concentrated. For all process evaluation categories except timing, the scale ranges from "Low" (difficult) to "High" (easy or relatively straightforward). For "Timing," the options are "Near" (implementation could happen between now and 2026), "Medium" (implementation could occur between 2026 and 2028), and "Long" (implementation would likely be beyond 2028).



Process

Category	Rating	Rationale
 Administrative feasibility	Low/ Medium (depends on approach)	Feasibility differs between existing service board fare products. Fare capping for CTA/Pace could leverage existing Ventra platform; regional fare capping would require more integration than currently exists between back-office systems for Metra and other transit service providers.
 Political feasibility	Medium	Implementing fare capping improves public perception of transit, though existing governance structures may be a hurdle for implementation.
 Timing	Near/ Medium (phased in over time)	Initial implementation (e.g., on CTA/Pace) should be feasible by 2026. Comprehensive implementation feasible by 2027 due to required one-time capital funding and back-end configuration.
 State span of control	Medium	State legislation can require the service boards and RTA to transition to fare capping, though regional coordination will be necessary to implement, as well as participation from outside fare payment vendors (e.g., Cubic).

Net cost / investment

As noted above, fare capping could negatively affect fare revenue, but overall effects would be modest. If desired, revenue impacts could also be offset by adjustments to overall fare levels (see the [PART webpage](#) for complementary recommendations on fare levels).

Shifting to a fare capping model across the region’s three transit providers would require one-time capital investments, including changes to the existing fare payment back-office systems to integrate between the different systems currently used by Metra and CTA/Pace. Conservatively, those are estimated to cost \$25-50 million (*note that these could overlap with back-office investments that would be necessary to advance broader fare integration recommendations*). The adoption of fare capping within existing systems would likely be feasible with a lower level of investment, although a shift to this approach would still entail back-office system changes.

Category	2025	2026	2027	2028	2029	2030
 Operations & maintenance	Minimal	Minimal	Minimal	Minimal	Minimal	Minimal
 Capital	\$25-50 million	NA	NA	NA	NA	NA

Recommendation 2: Establish a low-income fare subsidy program

The state should require transit providers to establish and fund a fare subsidy program for riders with limited incomes, complementing existing free/reduced fare programs.

Any new reduced fare program should also be integrated with existing programs, not only including current fare subsidies but also other relevant social and human services functions. For example, enrollment in a reduced fare subsidy could be linked with enrollment in statewide programs like SNAP or Medicaid. The state could also consider expanding this to include a statewide program of reduced fares for low-income transit riders, as the concerns of transit system affordability also apply to transit riders in other parts of Illinois.

This recommendation is consistent with a related recommendation from RTA’s strategic plan, *Transit is the Answer*, which highlights opportunities to fund and pilot additional subsidies for travelers with low incomes.²³ This recommendation would also build on recent legislation. Public Act 103-0281, which requires RTA to submit a report to the legislature by July 2024 on more equitable fare structures in the region. As part of that study, RTA will need to assess the potential impact and feasibility of providing free or reduced transit fares to residents from low-income households, among other groups.²⁴

Implementation steps

Legislative action

As noted above, Public Act 103-0281 requires RTA to study the feasibility of free or reduced fares for several categories of transit riders, including people with low incomes. Pending the results of that study, the state legislature could:

- Require the region’s transit providers to offer a program of reduced fares to travelers from low-income households. This could also be relevant to transit riders in other

jurisdictions throughout the state and could be expanded into a statewide requirement for reduced fare offerings.

- Require relevant state agencies (e.g., the Illinois Department of Human Services and the Illinois Department on Aging) to participate in the development and administration of a new transit fare subsidy program.
- Account for the cost of providing any new subsidies (as well as existing fare subsidies) into the overall funding structure of regional and/or state transit operations.
- Incorporate ongoing decision-making on fare subsidy levels and thresholds into broader responsibilities for fare system policy.

