

# **Fixed-Route Fare Policy**

## Fare Pricing & Enforcement

Amendment

**ADOPTED BY IPTC BOARD OF DIRECTORS: June 18, 2026**

**AMENDED: June 18, 2026**

**EFFECTIVE: July 1, 2026**



**BACKGROUND**

Efforts to modernize IndyGo’s fare collection program began in 2019 with the introduction of e-fare collection, accompanied by other fare policy changes. IndyGo made these policy changes to improve the customer experience with the launch of bus rapid transit service. Since the adoption of the 2019 Fare Policy, IndyGo has gained experience in operating and maintaining an e-fare collection system beyond just the bus rapid transit service. IndyGo’s vision for its fare program is as follows:

*IndyGo will foster transit ridership through an equitable, reliable, and customer-centered fare payment experience. In so doing, IndyGo will optimize its fare program by committing to efficient and cost-effective solutions that are convenient and intuitive to our riders.*

The fare policy described on the following pages is a continuation of IndyGo’s efforts to modernize its fare collection program. The most recent changes are considered minor changes. They are:

- The Deposit Bonus will not be applied for transactions on MyKey+.
- Ticket vending machines across the network will be removed.

In accordance with federal civil rights requirements, *major* fare policy changes require IndyGo to examine whether major fare policy changes are equitable among minority, low-income, non-minority, and non-low-income populations. The methodology and findings of this analysis are included in the Amendment.



## Fare Pricing: What to Buy

IndyGo offers customers several fare products, but its overall fare structure is designed to provide a customer with the best value based on the number of trips taken by the rider. IndyGo offers customers a variety of fare media, including cards, magnetic-stripe paper passes, and digital media. The price to purchase bus fare, which is the fee paid by a passenger for using a public bus or transit system, is a flat fare where the price illustrated in Table 1, *Fare Structure*, below remains the same regardless of the distance of one’s trip. IndyGo’s 2-hr unlimited access and daily and weekly fare capping options are all priced to provide a lower cost per trip for anyone that takes multiple trips on a given day or in a given week.

**Table 1 Fare Structure**

Fare Types	Full Fare Rate	Half Fare Rate
<b>Local Bus &amp; BRT (fixed-route)</b>		
<b>2-Hr Unlimited (i.e., base fare)</b>	\$2.75	\$1.35
<b>1-Day</b>	Up to \$6.00	Up to \$3.00
<b>1-Week, Mon-Sun</b>	Up to \$24.75	Up to \$12.15

## 2-hr Unlimited Rides

2-hr unlimited rides are automatically applied when the following are used to pay for the first trip:

- Cash onboard the bus, provided the rider requests a transfer ticket from the operator
- Reloadable MyKey+ tap card, provided the same card is used to ride each time
- Digital MyKey+ mobile app, provided the same mobile device is used to ride each time
- Magnetic-stripe paper passes, provided the pass remains valid
- Pay-as-you-go, contactless credit/debit card (once implemented)
- Pay-as-you-go, mobile wallet (once implemented)

## 1-Day & 1-Week

Fare capping offers the automatic best value for the customer where passengers spend towards a maximum fare amount (the ‘cap’) within a specific time period, ensuring the customer never pays more than a predetermined amount, regardless of how many trips they take within a given period.

### Daily Fare Capping

Daily fare capping is calculated based on media usage from the first validation in a day to 4 AM the next day. Daily fare capping is automatically applied when the following are used to pay for each trip:

- Reloadable MyKey+ tap card, provided the same card is used to ride each time
- Digital MyKey+ mobile app, provided the same mobile device is used to ride each time
- Pay-as-you-go, contactless credit/debit card provided the same card is used to ride each time (once implemented)
- Pay-as-you-go, mobile wallet provided the same media is used to ride each time (once implemented)

### Weekly Fare Capping

Weekly fare capping is based on the best value over a seven day period. Weekly fare capping is automatically applied when a registered MyKey+ user pays for each trip:

- Reloadable MyKey+ tap card, provided the same card is used to ride each time
- Digital MyKey+ mobile app, provided the same mobile device is used to ride each time
- Pay-as-you-go, contactless credit/debit card provided the same card is used to ride each time (once implemented)
- Pay-as-you-go, mobile wallet provided the same media is used to ride each time (once implemented)

More information about becoming a registered MyKey+ user is available at [IndyGo.net](http://IndyGo.net).

## Payment Methods: Ways to Purchase Bus Fare<sup>1</sup>

IndyGo accepts multiple payment methods at multiple locations; however, all sales are final. Any funds added to a customer's MyKey+ account are not refundable and can only be used to ride transit. MyKey+ cards and mag-stripe passes are non-refundable; they cannot be resold to other riders.

### Cash

Cash is accepted at the following locations, or in the following instances, to purchase bus fare:

- Julia M. Carson Transit Center at 201 East Washington Street
- At a farebox onboard the bus (exact change is required, no change will be issued)
- At partner locations, as listed on the IndyGo website, indygo.net

### Credit/Debit Card

Credit/debit cards can be used at the following locations, or in the following instances, to purchase bus fare:

- Julia M. Carson Transit Center at 201 East Washington Street
- By phone
- Online at IndyGo.net
- At partner locations, as listed on the IndyGo website

See also *Open Payment Media* below.

