

# Ventra™ Fare Equity Analysis

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**For**

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## Overview

In 2013, The Chicago Transit Authority (CTA) is planning to transition to an open fare payment system known as Ventra™ that customers can use throughout the Chicago region on public transportation services provided by CTA and Pace<sup>1</sup>. The open payment system will allow customers to pay for CTA transit services with contactless, reusable, reloadable Ventra Cards or with their own contactless personal credit or debit cards. Customers will have the option of purchasing transit value or passes when a card is linked to a transit account, or purchasing a single trip at the point of entry with their contactless personal credit or debit cards. Customers will simply tap their preferred payment card to quickly board trains and buses. As a convenience, individual customers can also purchase a Limited Use Ventra Ticket, which is a contactless disposable ticket usable for a single ride or as a 1-Day Pass, but which is not reloadable.

The Ventra system will be based upon the existing CTA fare policy that is currently in use. Although no fares will increase with the Ventra transition, changes to media use and fare payment types will occur, along with associated acquisition or media fees. As a result, a Fare Equity Analysis has been completed to assess the impacts of the transition on minority and low-income communities. However, only characteristics related to the payment of transit fares are being evaluated; options that allow riders to use the Ventra card as a prepaid debit card for everyday purchases are not being evaluated because they are not related to transit access or fare payment on the transit system.

## Title VI Requirements

Title VI of the Civil Rights Act of 1964, Section 601 states:

“No persons in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.”

It is CTA’s objective to avoid, minimize or mitigate disproportionately high and adverse impacts on minority and low-income populations. As a recipient of financial assistance from the Federal Transit Administration (FTA), the CTA is required to comply with Title VI of the Civil Rights Act of 1964 by evaluating service and fare changes at the planning and programming stages to determine whether those changes have discriminatory impacts, including Disparate Impacts on minority populations and/or Disproportionate Burdens on low-income populations.

According to the Federal Department of Transportation, equity in the provision of transit service is described as "providing equal levels of service to minority and non-minority residents

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<sup>1</sup> Pace Suburban Bus Division of the Regional Transportation Authority (the operator providing bus service to the Chicagoland suburbs) fare products may be included as reference within the document, as some CTA riders also use Pace fare products

of the urbanized area. Levels of service, in turn, are defined in terms of capital allocation and accessibility."<sup>2</sup> The indices of discrimination that could be monitored for disparate treatment include fare structures that could consistently cause minority-group riders to bear a higher fare burden than the overall riding public, access to specialized fare media, or methods of communication to populations with Limited English Proficiency. However, a Title VI Equity Analysis should not replace good program planning, which should be on an on-going process that considers equity among other factors when designing fare changes, service changes, or discretionary policies and programs.

## CTA Service and Fare Equity Policy

FTA recently issued new guidance under FTA Circular 4702.1B (Title VI Requirements and Guidelines for Federal Transit Administration Recipients), issued October 1, 2012 and Circular 4703.1 (Environmental Justice Policy Guidance for Federal Transit Administration Recipients), dated August 15, 2012 that require large transit agencies to develop policies for when they are contemplating either service or fare changes. CTA adopted the "Service and Fare Equity Policy" on April 15, 2013, contained in Attachment A.

Even though no change to CTA fare policy is associated with the Ventra transition, fare payment types and fare media uses--along with associated fees--may change. Consequently, CTA is undertaking a Fare Equity Analysis to ensure that the Authority understands how the transition impacts low income and minority populations in addition to the general riding public. The Fare Equity Analysis will use the definitions and methodologies adopted in the policy, described below.

The Service and Fare Equity Policy includes the adoption of "Disparate Impact"<sup>3</sup> and "Disproportionate Burden"<sup>4</sup> thresholds that establish conditions under which a service or fare increase would be considered having a "Disparate Impact" on minority populations or "Disproportionate Burden" on low-income populations.

According to the CTA Policy, when evaluating a total package of fare changes, the changes are considered to have a Disparate Impact when the percentage of impacts of each individual proposed fare change borne by minority riders as a result of the proposed fare change is at least ten percentage points (10%) higher than the percentage of impacts of that proposed fare change on the overall rider population; and the aggregate percentage of impacts for the entire

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<sup>2</sup> Transit Cooperative Research Program, Legal Research Digest: "The Impact of Civil Rights Litigation Under Title VI and Related Laws on Transit Decision Making", TCRP Project J-5, Washington, D.C. June 1997

<sup>3</sup> Disparate Impact refers to a facially neutral policy or practice that disproportionately affects members of a group identified by race, color, or national origin, where the recipient's policy or practice lacks a substantial legitimate justification and where there exists one or more alternatives that would serve the same legitimate objectives but with less disproportionate effect on the basis of race, color, or national origin.

<sup>4</sup> Disproportionate Burden refers to a neutral policy or practice that disproportionately affects low-income populations more than non-low-income populations. A finding of Disproportionate Burden requires the recipient to evaluate alternatives and mitigate burdens where practical.

package of proposed fare changes borne by minority riders is at least five percentage points (5%) higher than the aggregate percentage of impacts on the overall rider population.

Similarly, changes are considered to have a Disproportionate Burden when the percentage of impacts of a single proposed fare change borne by low-income riders as a result of the proposed fare change is at least ten percentage points (10%) higher than the percentage of impacts of that proposed fare change on the overall rider population; and the aggregate percentage of impacts for the proposed fare changes borne by low-income riders as a result of the proposed fare changes is at least five percent (5%) greater than the aggregate percentage of impacts on the overall rider population. The analysis contained within this report uses these thresholds for determining Disproportionate Burden and Disparate Impacts.

If the fare change is deemed to have a Disparate Impact and/or Disproportionate Burden, CTA shall determine the appropriate course of action, including: avoid, minimize or mitigate the impact or burden; or analyze other options to determine whether alternatives exist that would have a smaller impact or burden.

As stated, even though the Ventra transition is based upon the existing fare policy, the Fare Equity Analysis has been completed to assess impacts associated with changes to fare media use and fare payment types, along with the associated card acquisition and fare media fees.

## Ventra Transition

### Background

The CTA has been in the development stage of an Open Fare System since 2009, and recognized the following goals of an Open Fare System during their solicitation to identify optimal technologies for fare collection:<sup>5</sup>

- Enhancing the customer experience by making it more convenient to pay for fares by using various forms of contactless payment media.
- Upgrading the existing fare collection system to provide for modern fare collection technology, including forward compatible contactless readers, kiosks, and the appropriate back-office systems necessary to accommodate a more cost effective non-proprietary fare collection solution.
- Realizing operational cost savings by shifting implementation expenditures, servicing functions, and associated costs involved with fare collection, so as to minimize the capital and operating costs directly incurred by the CTA.
- Providing flexibility for the future with regard to emerging technology, contactless and mobile payment options, and changing transit fare structures.

These goals notwithstanding, CTA was also facing the aging infrastructure of its existing card based fare collection system, including the readers for the magnetic stripe Transit Cards, and

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<sup>5</sup> Requisition B09OP03968:Open Fare Payment Collection System RFP Step One

the smartcard fare media supporting the Chicago Card and Chicago Card Plus programs. The magnetic stripe Ticket Processing Units (TPUs) installed on the bus and installed in the rail turnstiles are almost 20 years old, and have become increasingly difficult and expensive to maintain. Additionally, the integrated circuit in the proprietary smartcard used for the Chicago Card and Chicago Card Plus is no longer available or supported by the industry. As such, CTA was faced with a multi-million dollar infrastructure replacement need on top of advances in technology that could improve the efficiency and effectiveness of the CTA's operation.

In July 2011, Illinois Governor Pat Quinn signed legislation requiring transit agencies to develop a universal fare card by 2015. The bill requires that the Regional Transportation Authority must develop a universal fare card that may be used interchangeably on all bus, rapid transit, commuter rail, and paratransit services provided by the CTA, Metra and Pace by Jan. 1, 2015. It also requires that the system developed by the RTA allow consumers to use contactless credit cards, debit cards and prepaid cards to pay for all fixed-route public transportation services.

In November 2011, the Chicago Transit Board approved Ordinance 011-143 that authorized the CTA to enter into an agreement with Cubic Transportation Systems for an Open Standards Fare System (OSFS) that would allow the CTA to implement a modern, state of the art fare payment system aimed at enabling riders to pay fares in ways that were previously unavailable to them. Pace joined the program through a supplement to the CTA contract in August 2012.

## Overview

Beginning in the summer of 2013, CTA intends to begin the transition from the current fare system to Ventra, the open fare payment system that uses both contactless smart card technology as well the ability to use a contactless bank issued credit or debit card. This transition includes a number of changes to the fare media currently being offered, including:

- Phasing out magnetic stripe fare media
- Conversion of Chicago Card and Chicago Card Plus to Ventra
- Expansion of vendor network to increase riders' access to fare media and the media's new features
- Reduction of fees associated with some existing institutional or educational arrangements (i.e. Student Permit)
- Introduction of a single ride Limited Use Ventra ticket for rail trips, which carries a 50 cent Limited Use media fee.
- Expansion of payment options, allowing customers to use media already in their possession (i.e., contactless bank cards, NFC-equipped cell phones)
- Integration of permit types (RTA, Student, Benefit Access) with fare media onto one Ventra Card
- Improvements to dormancy policies for all fare media that currently expire
- Addition of \$5 card acquisition fee for Ventra Card, dormancy fees for inactive Ventra Cards, and 50 cent Limited Use media fee.

Even though the methods of fare payment will change with the Ventra open fare payment system, the fare payment structure will remain the same.

## Fare Transition Detail

Ventra presents new ways to administer existing specialized fare programs, as well as provide more flexibility to general riders to manage their fare costs and fare products. Unlike magnetic stripe Transit Cards, which have limited flexibility and have no protection if they are lost or stolen, the Ventra System will allow customers to pay their fares with contactless reusable and reloadable Ventra Cards or with their own personal contactless credit or debit cards. Riders will have the option to “pay by the ride” by purchasing a single trip at the point of entry, or purchasing stored value or transit passes, similar to the current Transit Cards.

For more casual riders, disposable Ventra Tickets will also be available for single rides and day-passes. These Limited Use Tickets are not reloadable and are not anticipated to be used by the frequent riders. Limited Use Tickets carry a 50 cent limited use media fee, while Day Passes do not.

In addition to the Ventra fare payment system, the program includes an extended network of Ventra retailers to make acquiring, loading and managing the stored fares more accessible than the current retail and add-value network.

