



The Case For **REIMBURSEMENT FOR BELOW-COST STUDENT FARES**

CHICAGO TRANSIT AUTHORITY

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Chicago Transit Authority is required by law to charge rates of fare sufficient in the aggregate to pay the cost of providing its services. It cannot levy any taxes whatsoever to supplement its operating income.

At January 23, 1965, accumulated deficits totaled \$818,675. These deficits must be made up. No alternative is permitted.

In order to make up the difference between the actual cost of a transit ride and the below-cost rate charged elementary and high school students, CTA's adult riders are being and have long been required to subsidize students' CTA transportation, inasmuch as adult rates of fare, generally, reflect accurately the cost of the transit ride.

In the last eleven years only, 1954-64, the adult riders paid a total of \$39,079,500 to subsidize the transportation of students between 12 and 20 years of age. Non-students in and above this age bracket pay adult rates of fare.

Presently the cost of student transportation provided by Chicago Transit Authority exceeds fares collected from students by more than \$3,650,000 annually.

This involuntary contribution by CTA adult riders to effect a below-cost, low-rate student fare is a heavily burdensome inequity on at least two counts. First, it is a burden imposed solely upon CTA's adult riders, who constitute only a relatively small segment of the local adult population; second, the adult users of CTA services are also required to make substantial contributions, directly or indirectly, to the cost of furnishing student transportation in all areas of the state outside of Chicago. Although Chicago is a heavy contributor to state aid for student transportation, it is excluded from participation in the benefits of the program.

In all justice and equity, public funds should be made available to reimburse Chicago Transit Authority for the amount by which revenues from students fail to meet the cost of providing service to them.

These funds should come from the State of Illinois,

inasmuch as the state biennially appropriates public funds to pay the cost of student transportation in areas outside of Chicago. This state aid was established in 1939. The appropriation for the 1963-65 biennium is \$16,500,000, a substantial part of which will be obtained from the Chicago area, as in the past 22 years.

Chicago Transit Authority believes it is good public policy to continue a reduced rate of fare for its student riders. However, the Authority is also firmly of the opinion that CTA adult riders alone should not bear this burden, but that it should be paid for from general public funds.

Making this reimbursement to Chicago Transit Authority will remove long-standing injustices.

Regulation and Control of Student Fares in Chicago

A student is defined by Chicago Transit Authority as "a full daytime student, between 12 and 20 years of age, attending an accredited public, private or parochial elementary or high school." To ride at the student rate, a student must present an identification card when paying his or her fare. The student rate applies only to trips between home and school on school days during the period between 6:30 a.m. and 6:00 p.m.

An identification card is issued to a student only after school authorities certify it is necessary for the student to use CTA transportation, at least part way, in traveling between school and home. Each semester a new identification card is issued to the student upon payment of \$1.00.

For the current semester, which began in February, more than 105,000 identification cards had been issued by February 15. It is anticipated that several thousand more will be issued during the remainder of the semester.

On the basis of the current total enrollment in the elementary and high schools, which approximates 782,000, only one in approximately every six and a half students has a student identification card. It is evident, therefore, that the number of students over 12 years of age who are riding at the student

rate, while substantial in total, is relatively small compared to the total student enrollment.

The most recent sampling of identification cards disclosed that the average length of a one-way CTA ride taken by a student is 2.903 miles. This average is nearly twice the state-established minimum travel distance of one and a half miles, which is a regulation governing the expenditure of the state school transportation funds not presently available to Chicago.

Why A Low-Rate Student Fare Is Justified

In this modern age, the cost of providing group transportation to and from school for elementary and high school students is widely recognized as part of the over-all costs of operating school facilities.

To require elementary and high school students to pay the adult rate of fare for their daily trips to and from school would impose a heavy financial burden upon a majority of the families with children of school age. In many cases, this burden would cause an excessive amount of absenteeism among students from lower and middle income families with all of the attending social problems.

Safety is another important factor. In Chicago, with its vast network of heavily traveled arterial streets and boulevards, there exist many potential traffic hazards to students in walking to and from school, regardless of the length of their route. These dangerous conditions are mounting as street traffic and traffic congestion are steadily increasing. For many students, daily use of public transit is imperative to assure a safe journey to and from school.

Summary of State Legislation Relating to Transportation of Students

The first Illinois law dealing with transportation was enacted in 1911, and provided that any district that had fewer than six pupils could arrange for the transfer of the pupils, and when necessary provide free transportation for them to a neighboring school. In 1917, boards of directors of consolidated schools were directed to provide free transportation for pupils residing at a distance from such consolidated school site. School directors were first given power to provide free transportation, whenever such was deemed necessary, in 1927. In 1929, school boards

were directed to pay transportation costs of handicapped children who attended classes in districts.