### Open Payment Media

Upon implementation, IndyGo will be able to accept payment methods that, when used to ride transit, are their own fare type. Contactless open payment media include bank-issued contactless debit/credit cards and digital wallets, such as Apple Pay and Google Pay.

## Reduced & Fare Free Rides

IndyGo offers discounts for individuals who meet certain eligibility criteria, and who go through an eligibility review process. Riders who ride at a discounted fare rate may be asked by operators or fare inspectors to provide proof of eligibility in addition to proof of payment.

### Half Fare

Because IndyGo receives funding from the Federal Transit Administration (FTA), IndyGo is required to offer a half-fare rate to the following individuals<sup>2</sup>:

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<sup>1</sup> Information on the MyKey system can be found on IndyGo's website. MyKey products and policies will be retired when the system is deactivated by IndyGo.

<sup>2</sup> See 49 USC 5307 (c)(1)(D). The following individuals qualify for half-fare for non-peak hours: seniors (aged 65 and older), individuals who, because of illness, injury, age, congenital malfunction, or other incapacity or temporary or permanent disability, cannot use a public transportation service; and individual presenting a Medicare card.

- Individuals who are 65 and older with a government issued Medicare card or a valid personalized, reduced fare MyKey+ media
- Individuals with qualifying disabilities with a government issued Medicare card or a valid personalized, reduced fare MyKey+ media
- Individuals eligible to use IndyGo Access with a valid personalized, reduced fare MyKey+ card

Other individuals who are eligible to ride IndyGo's fixed-route bus service at the half-fare rate include:

- Youth 18 years or younger with a valid K-12 student ID or a valid personalized, reduced fare MyKey+ media

## Fare Free

The following groups of individuals are eligible to ride IndyGo's fixed-route bus service, fare free, using a personalized reduced fare MyKey+ media:

- IndyGo employees
- Immediate family members of IndyGo employees
- Current members of the IPTC Board of Directors
- Select IndyGo contractors
- IndyGo retirees

Other individuals who are eligible to ride IndyGo's fixed-route bus service, fare free, include:

- Children five and under with a paying adult, limit two
- Participants of a Sponsored Rides Program<sup>3</sup> with a valid, personalized MyKey+ media

## Incentives

A points-based, rewards program may be offered from time to time, for the purposes of optimizing transit usage. Other incentives may also be offered.

## Fare Inspection & Enforcement

### Proof of Payment Required

It is the policy of IndyGo that anyone onboard a bus or within a paid fare zone must have valid bus fare.

IndyGo defines fare evasion as the act of traveling, or preparing to travel, without valid bus fare. It defines a fare evader as someone who is on an IndyGo bus, or at a BRT station or a Super Stops location without valid bus fare.

A person is considered to have valid bus fare if they can produce proof—visually or through electronic means—of having validated their fare within the last two hours, or when they are in possession of a valid magnetic-stripe paper pass. A valid magnetic-stripe paper pass is either a two-hour transfer

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<sup>3</sup> IndyGo's Sponsored Rides program offers groups of riders, such as students or employees, access to IndyGo's entire bus network where, rather than the individual rider paying on a per trip basis, the sponsoring entity pays IndyGo a program fee for each participant.

ticket vended from an onboard farebox, or a pass that has been validated by an onboard farebox and includes a timestamp that has not yet expired.

Anyone using a personalized MyKey+ card other than the person pictured on the front, and anyone using a personalized MyKey+ card that has expired is also considered to be intentionally evading fare collection.

### **Fare Inspection & Enforcement**

IndyGo deploys and maintains a fare inspection team to monitor customer compliance on services that use off-board fare collection. The fare inspection and enforcement policies of IndyGo may be adopted in separate IPTC Board of Directors' action and/or maintained as business documents.

### **Fare Policy Maintenance**

IPTC Board of Directors will review this fare policy, at a minimum, every three years. Any updates to this fare policy must be presented to the public for review and comment and the IPTC Board of Directors must approve the new policy following a public hearing.

# **Appendix A**

## Explanation of the Changes Between the 2025 Fare Policy Update and Amended Fare Policy (2026)

**March 2026**

## **FIXED -ROUTE FARE POLICY – 2026 AMENDMENT**

IndyGo operates an electronic fare collection system as a convenient option for customers to pay their fare; an alternative to cash on the bus and magstripe passes. The electronic fare collection system was introduced in 2019 and branded as MyKey.

IndyGo recently procured a new electronic fare collection system vendor; the new system is branded MyKey+. In switching vendors, IndyGo understood certain existing fare policies may be modified. For the new vendor, IndyGo preferred to use “off the shelf” or existing products and features, rather than requiring the vendor to meet develop new features or products to meet all of IndyGo’s requirements.