For current users of magnetic stripe Transit Cards, the initial acquisition cost of a Ventra card is \$5.00, which is refunded as stored value upon registering for a personalized Transit Account. The \$5.00 fee is in line with the current Chicago Card acquisition cost and the replacement fee for the Chicago Card Plus. However, in 2013, CTA is waiving the \$5.00 acquisition fee to assist in riders’ transition.

Attachment B presents an overview that reflects the comparison between the existing and planned system that is detailed below by fare type.

### Adult Riders—Existing Conditions

Currently, riders have a number of ways to pay their fare to ride the buses and trains within the system. On the bus, adult riders can choose from:

- Cash, on board the bus
- Magnetic stripe Transit Cards that store value and Transit Passes occurring in a number of denominations including 1, 3, 7 and 30 day . These Transit Cards can be obtained via Transit Card Vending Machines, Express Vending Machines, Visitor Pass Vending Machines and through retail establishments. There is no initial purchase cost for Transit Cards beyond their stated fare value. Cards expire within 15 months from the time the card was encoded, which may be some months prior to customer purchase (the “use by date” is printed on the back of the card). Magnetic stripe Transit Cards are also sold to non-profit groups and other groups for distribution to their clients.
- Chicago Card contactless smart card that allows stored value ticketing (and loss protection with registration) which currently cost \$5 at initial acquisition that is waived if the rider registers the card. Replacement of Chicago Cards is a \$5 non-refundable fee. Chicago Cards expire within 4 years of the date the card was first encoded.
- Chicago Card Plus contactless smart card technology allows riders to autoload 30-day passes or stored value for pay-as-you-go riding upon card registration. Chicago Card



Plus requires no initial acquisition fee but must be registered and linked to a credit or debit card with a minimum autoloading value of \$20. Also, Transit Benefit programs provided by employers within the region are available on the Chicago Card Plus card.

On rail, riders have all the options available to bus riders, above, except cash riders must purchase magnetic stripe Transit Cards through vending machines at the rail stations. Some conditions related to the Transit Card also apply, such as the expiration date.

### **Adult Riders--Ventra System**

The greatest flexibility and options of the Ventra Open Fare System is based on the establishment and registration of a personalized Transit Account. Registration ensures that the original purchase price of the Ventra card is refunded into their Transit Account. Registration also provides loss protection in the event that the card is lost or stolen, along with the ability to manage your account online, over the phone, and at Ventra vending machines. Additionally, users will be able to link their existing contactless debit or credit card to a Transit Account instead of a separate Ventra Card for even greater convenience.

Registering the Transit Account also allows users to add a payment source to their account for autoloading functions that permit the user to replenish the value when the account is below a certain dollar or ride threshold. Registration also provides for “dormancy alert notifications” that notify the registered user beginning after 15 months of non-use. After 18 months, \$5.00 per month is withdrawn from the dormant transit account. Upon use, the clock begins again, allowing the rider to maintain valid fare media. Currently, magnetic stripe Transit Cards expire regardless of the value remaining on the card.

Registered users who do not wish to have a credit or debit card linked to their account still have all of the other flexibility inherent in the system, by allowing users to manage their account and add transit value (including passes) online.

If users do not elect to register their Ventra account, there is still more flexibility than the current system. Riders can add transit passes and value to their account, and check their balance at participating Ventra retail locations, Ventra vending machines at CTA rail stations, and online. However, transit passes and unspent stored value will not be protected in the event that an unregistered Ventra Card is lost or stolen.

Additionally, the ability to pay for your child (ages 7-11) on your card allows youngsters to ride at a reduced rate without a separate fare card. Users are also able to pay for up to 7 riders on a single Ventra Card using stored value.

Riders can also purchase Limited Use Tickets, which includes a 50 cent Limited Use media fee, in addition to Limited Use Day Passes, which carry no media fee.

### **Youth (Student/Child)—Current Conditions**

Youth riders currently have a number of ways to pay their fares on the bus and rail network. However, their use is also combined with eligibility and time-of-use restrictions associated with the Student Rider Program.

Children between 7-11 years of age are entitled to a Child Reduced Fare at all times, and are not required to have a permit. Reduced Fares can be paid using cash or using Reduced Fare Transit Cards with stored value that can be purchased from local retailers and at CTA headquarters, and can be reloaded with stored value at vending machines.

Additionally, Students between the ages of 7-20 are eligible for a Student Permit obtained through the elementary or high school where the student is in attendance. The Student Permit entitles them to a Student Reduced Fare (priced lower than Reduced Fare) during school days, between 5:30 am and 8:30 pm. Student Permits currently cost \$5 per year (\$2 during the summer semester), which can equal an annual outlay of between \$5 and \$7 for a full year depending on summer attendance.

Student Permits can be used as fare cards and loaded with stored value for use during school hours; or Student riders can pay cash, or purchase a Student Reduced Fare Transit Card with stored value at retail locations and at CTA headquarters. Because Student riders only receive a Student Reduced Fare during school hours, they must pay a standard adult fare at all other times of day; or a Child Reduced Fare if they qualify (ages 7-11). This requires Students to either pay cash fare or have a second Transit Card for use during non-school hours. As such, student riders often have to carry two fare instruments (Student Permit and Transit Card) to ensure that they have the correct fare media for the hours they ride.

### **Student/Child Users— Ventra**

For Child riders (aged 7-11) the Ventra Card represents a convenience for the child and family. Families will be able to pay Child Reduced Fares and adult fares using one card (via operator override), or purchase Ventra Cards for individual family members. When registered, the value would be protected against lost or theft and the initial acquisition fee would be refunded as stored value.

For Student riders, the transition represents a cost savings as well as a convenience over the current system. Because the current Student Permit requires registration, no impacts are assumed with the transition. Students will be issued one Ventra Card that will serve as the Student Permit and fare instrument. Students will use the card to pay a Student Reduced Fare during eligible times, and will automatically be charged adult fare, or Reduced Fare if age 7-11, during non-school times, reducing the need to carry multiple fare instruments. Additionally, because the Ventra Card will be a one-time registration, the Student will not be required to pay for a Student Permit each year. This can represent an annual savings of up to \$7 per student. The Student Permit will also feature the loss protection benefit available to registered Ventra Card users. Parents will also have the flexibility to automatically fund the student account with a bank-issued debit or credit card.

### **Senior/Disabled/Benefit Access—Current Conditions**

Senior passengers (65 years and older) and those with disabilities also qualify for reduced fares through a Senior or Disabled Reduced Fare Permit, which are administered in coordination with RTA. Seniors and the Disabled can load stored value on their RTA Senior or RTA Disabled Permit at rail stations; but, they are required to carry an additional Transit Card if they ride using a 30-day reduced fare pass or a reduced fare Transit Card, which can be purchased at a local retailer. Seniors and Disabled passengers may also pay reduced fare cash on the bus.

Low-income Seniors and Low-income Disabled who meet income thresholds also qualify for unlimited free rides through a state sponsored program (called Benefit Access, formerly Circuit Breaker) that is administered in coordination with RTA. There is no initial cost for the Senior or Disabled permit, or for the Benefit Access permit. However, these permit cards expire within 4 years of issuance and have a \$5 fee for the first replacement card, and \$10 for each additional replacement.

### **Seniors/Disabled/Benefit Access—Ventra**

For Reduced Fare Seniors and Disabled and Benefit Access riders, there is no impact anticipated with the transition except for the conversion of their existing permit to the Ventra Card. Registration is required for all of these programs, which will not change under the Ventra system. Registrants will be given a Ventra Card at no cost, which will also allow them to purchase either stored value or Reduced Fare passes (if Senior or Disabled), or use as a free ride pass under the Benefit Access program. Also, loss protection benefits will be available for these card types. Except for the Benefit Access riders, who ride free, this rider group will also be able to add value or purchase reduced fare passes at any Ventra vendor. No change to replacement fees is anticipated as a result of the transition to Ventra.

### **Military Service Pass (MSP)—Current Conditions**

CTA supports the Military Service Pass (MSP) program that allows active and qualifying disabled veterans to ride free. There is no initial charge for the Military Service Pass. However, replacement of the MSP is \$5 for the first replacement and \$10 for subsequent replacements.

### **Military Service Pass (MSP)—Ventra**

No changes are anticipated for the Military Service Pass except for the conversion to the Ventra Card. Registration is required for obtaining a Military Service Pass with similar information requirements to the Ventra registration. Registrants will be given a Ventra Card at no cost, and it will feature the loss protection benefits of a Ventra Card.

### **U-Pass—Current Conditions**

U-Pass is another specialized program that allows unlimited rides for students of participating universities through the issuance of a card for use on buses and rail. Unlike the Senior/Disabled/Benefit Access cards, and Military Service Pass cards, the universities purchase the U-Pass, which is issued or reissued for each session that the student is enrolled and has a \$50 non-refundable charge for lost cards. U-Pass registration and distribution are coordinated through the participating universities that also ensure enrollment qualifications are met.

### **U-Pass—Ventra**

No new requirements are anticipated with the U-Pass transition to Ventra. All U-Pass users will be issued Ventra Cards through their participating universities, as similar registration is currently required for U-Pass users. The Ventra Card will be valid while the student is actively enrolled, and will have the same conditions of use as today, including the \$50 fee for a lost or stolen U-Pass. However, the Ventra Card can be loaded with stored value or pass products for use during non-entitlement periods (between semesters and in the summer months), and used as a full fare payment instrument on Pace at all times. The Ventra Card can also be used as a stored value card for multi-rider use during entitlement periods. This transition will be accomplished in partnership with the universities enrolled in the program.

## Analysis Methodology Overview

Using the guidance provided in CTA's Service and Fare Equity Policy, to quantitatively assess the impacts associated with the Ventra transition on minority and low-income populations, it is necessary to use data sets that present fare payment behavior that can be segregated by ethnicity and income as the basis of the analysis. This allows a study that can better isolate rider populations that may be affected by the transition and compare them to the overall affected rider population.

However, due to the nature of the transition (i.e. elimination of certain fare media and the addition of Ventra Card acquisition and media fees) the analysis will not result in direct percentage increases in the same manner that a standard fare policy increase would. Rather, the comparison will be largely binary between those who will be assessed a \$5 acquisition fee (or 50 cent Limited Use media fee for single use rail rides) and those who will be not. As such, the analysis will compare the current fare usage before and after the media transition, or fee requirements to determine if minority and low-income populations would experience a greater incidence of new fees than the general rider population.