State agency actions

- State agencies should incorporate eligibility screening into existing processes (e.g., SNAP), with a goal of simplifying enrollment. An opportunity for a more integrated approach could leverage the USDA's Food and Nutrition Service Mobile Payment Pilot, which allows SNAP participants in Illinois to use mobile payment technology, to integrate with Ventra.²⁵

Local and regional actions

- RTA and the region's transit agencies to define eligibility thresholds and fare discount levels, subject to available funding. For example, 50 percent fare subsidies could be offered to riders from households with incomes at or below 200 percent of the federal poverty line (FPL).
- RTA and the region's transit agencies to define administrative rules and procedures for initial enrollment and renewals. For example, as noted above, eligible residents could be provided with multiple avenues for enrollment (via state agencies, local partners, etc.). Renewals could be completed on a regular but not yearly basis (e.g., every two to five years) to minimize administrative complexity and increase potential program take-up among eligible residents.
- RTA and the region's transit agencies to pilot, implement, and monitor program, including by regularly reporting on ridership effects, enrollment levels, and financial impacts.

Rationale

As with the existing (and largely unfunded) fare subsidy programs, any new fare subsidy would require balancing the potential affordability and ridership benefits with the budgetary impacts of lower revenue.






Among the alternatives for increasing transit's affordability (e.g., income-based, geographically targeted, mode-specific), an income-based fare subsidy program would best balance these conflicting goals. It would maintain affordability for the riders who are more concerned about

the cost of transit. It would also mitigate against potential equity implications of the ongoing fare increases that will be required to maintain fare revenue as a stable element of transit funding. And unlike a geographic or mode-specific subsidy, an income-based approach would also provide riders with the opportunity to choose which transit mode or route works best for their needs, rather than incentivizing them to select the subsidized option.





One of the greatest challenges for a successful means-tested subsidy program is ensuring that eligible users can easily access the program. By integrating any new low-income fare subsidy into existing administrative processes, the state would encourage program uptake and minimize the costs of administration. The state has recognized the need to reduce the administrative burden of these benefit programs through recently passed legislation. Public Act 103-0241 makes changes to RTA’s free and reduced fare programs to make it easier for enrollees to renew their benefits through a 5-yearly automatic eligibility renewal.²⁶ This change reduces the amount of paperwork riders will need to complete to verify their eligibility and reduces the likelihood that eligible riders will lose access to the program.

Evaluation

Policy



Category	Rating	Rationale
 Mobility	High	Significantly increases ridership by reducing the cost of transit for riders with low income (who disproportionately use transit in the region).
 Equity	High	Increases access to transit for riders from households with lower incomes and mitigates against negative equity impacts of complementary PART recommendations on overall fare levels.
 Environment	Medium	Beyond potentially increasing transit ridership, this program would have no incremental impact on emissions or other sustainability metrics.
 Economy	Medium	Moderate potential increase in access to jobs and education by reducing the cost of transportation, potentially offset by overall increase in fare levels.
 Regional benefit	Regional	Applies to transit users across the region

Process

Category	Rating	Rationale
 Administrative feasibility	Medium	Requires expansion of existing administrative structures; opportunities for leveraging existing processes exist (e.g., SNAP, current fare subsidy programs).
 Political feasibility	High	Overlaps with <i>Transit is the Answer</i> and recently passed state legislation; has been identified as priority through the PART process.
 Timing	Near	Once study is produced and funding is provided, implementation should be targeted by the end of 2025, especially if program is able to leverage existing administrative apparatus for eligibility determination.
 State span of control	High	The State of Illinois currently mandates and partially funds fare subsidy programs for some travelers in the region.

Net cost / investment

While more detailed analysis would be required prior to implementation, CMAP modeling shows that the expected cost of a fare subsidy program could range from \$15 million to \$100 million annually, depending on eligibility thresholds and assumed enrollment rates. The cost would also vary based on interactions with the existing Free and Reduced Fare program. See **Appendix B: Analysis of income-based fare subsidy** for more details.