In 1931, school boards were authorized to provide transportation for high school students living beyond two miles of a high school if sufficient funds were available after paying other costs, including tuition, and if the voters approved. The distance factor was changed to 1½ miles in 1941.

A law was passed in 1933 providing that parochial school children who reside on or along the highway should be afforded transportation to such school or to a point on such regular route which is nearest or most easily accessible to such school.

Prior to 1939, the cost of transporting pupils was a local obligation. State Aid for Transportation was authorized in 1939. The law specified that if any school district transported pupils in grades one to twelve inclusive who lived at least 1½ miles from the school attended, and if the districts' transportation system conformed to standards prescribed by the Superintendent of Public Instruction, it would be reimbursed for three-fourths of the cost provided this did not exceed \$15 per pupil. This allowance per pupil was increased to \$20 in 1945 and later, in the mid-1950's, a new formula was established that reduced the State's share to 50% of the cost of transportation or an alternate per-pupil allowance ranging from \$16 to \$32 per pupil based on a population sparsity factor.

In 1951 boards were given express power "to purchase, maintain, repair, and operate school buses, and by resolution of the board to enter into a contract for the purchase of buses to be paid for within three years of the date of the resolution."

In Illinois for the school year of 1939-1940, when the state first shared in the cost of transporting pupils, total transportation costs for 26,704 pupils were \$725,528 and the state's share of this cost was \$274,484. For the school year 1949-1950, total transportation costs for 169,970 pupils were \$9,227,071 and the state's share was \$3,117,507. By 1958-1959 total transportation costs had increased to nearly \$21 million for 500,000 pupils and the state's share was \$6,878,343. The 1963-65 biennial appropriation provides \$16,500,000 for this purpose, an average of \$8,250,000 per school year.

Students Carried by Chicago Transit Authority

Over the past eleven years, Chicago Transit Authority adult riders have borne the cost of transporting students between the ages of 12 and 20 years (normally full fare passengers) to the extent of \$39,079,500.

This subsidy, by years, has been as follows:

Year	Number of Student Rides
1954	33,542,200
1955	32,862,800
1956	34,617,000
1957	35,421,000
1958	35,454,000
1959	32,932,000
1960	27,587,000
1961	26,938,000
1962	25,443,000
1963	28,035,000
1964	28,502,800

Total 11-Year Subsidy

*Reduction under average adult fare:

- (1) Adult fare 20¢ cash, tokens 17¢ on Surface System and 18¢ on Rapid Transit System. Straight 20¢ fare on and after 4-22-54.....
- (2) Adult fare 20¢, child & student 10¢.....
- (3) Effective 7-4-57, adult fares increased to 25¢ cash and 22½¢ token, and on 9-1-57 child and student fares increased from 10¢ cash to 13¢ cash or 11¼¢ token (4/45¢).....
- (4) New fares (item 3 above) in effect throughout year 1958.....
- (5) Effective 12-1-59, adult fare tokens were eliminated, and child and student fares increased from 13¢ or 11¼¢ token (4/45¢) to 15¢ cash or 12½¢ token (4/50¢).....
- (6) New fares (item 5 above) in effect throughout year 1960.....
- (7) Effective 7-23-61, a 5¢ transfer charge was instituted and child and student fare was reduced from 15¢ cash or 12½¢ token to 12¢ cash and no reduced token fare.....
- (8) New fares (Item 7 above) in effect throughout years 1962-1963-1964.....

and Estimated Annual Cost of Subsidizing Students

Reduction in Fare*	Total Subsidy
9.425¢ (1)	\$ 3,161,300
10¢ (2)	3,286,300
10¢ (2)	3,461,700
11.237¢ (3)	3,980,200
12.006¢ (4)	4,256,600
11.918¢ (5)	3,924,800
11.314¢ (6)	3,121,200
11.99¢ (7)	3,229,900
13¢ (8)	3,307,600
13¢ (8)	3,644,500
13¢ (8)	3,705,400

\$39,079,500

Average Adult Fare	Average Student Fare	Reduction to Students
19.425¢	10¢	9.425¢
20¢	10¢	10¢
21.967¢	10.73¢**	11.237¢
24.131¢	12.125¢**	12.006¢
24.220¢	12.302¢**	11.918¢
25¢	13.686¢**	11.314¢
25¢	13.01¢#	11.99¢
25¢	12¢#	13¢

**It is believed that adult and student transfer usage is at the same ratio, so the above average basic fares have not been adjusted upward to reflect the effect of transfer sales.

#On basis of 50% token usage.

Year	Estimated Annual Cost of Subsidizing Students
1970-71	171
1971-72	172
1972-73	173
1973-74	174
1974-75	175
1975-76	176
1976-77	177
1977-78	178
1978-79	179
1979-80	180