The \$5.00 card acquisition fee has been established to help offset the cost of the media, and to encourage customers to keep and reuse the media once it has been purchased. The 50 cent Limited Use media fee is similarly in place to offset the production cost of the media, as well as the maintenance and cash collection costs associated with vending machines from which the media is issued. This fee has the added benefit of encouraging customers to transition to the Ventra card, which provides the best long-term value, even for most infrequent riders. Additionally, CTA intends to waive the \$5 acquisition fee with CTA promotional events through 2013.

Because the Ventra transition centers on the registration of a Transit Account as a way to recoup the \$5 acquisition fee, the analysis does not specifically review the use of contactless debit/credit cards for the payment of fares through Ventra. While somewhat available, many banks and credit card companies have not routinely distributed these types of contactless cards. However, this option will be available when the Ventra system is launched. The benefits for the contactless bankcards will be the same as the standard Ventra registered card, with auto-load and loss protection features. This analysis also does not examine any of the additional benefits of the Ventra program such as using Ventra as a pre-paid debit card, because they are not related to transit access or fare payment on the transit system.

The Ventra transition will also expand the vendor network associated with the method of fare media acquisition and use. By 2014, Ventra fare products will be available within 1/3 mile of almost every bus stop and at vending machines installed at every rail station. As such, the analysis includes a Geographic Information Systems (GIS) examination that compares the existing vendor network with the proposed network to illustrate minority and low-income access to retail locations. This effort is undertaken using Census data for ethnicity and income of the population within CTA's service area, as well as specialized mapping software to accomplish the comparative analysis.

## Fare Data and Use

For purposes of examining the fare payment behavior, two main data sets were used:

1. CTA Customer Satisfaction Survey (CSS) conducted from November to December 2011—the data includes information regarding customers’ riding behavior including fare usage, ethnicity, income, household size and other relevant information. The survey captured a total of 13,111 completed records for both weekday and weekend riders, which was weighted to reflect bus and rail line usage corresponding to the approximate time period during which the survey was conducted (Oct. 2011). The margin of error of the survey data is plus or minus 0.9% at the 95% level.
2. Automatic Fare Card (AFC) transactions for January 2012 to December 2012, which tracks system-wide linked ridership by every fare media used on the CTA system. This data was then converted to linked trips using conversion factors provided by CTA staff.

Because the CSS data had limitations with regard to fare usage (e.g. not every fare option was given as a choice to the question “how did you pay your fare” and certain fare types were not listed as a choice), the CSS data by fare media was scaled to the overall linked ridership obtained from AFC transactions for the latest annual data, while holding the overall percent of minority and low-income rides constant. This would allow the data to be used to determine the usage of different fare media types by low-income and minority groups and its comparison to the overall usage by media type. This included recoding some of the fare categories where customers were asked to specify the pass they used if it was not already listed on the survey. Some fare categories were not well represented, however. For instance, because the survey interviewers were asked to not solicit surveys from those younger than 12 years old, children and student fares may not be represented. However, because those fare categories already experience protocols similar to Ventra registration, they will be analyzed qualitatively for their Ventra transition impacts.

It should be noted that on January 14, 2013, CTA implemented a fare change that is not part of this transition analysis. The fare adjustment increased pass prices, increased reduced fares, and decreased fares for students. However, because the fare change is so recent, data collected between January and March 2013 may not reflect the fare usage stratification that is anticipated by the end of the year. As a result, using the 2012 AFC and CSS data represents the most appropriate set to use in this analysis.

## Ridership and Demographics

Using the CSS data for ridership demographics and fare media usage, in addition to ethnicity and income, two key aspects are integral to the assumptions used to assess the Ventra transition: relationship to a financial institution (“banked”) and cash use of rail riders.

Based on the CSS data, the following definitions of minority and low-income were used:

- Minority riders are those that indicated their primary ethnicity was non-Caucasian.
- Low-income is defined using a combination of household size and household income.

Because the CSS’s income brackets do not exactly match the 2012 US Department of Health and Human Services (HHS) Poverty Guidelines, the breakdown in Table 1, below, was used to

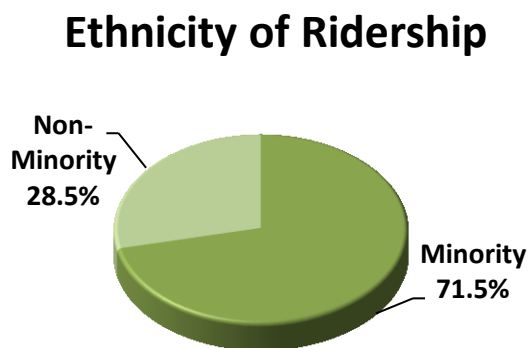
classify the low-income group that includes the household size of the individual's responses. This classification was developed by CTA staff and used in the 2013 Fare Change Title VI Review.

**Table 1: Low Income Classification**

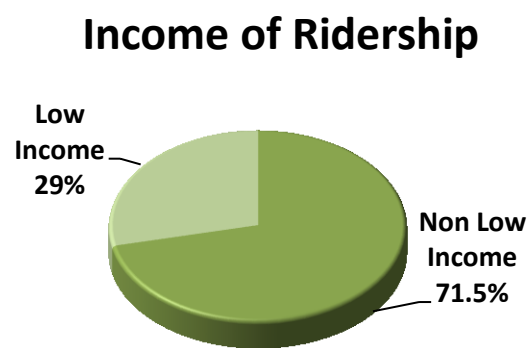
Household Size	HHS Poverty Guidelines	CSS Income Classification
1 person	\$11,170	\$14,000
2 persons	\$15,130	\$25,000
3 persons	\$19,090	\$25,000
4 persons	\$23,050	\$25,000
5 persons	\$27,010 - \$38,890	\$39,999

Based on the definition of low income and indication of ethnicity, approximately 71.5% of the ridership qualifies as minority and 29% qualifies as low-income, shown in Figure 1 and 2 below:

**Figure 1: Ridership Ethnicity**

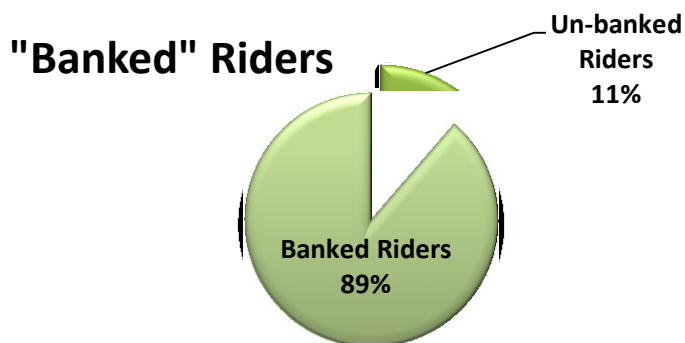


**Figure 2: Ridership Income**



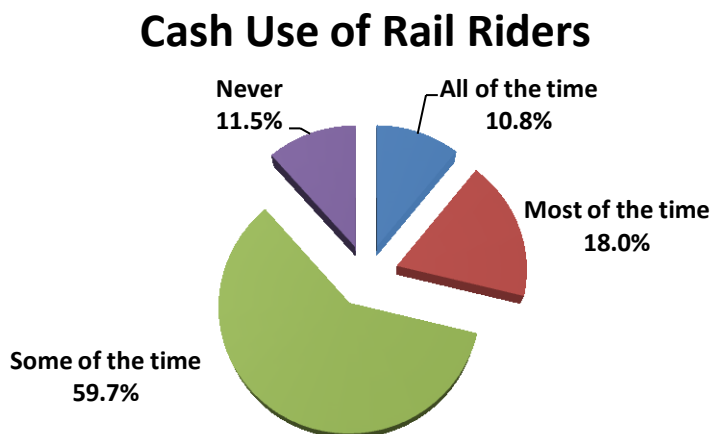
The other important aspects of the ridership that impact the assumptions used in the analysis is whether or not the rider has an established relationship with a financial institution. That is, they indicated that they have a credit card, debit card, checking or savings account. CTA ridership reflects that a high level of riders (89%) have access to banking services provided by a traditional banking institution. In this analysis, these riders are referred to as “banked” riders as referenced in Figure 3, below.

Figure 3: Banked Versus Un-banked Riders



The other data point that impacts the analysis is the use of cash as a primary means of payment. As described in the Fare Payment Assumptions, below, this will affect how the analysis treats cash paying rail riders that may be assessed a 50 cent limited use media fee under the Ventra transition if they never use a reloadable card. To determine this characteristic, responses for only rail riders were assessed to determine the percentage that indicated they use cash "all the time" to pay for the things that they regularly buy. Bus riders' responses were not considered, as there would be no change as to how they pay their fare with cash on board. Approximately 11% of rail riders indicate they "use cash all of the time to pay for things they regularly buy" as shown in Figure 4, below.

Figure 4: Case Use of Rail Riders



### Fare Payment Assumptions

For purposes of analyzing fare payment impacts, it is necessary to make assumptions about future behavior resulting from the Ventra transition. This includes assuming that a rider's choice of fare category will remain similar upon the transition to the new fare payment method. For example, a rider using 7-day magnetic stripe Transit Card would purchase a 7-day pass on a Ventra Card once the magnetic stripe cards are no longer available. Because no fare



categories are being eliminated, the assumption is that the factors that influenced riders to originally purchase fare media in certain denominations (1 day, 3-day, etc.) will still be present upon transitioning to the Ventra Card. This way, the scenario with the potential to have the greatest impact will be examined in order to assess the changes to the minority and low-income populations once the various fare media is discontinued or transitioned onto Ventra. While there are natural changes that occur due to age or entitlement, the analysis assumes the riders' conditions remain constant.