Category	2025	2026	2027	2028	2029	2030
 Operations & Maintenance	\$15 - \$100 million annually depending on program (increasing with fares and inflation over time)					
 Capital	Minimal (depending on program, could involve adjustments to fare systems)					

Recommendation 3: Unify existing subsidy programs for youth and explore a free youth transit pass

CMAP recommends that the state require the region's transit providers to consolidate existing subsidy programs for students and youth age 18 and under into a Regional Youth Pass product. The state should also incorporate the costs of that unification and any expansion (e.g., a larger discount) into the overall transit funding structure. The Regional Youth Pass would allow eligible riders to ride at a single discounted rate across the three agencies at any time of the day and any day of the week throughout the year. The pass could also extend the subsidy to school-enrolled youth over the age of 18 (e.g., as CTA does today), though costs for these expansions would increase accordingly.

Similar to the recommendation on low-income fare subsidies above, the Regional Youth Pass recommendation could also be extended to a broader transit subsidy program for youth in Illinois outside of the RTA service area. This recommendation would also build on the recent legislation discussed above in Recommendation 2. In addition to potential low-income fare subsidies, Public Act 103-0281 will also require RTA to assess the potential impact and feasibility of providing free or reduced transit fares to youth.²⁷

Implementation steps

Legislative action

- Amend the RTA Act to require an integrated regional youth pass that applies to all travel, not just school-day trips.
- Account for the cost of providing any new subsidies (as well as existing fare subsidies) into the overall funding structure of regional and/or state transit operations.
- Incorporate ongoing decision-making on fare subsidy levels and thresholds into broader responsibilities for fare system policy.

Local and regional actions

- RTA and the region's transit providers to pilot, implement, and monitor program, including by regularly reporting on ridership effects, enrollment levels, and financial impacts.

Rationale

The region currently provides a patchwork of youth subsidy programs (see **Appendix A: Existing fare subsidy programs**). Youth riders receive different discounts based on when,





where, and by what mode they travel. While these programs do increase the affordability of transit, especially when used to travel to and from school, they are not conducive to a seamless, integrated transit experience.


Consolidating these programs increases transit’s ease-of-use and reduces the burden of understanding and paying for transit. It could also simplify the administration of these programs from the operator perspective. For example, a regional entity in charge of fare policy could partner with school districts across the region to promote the pass and streamline enrollment – reducing the need for each transit provider to do so in a piecemeal fashion.

Additional subsidies could also have positive benefits, such as promoting a culture of transit ridership among the next generation of the region’s transit riders. Recent data, such as trends in car ownership, driver licensing, and vehicle miles driven, suggest that younger generations are moving away from reliance on personal automobiles. Instead, these individuals are using transit, rideshare, and micro-mobility (e.g., scooters and bikes) at a higher rate.²⁸ A more robust subsidy program could capitalize on this interest and help to advance regional priorities to increase transit ridership in the long term.





Evaluation

Policy

Category	Rating	Rationale
 Mobility	Medium/High	Increases transit access and ridership by expanding subsidies for students and youth, improves user experience by consolidating passes, and builds a culture of transit use among the next generation riders. Would likely not have the same scale of mobility impact as a low-income fare subsidy.
 Equity	High	Provides riders who generally lack access to a personal vehicle the freedom of mobility by transit at a discounted or free rate.
 Environment	Medium	Unlikely to significantly alter GHG emissions, as incremental transit trips are unlikely to shift from more carbon-intensive modes.
 Economy	Medium	Could modestly increase access to opportunities for youth (especially educational and training).