However, when evaluating the numbers of individuals that will be assessed a \$5 acquisition fee because they may elect to remain unregistered after the transition, the following assumptions have been used:

- For riders currently using magnetic stripe Transit Cards or stored value Chicago Cards, it is assumed that only riders who are not considered “banked”, described above (i.e. those who operate outside the financial mainstream and have no relationship with a banking institution) will not register for the card and hence be assessed a \$5 acquisition fee. The analysis assumes that approximately 89% of the riders (those who are “banked”) will register the card and receive the \$5 refund of stored value. This represents a conservative estimate and considers the attitudes that may influence riders to not register. However, the analysis also evaluates the impacts if 100% of the current magnetic stripe Transit Cards riders decide not to register, thus foregoing the \$5 refund of stored value on the Ventra Card. It should be noted that CTA intends to waive the \$5 acquisition fee through 2013 for cards acquired through CTA promotional events. Consequently, impacts could be mitigated by this action.
- For riders purchasing 1-Day magnetic stripe Transit Cards for either bus or rail, it is assumed that 100% of them will purchase a 1-day Limited Use Ventra Ticket which does not carry a Limited Use Ventra media fee. This may overstate the impacts of the transition, as riders will likely transition to a regular Ventra Card based on the benefits of the new smart card.
- For rail riders using cash to purchase magnetic stripe Transit Cards at the “L” stations, it is assumed that all but the very infrequent riders will register their Ventra Cards to receive the \$5 refund of stored value on their Ventra Card. Customer Satisfaction Survey data suggests that approximately 8% of the total riders use the service about one day a month or less. As described above, 10.8% of rail riders indicate they use “Cash all the time”. Consequently, assuming that 10% of the rail riders will use Limited Use Ventra Tickets, thus incurring a 50 cent cost increase is a reasonable estimate. This includes casual riders and tourists who may be able to mitigate that fee by purchasing a limited use 1-day pass, which is not sold with a media fee or paying with their own contactless credit or debit card.
- For students and children, it is assumed that current time-based restrictions within the existing fare policy for Student and Child fares will continue with the Ventra transition. It is also assumed that 100% of those currently using the Student Permit will transition to the Ventra program in order to continue to receive the student discount. This

assumption is established primarily because: a) the Ventra transition will represent a savings of between \$5-\$7 annually over the current Student Permit program (\$5 per year and \$2 per summer semester); and b) information collected through the Student Permit program is anticipated to be similar to the information collected for Ventra and will not represent a change from current protocol; c) a Ventra card will be required to receive the Student fare; and d) the convenience of carrying one card instead of up to three cards (Student Permit, reduced fare media for travel during school times, and full fare media for travel during non-school time) along with loss protection features accompanying the Ventra registration represents an advantage over the current Student Permit or Child payment system. Additionally, the ability for adults travelling with children (7-11) to use their adult Ventra Cards to pay for children represents a benefit that all Ventra users will experience.

- For RTA Senior and RTA Disabled reduced fare riders, it is assumed that the current reduced fare structure will be retained and users will be issued Ventra Cards to serve as their RTA permit and fare card all in one. No changes are anticipated in the availability or eligibility of Ventra Cards for reduced fare RTA riders, which will be administered in partnership with RTA.
- For U-pass, Benefit Access, Veteran, Military, or other free riders or entitlement programs, it is assumed that there would be no change to fare policy or current eligibility protocol associated with the Ventra transition. Additionally, certain benefits would become available upon registration such as loss protection.
- For Chicago Card Plus and Chicago Card riders, it is assumed that all registered card holders will be sent a Ventra Card in order for riders to seamlessly transition to the Ventra system. For Chicago Card riders who are not currently registered, it is assumed that only the low-income riders would elect to remain unregistered. This may overstate the findings, but it represents a conservative estimate in order to assess the greatest impacts. However, the analysis also evaluates the impacts if 100% of the current Chicago Card riders decide not to register, thus foregoing the \$5 refund of stored value on their Ventra Card.
- No negative changes are assumed with dormancy fees. Currently, Transit Cards expire 15 months from the date the card was first encoded, which could be less to the rider if the card was purchased months after it was encoded. Chicago Cards expire within 4 years from the date of encoding. Once expired, all remaining transit value on the Transit Cards or unregistered Chicago Cards card is lost. While Ventra Cards expire in 5 years, the Transit Account has no expiration as long as it remains active. The Ventra dormancy program provides a “dormancy alert” notification to the registered user beginning after 15 months of non-use. After 18 months of non-use, \$5.00 per month is withdrawn from the dormant transit account. Upon use, the clock begins again, allowing the rider to maintain valid fare media.

- The definition for minority and low-income populations described in the demographics section, above, were used.

## Fare Media Analysis

### Overview

The cornerstone of this Fare Equity Analysis is the Fare Media Usage table that uses the CSS data scaled to linked trips provided through January to December 2012 AFC data to examine the effects of the Ventra transition on low-income and minority populations. Using disaggregated fare media usage by demographic aspects (minority, low-income and overall), the table provides a comparison between the existing acquisition or use fees by media type and those anticipated under the Ventra transition. This data was then synthesized, using the assumptions contained in the previous section, to render the results in Table 2.

Because the recently adopted Service and Fare Equity Policy requires an analysis that compares impacts borne by minority and low-income riders to be compared to overall ridership, the Fare Media Usage table provides a breakout by fare media usage between minority riders, low-income riders and overall riders so that each transition can be viewed in isolation as well as compared as a package of transitions.

The most important assumptions are those discussed above that helped to assess the percentage of riders that may experience a \$5 acquisition fee for Ventra cards or the 50 cent limited use media fee for Single Ride Tickets on rail:

- 89% of riders are “banked” and will likely register their Ventra cards and experience no impact
- 10% of rail riders “pay cash all the time” and will experience a 50 cent limited use ticket media fee when riding with a Limited Use Ventra ticket

In order to assess the greatest level of impacts that could potentially occur to minority and low income populations, the Fare Media Usage table also includes an analysis that assumes that 100% of riders in each fare category would experience an impact resulting from either the \$5 acquisition fee or the 50 cent limited use media fee.

Only those individuals who do not register and will experience a \$5 acquisition fee, based on the assumptions above and in the previous section, were determined to experience an impact. However, none of the impacts experienced will result in either a Disproportionate Burden on low-income riders or a Disparate Impact on minority riders, as defined by the CTA Service and Fare Equity Policy. Even those who may elect to remain unregistered and would be required to pay an acquisition fee will still be eligible for the other benefits of Ventra, such as the ability to view one’s fare balance on-line, pay for their child 7-11 using reduced fare pricing, and add value at the expanded vendor network. Also, as CTA intends to waive the \$5 registration transaction through 2013 for cards purchased through CTA promotional events, any impacts would be mitigated during 2013.

Table 2 presents the Fare Media Usage Table that provides the estimated percentage and numbers of users for each fare category—both existing and under the Ventra system. In addition, the highlighted rows (in blue) provide percentages and estimates of riders (i.e. “non-registered”) within their respective fare categories that would likely result in a fee increase.

The following fare categories may result in impacts resulting from the Ventra card acquisition or limited use media fees:

- 3- day Pass Users
- 7- day Pass Users
- 30-day Pass Users
- Full Fare Single Ride Rail Magnetic Stripe Card Users
- Chicago Card Non-Registered Users

**Table 2: Comparison of Ventra and Current Fares by Fare Category Usage**

COMPARISON OF VENTRA AND CURRENT FARE TYPES			JAN 2012-DEC 2012 RIDERSHIP			JAN 2012-DEC 2012 RIDERSHIP				
Current Fare Types	Ventra Fare Type	Change	Minority	Low Income	Overall	Minority	Difference to Overall	Low Income	Difference to Overall	Overall
<b>Period Passes Full Fare</b>										
1-Day Pass	Single Use 1-Day Pass	None *	20,234,000	11,253,000	21,830,000	8.76%	2.00%	12.01%	5.26%	6.75%
3-Day Pass	Ventra 3-Day Pass		3,650,000	1,732,000	4,689,000	1.58%	0.13%	1.85%	0.40%	1.45%
	<i>Registered</i>	None	3,248,500	1,541,480	4,173,210	1.41%	0.11%	1.65%	0.35%	1.29%
	<i>Non-Registered</i>	\$5 fee	401,500	190,520	515,790	0.17%	0.01%	0.20%	0.04%	0.16%
7-Day Pass (Includes 7-Day with Pace)	Ventra 7-Day Pass		45,901,000	22,954,000	49,992,000	19.86%	4.40%	24.50%	9.04%	15.46%
	<i>Registered</i>	None	40,851,890	20,429,060	44,492,880	17.68%	3.92%	21.81%	8.05%	13.76%
	<i>Non-Registered</i>	\$5 fee	5,049,110	2,524,940	5,499,120	2.18%	0.48%	2.70%	0.99%	1.70%
30-Day Pass - Transit Card	Ventra 30-Day Pass		16,908,000	3,974,000	22,805,000	7.32%	0.26%	4.24%	-2.81%	7.05%
	<i>Registered</i>	None	15,048,120	3,536,860	20,296,450	6.51%	0.23%	3.78%	-2.50%	6.28%
	<i>Non-Registered</i>	\$5 fee	1,859,880	437,140	2,508,550	0.80%	0.03%	0.47%	-0.31%	0.78%
<b>Single Ride Full Fare</b>										
Full Fare - Transit Card (Bus)	Ventra Full Fare		13,431,000	5,003,000	17,721,000	5.81%	0.33%	5.34%	-0.14%	5.48%
	<i>Registered</i>	None	11,953,590	4,452,670	15,771,690	5.17%	0.29%	4.75%	-0.12%	4.88%
	<i>Non-Registered</i>	\$5 fee	1,477,410	550,330	1,949,310	0.64%	0.04%	0.59%	-0.02%	0.60%
Full Fare - Transit Card (Rail)	Ventra Full Fare or Single Use Ticket		26,460,000	6,573,000	42,134,000	11.45%	-1.58%	7.02%	-6.01%	13.03%
	<i>Single Use Ticket</i>	\$3.00	2,646,000	657,300	4,213,400	1.14%	-0.16%	0.70%	-0.60%	1.30%
	<i>Registered (Ventra)</i>	None	21,194,460	5,264,973	33,749,334	9.17%	-1.27%	5.62%	-4.82%	10.44%
	<i>Non-Registered (Ventra)</i>	\$5 fee	2,619,540	650,727	4,171,266	1.13%	-0.16%	0.69%	-0.60%	1.29%
Full Fare - Cash (Bus)	Cash	None	8,676,000	4,678,000	10,802,000	3.75%	0.41%	4.99%	1.65%	3.34%
<b>Chicago Card Plus</b>										
Full Fare and 30 Day Pass	Ventra 30-Day Pass or Full Fare	None	17,668,000	2,511,000	52,958,000	7.65%	-8.73%	2.68%	-13.70%	16.38%
<b>Chicago Card</b>										
Full fare and Reduced Fare	Ventra Card		2,627,000	624,000	5,648,000	1.14%	-0.61%	0.67%	-1.08%	1.75%
	<i>Registered</i>	None	2,338,030	555,360	5,026,720	1.01%	-0.54%	0.59%	-0.96%	1.55%
	<i>Non-Registered</i>	\$5 fee	288,970	68,640	621,280	0.13%	-0.07%	0.07%	-0.12%	0.19%
<b>Reduced Fare</b>										
Reduced Fare - Cash	Ventra	None	7,157,000	3,244,000	7,700,000	3.10%	0.72%	3.46%	1.08%	2.38%
Reduced Fare - Transit Card	Ventra	None	13,917,000	5,148,000	20,320,000	6.02%	-0.26%	5.50%	-0.79%	6.28%
Reduced Fare - 30-Day Pass	Ventra	None	2,439,000	793,000	2,989,000	1.06%	0.13%	0.85%	-0.08%	0.92%
<b>Other</b>										
U-Pass	Ventra	None	14,496,000	8,187,000	20,628,000	6.27%	-0.11%	8.74%	2.36%	6.38%
Free Ride (Circuit Breaker/Military/Etc)	Ventra	None	26,849,000	14,635,000	27,219,000	11.62%	3.20%	15.62%	7.21%	8.42%
Other (Student, all other)	Ventra	None	10,679,000	2,362,000	15,876,000	4.62%	-0.29%	2.52%	-2.39%	4.91%
<b>GRAND TOTAL LINKED TRIPS</b>			231,092,000	93,671,000	323,311,000	100.00%		100.00%		100.00%
Total with Ventra Fee Change			<b>14,342,410</b>	<b>5,079,597</b>	<b>19,478,716</b>	<b>6.20%</b>	<b>0.20%</b>	<b>5.40%</b>	<b>-0.60%</b>	<b>6.00%</b>