 Regional benefit	Regional	All youth in the region would be eligible for the program.
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Process

Category	Rating	Rationale
 Administrative feasibility	High	CTA, Pace, and Metra currently independently administer youth subsidy programs.
 Political feasibility	Medium/ High	Recently passed legislation (HB1342) requires a study on this topic. Unification may be more politically feasible than a full subsidy for youth riders, but both are aligned with recent peer agency actions.
 Timing	Near	Once study is produced and funding is provided, implementation should be targeted by the end of 2025
 State span of control	High	The State of Illinois currently mandates and partially funds fare subsidy programs for some travelers in the region.

Net cost / investment

CMAA staff are still working to analyze the potential costs of all permutations of this strategy. As shown in **Appendix C: Analysis of youth fare subsidy**, free fares for youth would be estimated to cost up to \$50 million annually, although this cost would be offset by discounts already provided through existing youth subsidy programs. A unified youth fare subsidy would be significantly cheaper and could be designed to be revenue neutral with other fare policy reforms.

Category	2025	2026	2027	2028	2029	2030
 Operations & Maintenance	<p>Free Regional Youth Pass: Up to \$50M annually, depending on program design and interaction with existing youth/student discounts.</p> <p>Unified discounted Regional Youth Pass: Up to \$15M, but cost could be lower depending on program design and interaction with existing youth/student discounts.</p>					
 Capital	NA					

Appendix A: Existing fare subsidy programs

RTA Free and Reduced Fare programs

RTA administers and oversees two fare discount programs that are targeted at a variety of riders, such as seniors and people with disabilities. Across the region, approximately 325,000 individuals have a free or reduced fare permit that allows them to travel on all CTA, Metra, and Pace fixed route services at a lower cost.²⁹

RTA maintains an online portal for individuals applying for, renewing, or replacing a free ride permit. There are also physical registration centers around the region where riders can receive in-person assistance to enroll in these programs.

For the RTA Ride Free program, eligibility for seniors and people with disabilities is determined through enrollment in the Illinois Department on Aging's Benefit Access Program (BAP).³⁰ As this is a required prerequisite for the Ride Free program, riders must first enroll in BAP prior to receiving this benefit. Households making more than \$33,562 (1 person), \$44,553 (2 person), or \$55,500 (3 person) are not eligible for this program.

RTA also offers the Reduced Fare program which allows seniors and disabled individuals to pay a reduced fare on CTA, Metra, and Pace. If these riders do not qualify for the Ride Free program, they are eligible for the Reduced Fare program, regardless of income. Riders with a valid Medicare card are also eligible to enroll in the Reduced Fare program.

As noted above, Public Act 103-0421 lessens the administrative burden of renewing RTA Free and Reduced Fare permits by automatically re-enrolling participants every 5 years unless discontinued by the participant.³¹

Student and youth fares

Children under the age of 7 are allowed to ride free at all times when accompanying another rider, while children from age 7-11 are eligible for a regular reduced fare at all times.

On CTA, elementary and high school students (from age 7 to 20) are eligible for student fare cards. These student fare cards provide a 70 percent discount during weekday school hours (5:30 am to 8:30 pm) only.³²

Pace offers a 30-day unlimited pass discounted at 50 percent of the regular price for high school students. For students who are occasional riders, Pace offers a \$1 fare per ride with a Ventra Card. Both options allow students to travel with no time or day restrictions, including during the summer.³³ For college students, Pace offers the Campus Connection Pass which provides users an unlimited pass valid for an entire semester. This pass is discounted up to \$125 compared to purchasing a semester's worth of unlimited 30-day passes.³⁴

Metra provides K-12 students reduced fare discounts at the same cost as other reduced fares for seniors, people with disabilities, etc. Student pricing is in effect regardless of time or day of use.³⁵

Other fare discounts

The three service boards independently offer free or reduced fares for some or all military personnel.³⁶ CTA allows free rides to active-duty military and veterans disabled by a service-related injury. Metra offers reduced fares for active-duty military personnel presenting a military ID. Pace provides all active-duty uniformed military personnel free rides on its fixed route services. Pace also allows first responders with a badge or in uniform to ride for free.

Lastly, HB1342 requires RTA, in coordination with *The Network: Advocating Against Domestic Violence*, to distribute at least 25,000 preloaded Ventra cards to providers in the region which assist survivors and victims of domestic violence.³⁷

Appendix B: Analysis of income-based fare subsidy

Based on a review of similar programs in other regions, CMAP staff have developed preliminary alternative fare subsidy programs for the legislature and transit providers to consider. **Table 1** includes more details on the share and number of households that would be eligible for reduced fares with eligibility levels set at either 200 percent or 100 percent of the federal poverty line (FPL).

Table 1. Estimated impacts of income-based fare subsidy program in the RTA region

Program	Eligible share of households (region/Chicago)* 38	Equivalent household income ³⁹	Net fare revenue impact in 2026**	Ridership impact in 2026***
200% FPL income threshold	24.5% / 31.5%	1 person: \$29k 4 person: \$60k	(\$30M - \$100M)	7 – 15 million more rides
100% FPL income threshold	10.6% / 15.5%	1 person: \$14k 4 person: \$30k	(\$15M - \$40M)	3 – 9 million more rides

* Figures are based on 1- to 8-person households. Households larger than 8 people are less than 0.1 percent of total households in the region and therefore are excluded from this calculation.

** Note that these are conservative estimates and do not account for existing subsidy programs whose eligibility requirements would overlap with a new income-based subsidy program. This could reduce the incremental cost of a potential reduced fare subsidy for travelers from low-income households. Estimates do not include cost of administration.

*** Estimates assume a 50 percent fare discount and range by program take-up rate (25% - 75%)

Source: Analysis of CMAP’s activity-based model (ABM) and RTA 10-Year Financial Plan.

Appendix C: Analysis of youth fare subsidy

Preliminary CMAP modeling shows that before COVID-19, youth riders (those 18 years of age or under) accounted for approximately 12 percent of transit ridership in the region.^c Many, although not all, of those trips are currently eligible for subsidized fares, which could limit the cost implications of unifying existing fare subsidy programs into a regional program. However, as shown in **Table 2** below, a free youth pass program could cost up to \$50 million in annual fare revenue depending on the level of subsidy and program enrollment.

RTA and the region’s transit agencies will evaluate and consider the ridership and revenue impacts of different fare subsidy programs, including programs targeted at youth, in its report on equitable fare structures due to the General Assembly in July 2024. Based on previous studies of free and discounted fares in Seattle, a free youth pass is likely to increase ridership to a greater degree than a unified discounted pass.⁴⁰ However, as noted below, it will also require the state to provide a greater subsidy to cover the increased cost.

Table 2. Estimated impacts of fare subsidy programs for students and youth ages 18 and under

Program	Share of CMAP region population / transit riders*	Net fare revenue impact in 2026**d
Unified discounted youth pass	25% / 12%	Anticipated to be less than the low estimate for a free youth pass (\$15M)
Free youth pass		(\$15M - \$50M)

*Travel model results are based on pre-COVID-19 modeling and do not account for potential shifts in ridership demographics since 2019.

**Estimates range by program take-up rate (25% - 75%). Estimates do not include cost of administration and may not fully account for the offsetting revenue impact of existing subsidy programs whose eligibility requirements would overlap with a new regional youth subsidy program.

Source: Analysis of CMAP’s activity-based model, RTA 10-Year Financial Plan, and American Community Survey five-year estimates from the U.S. Census Bureau (2017-2021).

^c This share would rise if the analysis included all riders who benefit from one or more of the region’s existing student passes today (e.g., 20-year-old high school students who rely on CTA services).

^d These net fare revenue estimates were validated using CMAP’s activity-based model and data provided by CTA and Metra. Take-up rate ranges assist in accounting for other policy decisions around free youth fares that existing modeling and data may not capture.

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