\* also available as standard Ventra card

## Fare Media Usage Impact Findings

Even in the worst case scenario in which no rider registers the card to receive the \$5 fee refund, no individual fare media change would result in either Disparate Impacts on minority populations or a Disproportionate Burden on low-income population resulting from the Ventra transition, as none of the fare categories that will be assessed a fee would result in impacts borne by minority or low-income populations greater than 10% above those borne by the overall riding population. Even if the analysis assumed that all the fare categories would be assessed a fee, the proportion of minority and low income riders that would experience the charge would be similar to the overall population within that fare category.

In the more likely scenario that the “banked” riders register their card (89% of riders), the 7 day pass shows the largest percentage of difference between low income riders and the overall rider population; yet that difference is extremely small at 0.99%. Even the Limited Use Ventra Ticket that would experience 50 cent limited use media fee increase is used less by minority and low income populations than the overall rider population. When assuming that banked riders would elect to register their Ventra Card, the margin becomes even smaller.

Further, because protocols are in place to refund fees when registering the Ventra fare media (either in person, via the telephone, at the CTA Customer Service Center or at CTA promotional events), the impacts could be even further eliminated or mitigated upon registration. Because it is not necessary for individuals to submit detailed financial information to take advantage of the Ventra system, and due to the extensive existing and proposed vendor network, riders will have access to the Ventra system of benefits that are not currently available to all fare media users.

# Fare Media Vendor Network Analysis

## Mapping Data and Use

The GIS analysis was conducted using racial demographic data from the 2010 U.S. Census and income demographic data from the American Community Survey five-year estimate (2005-2009). Bus stop locations and fare media sales outlet data were provided by Authority and represented by latitude and longitude of the location. The unit of geography used for the analysis was census tracts within Authority's defined service area. Based on prior CTA analyses, a census tract was designated a minority tract if more than 63.53% of its population is considered minority. A census tract was designated low income if at least 18.63% of households are below the poverty level.

The existing vendor network was created by plotting all of the locations where fare media can be purchased, including vending machines and retail outlets. For purposes of assessing riders' access to both existing and future Ventra vendors, "access" is defined as a 1/3rd of a mile from the vendor. By creating a 1/3rd mile buffer around the vendor locations, the catchment area for acquiring existing fare media could be determined.

The proposed network assumes that every bus and rail stop within CTA's service area that serves more than 9 riders per day will be served by a Ventra vendor within a 1/3 mile, which comports with the current Cubic contract obligation.

Even though the existing vendor network represents a mix of standard retail arrangements (such as CVS or other retail locations) along with ticket vending machines and Express Vending Machines, the proposed vendor network does not assume that any these retail arrangements will continue within the current areas they serve. However, CTA anticipates that the majority of existing retail vendors will become a Ventra vendor. Because of this assumption, there may be census tracts that are identified as not having close access to a Ventra vendor. This "worst case" assumption provides a conservative estimate of Ventra vendor access.

Additionally, because some of the census tracts were very large, it was also necessary to further refine the tracts by examining block groups within the tracts to identify residential land uses that would be most affected by the close proximity of a vendor site. This provided further specificity in assessing access issues.

## Fare Media Vendor Network Analysis and Findings

The vendor analysis includes a geo-spatial comparison of the existing vendor network with the proposed vendor network to assess minority and low-income rider access to both the existing and proposed locations. Currently, the 839 locations that are included in the existing network are establishments that sell or dispense Transit Cards, which include vending machines that allow riders to add value to magnetic stripe Transit Cards and/or Chicago Cards. As previously referenced, the mapping analysis assumes that “access” is defined as within a 1/3rd of a mile of an existing or proposed vendor, indicated by a lined buffer on the maps.

The following maps present the following:

- Minority and non-minority access to existing fare media network (Map 1)
- Low-income and non-low-income access to existing fare media network (Map 2)
- Minority and non-minority access to “Proposed” fare media network (Map 3)
- Low-income and non-low-income access to “Proposed” fare media network (Map 4)

Shown in Table 3, below, the existing vendor network analysis indicates a high level of coverage in both minority and low-income census tracts. 95% of minority tracts and low-income tracts are within a 1/3rd mile of existing fare media outlets compared to 96% and 94% for non-minority and non-low income, respectively. Those numbers improve to almost 100% for all groups in the proposed network. In the Proposed Network, only two minority tracts and only one low-income tract are more than a 1/3rd mile from the fare media outlet buffer. However, the singular low-income census tract is only 200 feet from the 1/3 mile buffer. Consequently, as more vendors are added, it is likely that access in that census tract will be similar to the system wide access.

**Table 1: Percentage of Census Tracts with Access to Existing and Proposed Vendors**

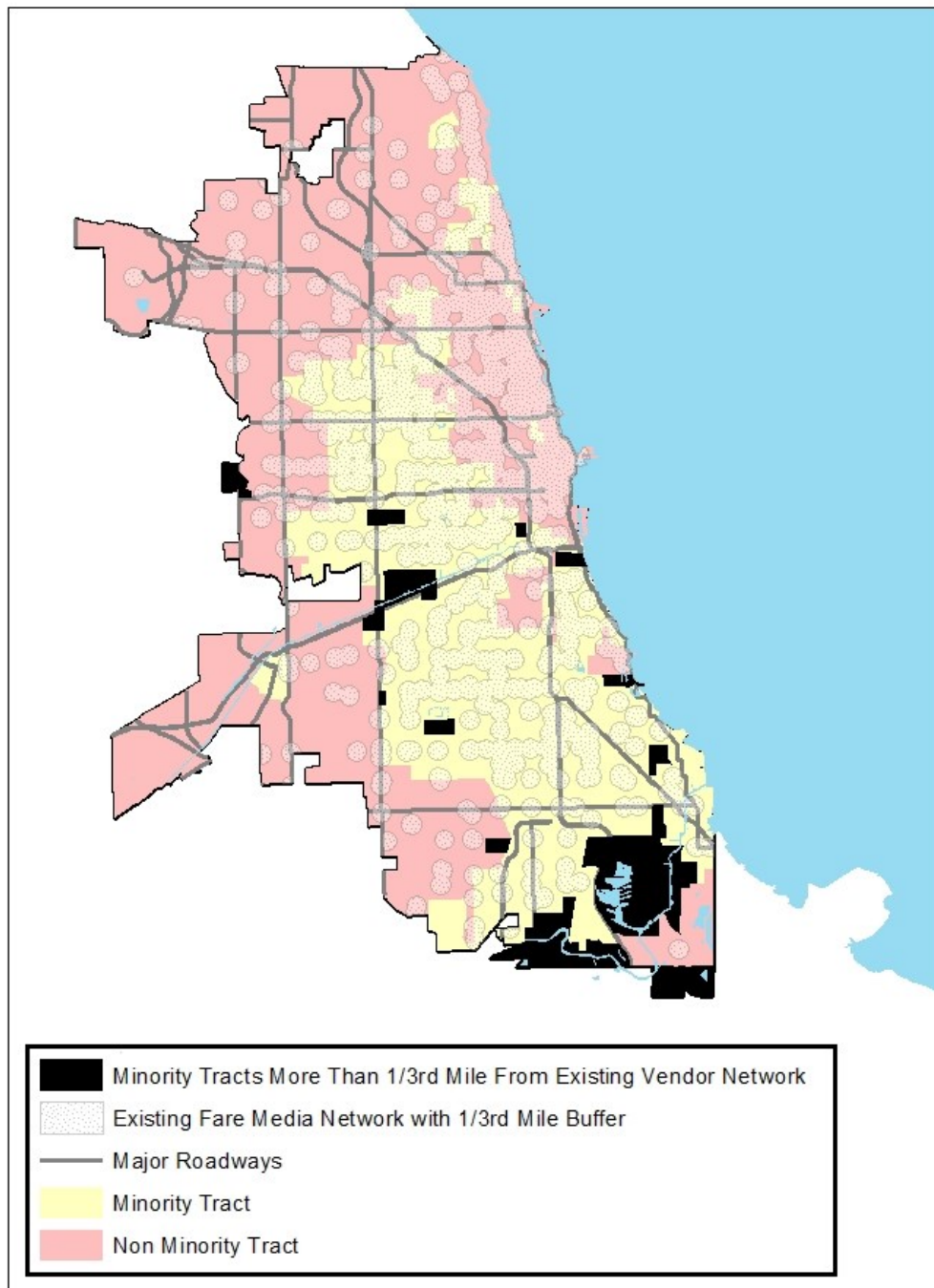
<b>Census Tracts Designation</b>	<b>Percentage of Tracts with Access to Existing Network</b>	<b>Percentage of Tracts with Access to Proposed Network</b>
Minority	95%	99.6%
Low Income	95%	99.8%
Non-Minority	96%	97.6%
Non Low Income	94%	97.6%
All Census Tracts	93%	98.7%

Because the difference between minority and low income access to both the existing and proposed network is less than 3% compared to the overall census tracts within the service area, there are neither Disparate Impacts nor Disproportionate Burden created as a result of transitioning the existing retail locations to Ventra locations and expanding the network.



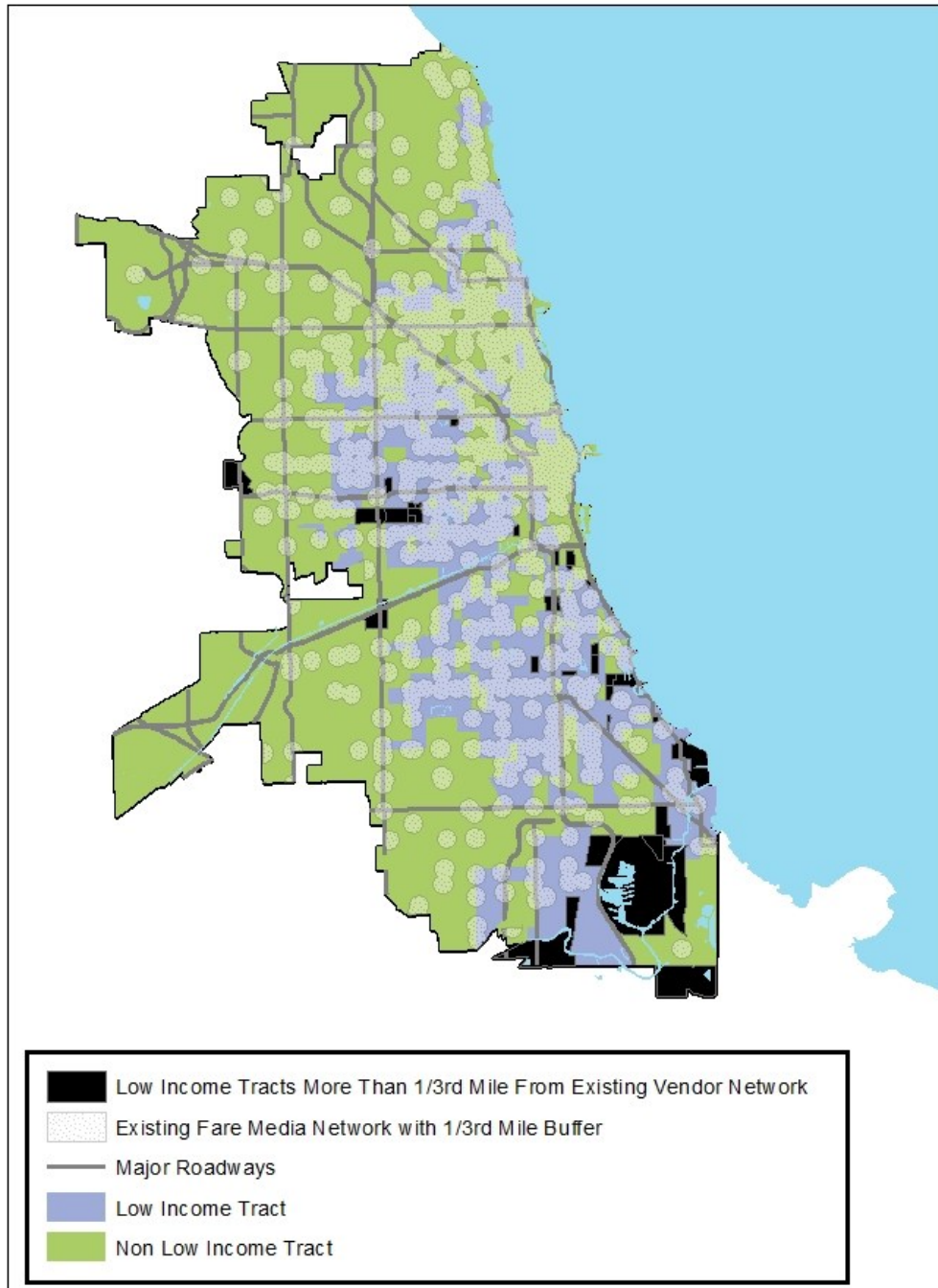
**Map 1: Minority and Non-Minority Access to Existing Vendor Network**

Minority and Non-minority Access to Existing Vendor Network



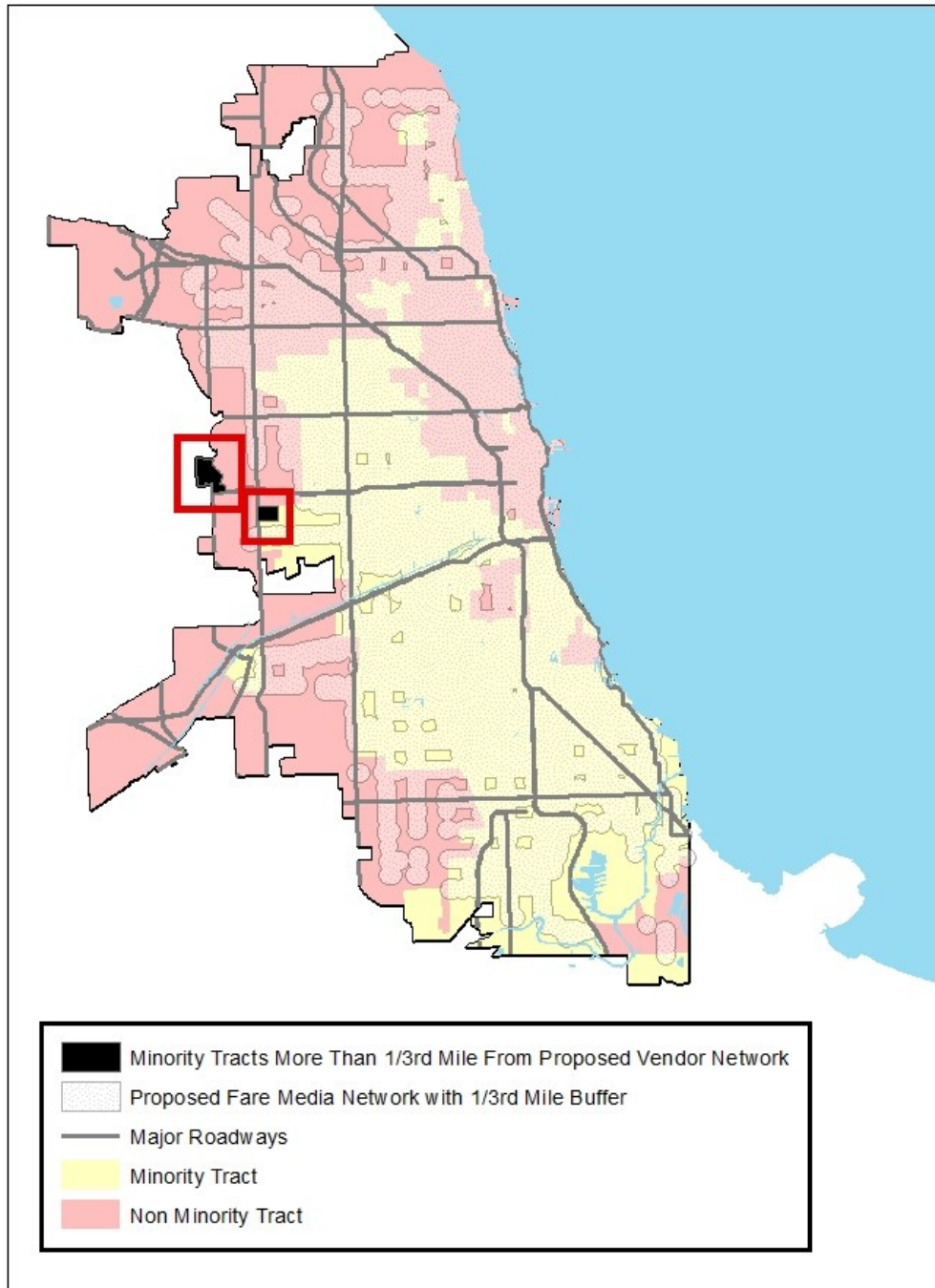
Map 2: Low Income and Non-Low Income Access to Existing Vendor Network

Low Income and Non Low Income Access to Existing Vendor Network



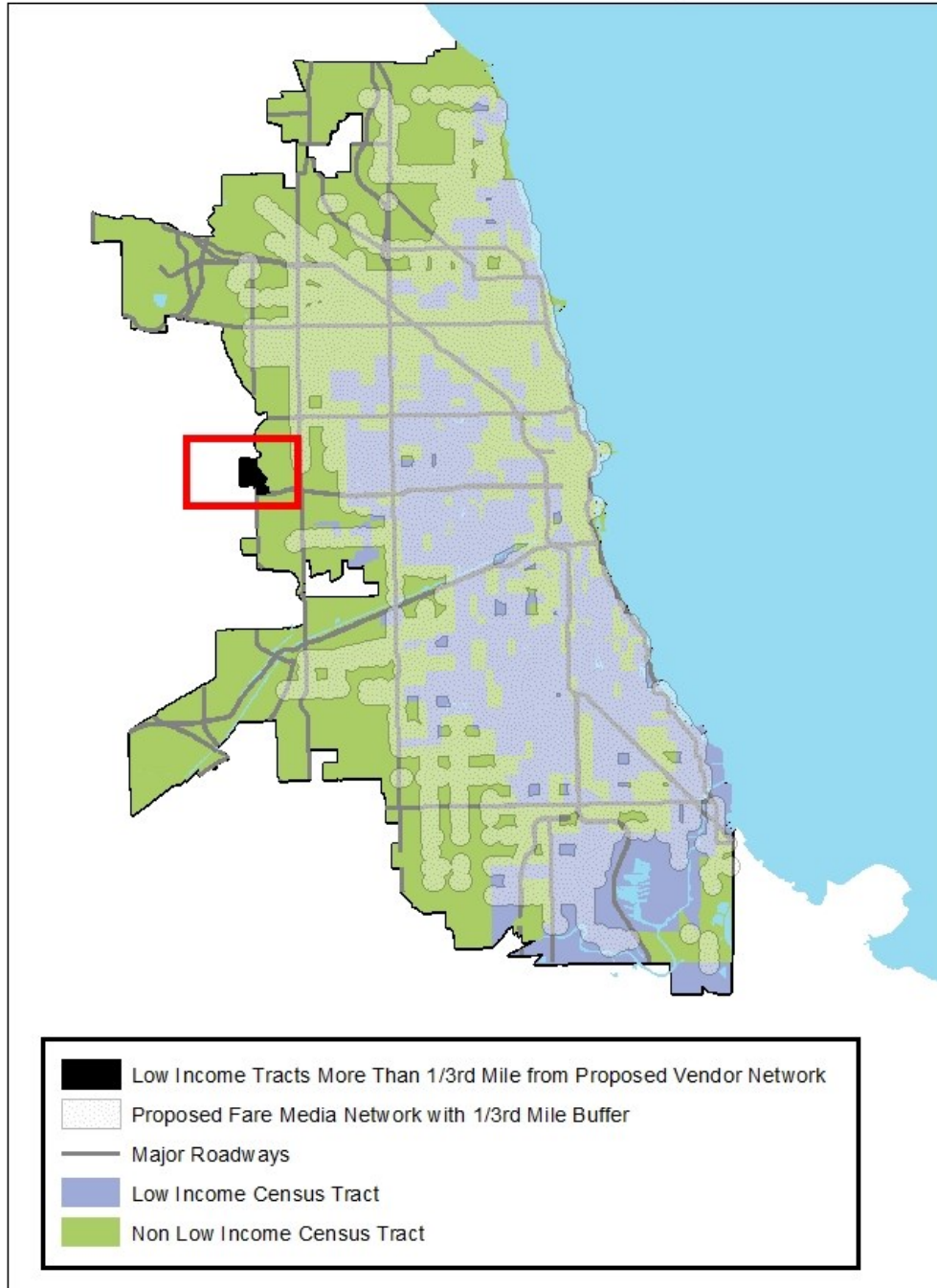
Map 3: Minority and Non-minority Access to Proposed Vendor network

### Minority and Non-Minority Access to Proposed Vendor Network



Map 4: Low Income and non-low income access to "Proposed" fare media network

Low Income and Non Low Income Access to Proposed Vendor Network



## Cumulative Findings

An Equity Analysis should not take the place of thoughtful planning at the earliest stages of project development. Considering the impacts that plans, programs or projects have on the minority and low-income communities has been part of the early planning and development process for the Ventra system, where the needs of the agency were matched with the needs of the riders and the community.

The Ventra system has the potential to be a system that allows all users the flexibility to manage and control their fare payment access, methods and costs. Even though CTA's ridership is not homogenous in terms of ethnicity, income, payment methods or fare type, the Ventra program does not appear to create any Disparate Impacts for minority communities, nor does it create any Disproportionate Burden on low-income communities.



## Chicago Transit Authority Service and Fare Equity Policy

Pursuant to Federal Transit Administration (“FTA”) Circular 4702.1B, FTA Circular 4703.1, and Title VI of the Civil Rights Act of 1964, and their related regulations, the Chicago Transit Authority (“Authority”) adopts the following policy for service and fare equity analyses.<sup>6, 7</sup>

### **Section I: Service Equity Analysis**

- A. *Major Service Change Policy*: A service equity analysis will be conducted whenever the Authority implements a major service change to the rail or bus system as defined in this policy. A major service change to the rail or bus system is defined as the addition of, or reduction in, more than ten percent (10%) of the rail or bus system’s riders or vehicle revenue hours through one or more route changes that would remain in effect in excess of twelve (12) months.
- B. *Disparate Impact<sup>8</sup> Policy*: A major service change to the rail or bus system will be deemed to have a disparate impact on minority populations if the percentage of riders or vehicle revenue hours on minority-classified routes affected by the major service change is at least fifteen percentage points (15%) higher than the percentage of riders or vehicle revenue hours on non-minority-classified routes affected by the major service change.
- C. *Disproportionate Burden<sup>9</sup> Policy*: A major service change to the rail or bus system will be deemed to have a disproportionate burden on low-income populations if the percentage of riders or vehicle revenue hours on below-poverty-level classified routes affected by the major service change is at least fifteen percentage points (15%) higher than the percentage of riders or vehicle revenue hours on above-poverty-level classified routes affected by the major service change.

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<sup>6</sup> Any definition in the Service and Fare Equity Policy is not intended to replace the definitions for similar terms in the Chicago Transit Board-adopted Service Standards.

<sup>7</sup> For the purposes of implementation of this policy, ridership will be estimated in accordance with FTA guidelines.

<sup>8</sup> Disparate impact refers to a facially neutral policy or practice that disproportionately affects members of a group identified by race, color, or national origin, where the recipient’s policy or practice lacks a substantial legitimate justification and where there exists one or more alternatives that would serve the same legitimate objectives but with less disproportionate effect on the basis of race, color, or national origin.

<sup>9</sup> Disproportionate burden refers to a neutral policy or practice that disproportionately affects low-income populations more than non-low-income populations. A finding of disproportionate burden requires the recipient to evaluate alternatives and mitigate burdens where practicable.

## **Section II: Fare Equity Analysis**

- A. *Fare Change*: A fare equity analysis will be conducted whenever the Authority implements a fare change, regardless of the amount of increase or decrease, except for those fare changes mandated by Federal, state or local law. A fare change is defined as an increase or decrease in fares: (a) on the entire system, (b) on certain transit modes, or (c) by fare payment type or fare media. The exceptions are as follows:
1. “Spare the air days” or other instances when a local municipality or the Authority has declared that all passengers ride free;
  2. Temporary fare reductions that are mitigating measures for other actions (i.e. construction activities that close a segment of the rail system); or
  3. Promotional fare reductions that last less than six (6) months.
- B. *Disparate Impact Policy*: A fare change will be deemed to have a disparate impact on minority populations if its implementation results in either:
1. When one (1) fare change is proposed, the percentage of impacts of the proposed fare change borne by minority riders as a result of the proposed fare change is at least ten percentage points (10%) higher than the percentage of impacts of that proposed fare change on the overall rider population; or
  2. When more than one (1) fare change is proposed:
    - a. *For each fare change in the package*: the percentage of impacts of each individual proposed fare change borne by minority riders as a result of the proposed fare change is at least ten percentage points (10%) higher than the percentage of impacts of that proposed fare change on the overall rider population; and
    - b. *For the total package of fare changes*: the aggregate percentage of impacts for the proposed fare changes borne by minority riders as a result of the proposed fare changes is at least five percentage points (5%) higher than the aggregate percentage of impacts on the overall rider population.
- C. *Disproportionate Burden Policy*: A fare change will be deemed to have a disproportionate burden on low-income populations if its implementation results in either:
1. When one (1) fare change is proposed, the percentage of impacts of the proposed fare change borne by low-income riders as a result of the proposed fare change is at least ten percentage points (10%) higher than the percentage of impacts of that proposed fare change on the overall rider population; or
  2. When more than one (1) fare change is proposed:
    - a. *For each fare change in the package*: the percentage of impacts of a single proposed fare change borne by low-income riders as a result of the proposed fare change is at least ten percentage points (10%) higher than the percentage of impacts of that proposed fare change on the overall rider population; and
    - b. *For the total package of fare changes*: the aggregate percentage of impacts for the proposed fare changes borne by low-income riders as a result of the proposed fare changes is at least five percent (5%) greater than the aggregate percentage of impacts on the overall rider population.

### **Section III: When a Major Service or Fare Change is Deemed to Have a Disparate Impact and/or Disproportionate Burden**

- A. *Avoid, Minimize, or Mitigate Impact and/or Burden*: If a proposed major service change or fare change is deemed to have a disparate impact and/or disproportionate burden, the Authority shall consider modifying the proposed changes in order to avoid, minimize or mitigate the disparate impact(s) or disproportionate burden(s) of the proposed change. Any modifications to the proposed change must be reanalyzed according to the policies in Sections I and II to determine whether the proposed change removed the disparate impacts and/or disproportionate burdens of the change.
- B. *No Alterations or Unable to Remove Impact and/or Burden*: If the Authority chooses not to alter the proposed major service or fare change, or if modifications to the proposed major service or fare change do not remove the disparate impact(s) or disproportionate burden(s), the following steps must be taken:
  - 1. If the Authority chooses not to alter the proposed major service or fare change, or if modifications to the proposed major service or fare change do not remove the disparate impact, the Authority may implement the major service or fare change *only* if:
    - a. The Authority has a substantial legitimate justification for the proposed service or fare change, *and*
    - b. The Authority can show that there are no alternatives that would have a smaller disparate impact on minority riders that would still accomplish the Authority's legitimate program goals.
  - 2. If the Authority chooses not to alter the proposed major service change or fare change, or if modifications to the proposed major service change or fare change do not remove the disproportionate burden on low-income riders:
    - a. The Authority shall take steps to avoid, minimize, or mitigate those impacts where practicable, *and*
    - b. The Authority should describe alternative service and/or fares available to low income customers.

### **Section IV: Procedure for Public Engagement**

- i. *Required Public Engagement for the Title VI Program*<sup>10</sup>: Prior to submission of the Authority's Title VI Program to FTA, the Authority will take the following steps to engage the public prior to adoption by the Board:
  - 1. *Publication*: The Authority will make the Title VI Program available to the public for review.
  - 2. *Hearing*: The Authority will provide an opportunity for a public hearing in which to obtain the views of citizens on the proposed Title VI Program.

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<sup>10</sup> As defined by FTA Circular 4702.1B, the Title VI Program "refers to a document developed by an FTA recipient to demonstrate how the recipient is complying with the Title VI requirements." CTA must submit its Title VI Programs to FTA every three years.



3. *Comment:* The Authority will consider comments and views received in preparing the final Title VI Program for adoption by the Board.
  - ii. *Required Public Engagement for the Title VI Policies:* When developing policies compliant with Title VI and its related regulations, the Authority will take the following steps to engage the public in their development prior to adoption by the Board:
    1. *Consultation:* The Authority will invite members of local community groups focused on the interests of minority and low-income populations to participate in an Open House where staff will present the details of proposed policies or revisions to existing policies. Also, staff will request feedback from the Open House attendees, and consider the comments provided when finalizing the policies for adoption by the Board.
    2. *Comment Period:* Staff will invite attendees of the aforementioned Open House to provide written comment on the proposed policies and will consider the comments when finalizing the policies for adoption by the Board.
- C. This section addresses the public engagement process for Title VI analyses and programs. Other public hearing requirements may apply to the underlying fare or service changes under state law.

#### **Section V: Procedure for Board Approval**

Upon completion of a service or fare equity analysis and prior to implementation of the proposed major service change or fare change, the Authority will submit the results of the analysis to the Chicago Transit Board in advance of a Board meeting. The Board will review the results of the analysis and coordinate with staff to request and make changes to the proposals that the Board deems necessary. Thereafter, the Board will adopt an Ordinance stating that it was made aware of the service or fare equity analysis, has considered it and approves it prior to implementation of the proposed major service change or fare change.

Any Title VI analysis completed by the Authority will be posted on the Authority's website after Transit Board approval.

#### **Section VI: Procedure for Submission to FTA**

Upon completion of a service or fare equity analysis, public engagement as described in Section IV, and Board approval as described in Section V, the Authority will submit the analysis, all supporting documentation, and the related Ordinance to the FTA (1) prior to implementation of the major service or fare change, and (2) as part of its next Title VI Program submission.

**Attachment B: COMPARISON OF EXISTING AND FUTURE SYSTEM**

**FULL FARE MEDIA--EXISTING**

<b>EXISTING</b>	<b>Fare Products</b>	<b>Fees</b>	<b>Other</b>	<b>Purchase Locations</b>	<b>Reload Locations</b>
<b>Chicago Card</b>	<ul style="list-style-type: none"> <li>• Transit Stored Value</li> </ul>	<ul style="list-style-type: none"> <li>• \$5 Purchase Fee(waived if registered)</li> <li>• \$5 Replacement Fee</li> </ul>	<ul style="list-style-type: none"> <li>• Expires within 4 years. If expired with fare media, can be exchanged for valid fare</li> <li>• Cannot be used to pay reduced fare</li> </ul>	<ul style="list-style-type: none"> <li>• Online</li> <li>• Phone</li> <li>• Mail</li> <li>• CTA HQ</li> <li>• 348 Retail Locations</li> </ul>	<ul style="list-style-type: none"> <li>• CTA Rail Stations(Vending Machines)</li> <li>• CTA HQ</li> <li>• 55 Retail Locations</li> </ul>
<b>Chicago Card Plus</b>	<ul style="list-style-type: none"> <li>• Transit Stored Value</li> <li>• CTA/Pace 30-Day Pass</li> </ul>	<ul style="list-style-type: none"> <li>• \$0 Purchase Fee (registration required)</li> <li>• \$5 Replacement Fee</li> </ul>	<ul style="list-style-type: none"> <li>• Cannot be used to pay reduced fare</li> <li>• 30 day pass expires 30 consecutive days after first tag</li> </ul>	<ul style="list-style-type: none"> <li>• Online</li> <li>• CTA HQ</li> </ul>	<ul style="list-style-type: none"> <li>• Autoload Only</li> <li>• Customers can not add value at stations</li> </ul>
<b>Transit Cards (Magnetic Stripe)</b>	<ul style="list-style-type: none"> <li>• Transit Stored Value</li> <li>• CTA/Pace 30-Day Pass</li> <li>• CTA/Pace 7-Day Pass</li> <li>• CTA 7-Day Pass</li> <li>• CTA 3-Day Pass</li> <li>• CTA 1-Day Pass</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• Expires 15 months from the time the card was first encoded (see back of card)</li> <li>• Transit Card Vending Machines require exact change</li> <li>• Express Vending Machines accept credit cards</li> </ul>	<ul style="list-style-type: none"> <li>• Online</li> <li>• Mail</li> <li>• CTA HQ</li> <li>• Pace HQ</li> <li>• CTA Rail Stations (Vending Machines)</li> <li>• 739 Retail Locations (CTA and Pace)</li> </ul>	<ul style="list-style-type: none"> <li>• CTA Rail Stations (Transit Stored Value only)</li> <li>• CTA HQ</li> </ul>

**Attachment B: COMPARISON OF EXISTING AND FUTURE SYSTEM**

**FULL FARE MEDIA--NEW**

<b>NEW</b>	<b>Fare Products</b>	<b>Fees</b>	<b>Other</b>	<b>Purchase Locations</b>	<b>Reload Locations</b>
<b>Ventra Card</b>	<ul style="list-style-type: none"> <li>• Transit Stored Value</li> <li>• CTA/Pace 30-Day Pass</li> <li>• CTA/Pace 7-Day Pass</li> <li>• CTA 7-Day Pass</li> <li>• CTA 3-Day Pass</li> <li>• CTA 1-Day Pass</li> </ul>	<ul style="list-style-type: none"> <li>• \$5 Purchase Fee (refunded as Transit Stored Value if registered)</li> <li>• No fee if purchased and registered online, over the phone or at Customer Service Center</li> <li>• \$5 Replacement Fee</li> <li>• \$5 Dormancy Fee (per month)<sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 30 day pass expires 30 consecutive days after first tag</li> <li>• Registered card holder will be notified when card has been inactive to help avoid dormancy fee</li> <li>• 1 day pass holder may elect to purchase Ventra limited use media in lieu of purchasing Ventra media</li> </ul>	<ul style="list-style-type: none"> <li>• Online</li> <li>• Phone</li> <li>• CTA Rail Stations (Vending Machines)</li> <li>• CTA HQ</li> <li>• Pace HQ</li> <li>• 2,500 Retail Locations</li> </ul>	<ul style="list-style-type: none"> <li>• Online</li> <li>• Phone</li> <li>• CTA Rail Stations (Vending Machines)</li> <li>• CTA HQ</li> <li>• Pace HQ</li> <li>• 2,500 Retail Locations</li> <li>• Autoload</li> </ul>
<b>Ventra Ticket (Limited-Use Smart Card)</b>	<ul style="list-style-type: none"> <li>• CTA Single-Ride Ticket (SRT) + Transfer</li> <li>• CTA 1-Day Pass</li> </ul>	<ul style="list-style-type: none"> <li>• SRT +Transfer: \$0.50 For Rail</li> <li>• 1-Day Pass: None</li> </ul>	<ul style="list-style-type: none"> <li>• Multiple Ride Passes available on Ventra Extended Use media</li> </ul>	<ul style="list-style-type: none"> <li>• CTA Rail Stations (Vending Machines)</li> </ul>	<ul style="list-style-type: none"> <li>• media not reloadable</li> </ul>

<sup>(1)</sup> After 18 months of inactivity, a \$5.00 dormancy fee will be deducted each month from any stored transit value in a transit account, whether the account is linked to a reloadable Ventra Card or a personal credit/debit card. If a transit account includes an unused transit pass, the pass will be converted to stored value in an amount equal to the purchase price of the unused pass at the time. The dormancy fee will be deducted each month until the stored transit value is depleted. Any customer use of the stored transit balance, whether before or after a dormancy fee has been assessed, restarts the 18-month period before a dormancy fee will again be assessed.

**Note:** Because magnetic stripe Transit Cards (with Transit Stored Value) will be eliminated, cash paying rail customers will be required to purchase smart card Limited Use Ventra Tickets.

**Attachment B: COMPARISON OF EXISTING AND FUTURE SYSTEM**

**REDUCED FARE MEDIA (ELIGIBILITY RESTRICTED BY PROGRAM)**

<b>EXISTING</b>	<b>Fare Products</b>	<b>Registration/Fees</b>	<b>Other</b>	<b>Available Products</b>	<b>Purchase/Reload</b>
<b>Transit Cards (Magnetic Stripe)</b>	<ul style="list-style-type: none"> <li>• Child: Age 7-11 (no registration required)</li> <li>• Student: Student Age 12-20 (requires CTA/Pace Student Permit)</li> <li>• RTA Reduced Fare: Senior/Disabled (requires RTA Reduced Fare Permit)</li> </ul>	<ul style="list-style-type: none"> <li>• Requires Fare Override by Operator/CA</li> <li>• School or CTA /Pace Issued Permit - \$5 per semester \$2 per summer semester</li> <li>• RTA Issued Permit - No Issuance Fee</li> <li>• \$5 Replacement Fee</li> </ul>	<ul style="list-style-type: none"> <li>• Student: requires both permit and fare card or cards to ride during school or after school</li> </ul>	<ul style="list-style-type: none"> <li>• Transit Stored Value (Child, Student, and Reduced)</li> <li>• CTA/Pace 30-Day Pass (RTA only)</li> </ul>	<p><b>Purchase:</b></p> <ul style="list-style-type: none"> <li>• Online</li> <li>• Mail</li> <li>• CTA HQ</li> <li>• Pace HQ</li> <li>• CTA Rail Stations (Vending Machines)</li> <li>• 739 Retail Locations (CTA and Pace)</li> </ul> <p><b>Reload (Stored Value):</b></p> <ul style="list-style-type: none"> <li>• CTA Rail Stations</li> <li>• CTA HQ</li> </ul>
<b>NEW</b>	<b>Eligibility</b>	<b>Registration/Fees</b>	<b>Other</b>	<b>Available Products</b>	<b>Purchase/Reload</b>
<b>Ventra Card</b>	<ul style="list-style-type: none"> <li>• Child: Age 7-11 (no registration required)</li> <li>• Student: Student Age 12-20 (requires pre-registration)</li> <li>• Senior/Disabled (requires pre-registration)</li> </ul>	<ul style="list-style-type: none"> <li>• Requires Fare Override by Operator/CA</li> <li>• School or Ventra Issued Card - \$5 one- time card fee</li> <li>• RTA Issued Card – No Issuance Fee</li> <li>• \$5 Replacement Fee</li> </ul>	<ul style="list-style-type: none"> <li>• Student: Ventra acts as the School permit, eliminates the need for multiple fare cards and/or permit.</li> <li>• Senior/Disabled: Ventra Card acts as the RTA permit, eliminating the need for additional instruments</li> </ul>	<ul style="list-style-type: none"> <li>• Transit Stored Value (Child, Student, and Reduced)</li> <li>• CTA/Pace 30-Day Pass (RTA Only)</li> </ul>	<p><b>Purchase and Reload:</b></p> <ul style="list-style-type: none"> <li>• Online</li> <li>• Phone</li> <li>• CTA Rail Stations (Vending Machines)</li> <li>• CTA HQ</li> <li>• Pace HQ</li> <li>• 2,500 Retail Locations</li> <li>• Autoload</li> </ul>