### **Other Charges & Fees**

With this update, IndyGo seeks to modify the following:

#### **Deposit Bonus**

Deposit bonuses are offered to only MyKey users (not individuals using cash on the bus or pre-purchased mag-stripe passes) to incentivize riders to minimize the number of payment transactions. The MyKey deposit bonus will continue as long as the MyKey fare collection system accepts payment. Bonuses in the amount of \$1.00 of value are provided for purchases between \$20.00 and \$39.99; \$2.00 for purchases between \$40.00 and \$59.99, and \$3.00 for purchases of \$60.00 or more.

The MyKey+ electronic fare collection system capabilities do not support automatic bonuses for fare purchases.

#### **Ticket Vending Machines**

Ticket vending machines (TVMs) were intended to allow passengers to use IndyGo MyKey fare media. Offboard fare collection, after review, can better be facilitated without off-board devices in a way that maintains rider convenience and boarding process.

The primary factors driving IndyGo’s decision, are summarized below:

- IndyGo is transitioning to a new fare collection technology provider. The new system (branded MyKey+) will modernize fare payment capabilities across the entire fixed route system, including IndyGo’s rapid transit routes.
- The current fare collection system has been in place across the entire bus network since 2019. The existing off-board devices are proprietary to the current fare collection technology partner, and many of the first-generation fare validators have reached the end of their useful life. IndyGo was notified in December 2025 that the TVMs had reached end of sale, offering a brand-new model instead.
- Advancements in electronic fare collection technology have significantly reduced the need for off-board fare devices. Based on current industry practices and peer agency experience, IndyGo determined that off-board devices are no longer necessary to provide an effective, convenient, and modern fare collection system.

- In addition to reducing the capital costs of the new fare collection system, these changes will eliminate the amount of time and money that is required to service off-board devices that are spread across IndyGo's 400 square mile service area.

# **Appendix B**

## Title VI Fare Equity Analysis 2026 Fixed-Route Fare Policy

**March 2026**



## FARE EQUITY ANALYSIS

### Federal Guidance

Title VI of the Civil Rights Act of 1964 requires public transportation providers that receive federal funds to operate services and programs in a non-discriminatory manner. Race, color, and national origin are protected classes under Title VI. The Federal Transit Administration (FTA) provides guidance for conducting a Fare Equity Analysis in Federal Circular 4702.1B (2012). This guidance describes subjects of analysis, such as major service changes, and procedures to be used if proposed changes result in disparate impacts or disproportionate burdens to riders. The Circular also requires that transit providers use ridership surveys for their analysis and specifies certain categories of information to be included in their final equity documentation. For a detailed checklist of FTA requirements, see Appendix D.

Title VI does not include income as a protected class but the FTA Circular 4702.1B (2012) requires transit agencies to evaluate income “recognizing the inherent overlap of environmental justice principles in this area.” (FTA C4702.1B, Chap. IV-12).

## IndyGo's Title VI Policy

A major service change defined by IndyGo includes an “increase or decrease in fares”. These major changes require an analysis of the equity of the change. IndyGo's Title VI policy, adopted in 2013, states how IndyGo assesses disparate impact and disproportionate burden that could potentially result from major changes to fare policy. IndyGo conducted public outreach in June 2013 prior to adoption.<sup>4</sup>

The policies currently in effect are defined in IndyGo Board Resolution 2013-03:

Disparate Impact: A determination of disparate impact shall be made if the effects of a major service change borne by the minority population, both adverse and beneficial, are not within 20 percent of the effects borne by the non-minority population.

Disproportionate Burden: A determination of disproportionate burden shall be made if the effects of a major service change borne by the low-income population, both adverse and beneficial, are not within 20 percent of the effects borne by the non-low-income population.

In practice, this means that a change that, for example, creates a benefit/burden of ten times (10x) for the non-minority or non-low-income population, the benefit/burden for minority or low-income populations must be between eight and twelve times (8x to 12x). Any benefit or burden for the minority or low-income populations outside that range may be categorized as a disparate impact or disproportionate burden. For the tables that follow within this section, the threshold for a burden is represented as the *Title VI Acceptable Range*.<sup>5</sup>

The IndyGo DI/DB policies consider a beneficial effect to a minority or low-income population to be considered a finding of DI/DB. However, the intent of Title VI is to prohibit discrimination based on race, color, or national origin by recipients of federal funding, including practices that may have the effect of adversely impacting minority populations. Therefore, if an analysis were to find a beneficial effect for minority and/or low-income populations, IndyGo staff would consider the analysis as not having a DI and/or DB. IndyGo will acknowledge when beneficial effects occur but will not consider the effects a finding of DI and/or DB.

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<sup>4</sup>IndyGo Title VI Public Hearings Outreach Summary, July 13, 2013, The McCormick Group. The summary outlines the activities conducted as part of the public outreach for the Title VI Policy adoption. IndyGo held three public hearings to receive public input on its Title VI policies: one at the Indiana History Center on June 24, 2013 and two at the IndyGo headquarters at 1501 W. Washington Street on June 25, 2013. These public hearings were advertised in various media outlets, thru e-mail, meeting flyers at 33 different sites, press releases, public notices, and the IndyGo website.

<sup>5</sup> While this methodology excels at assessing relative impacts across IndyGo's ridership and enables group comparisons, it has a tendency to identify disparate impacts or disproportionate burdens in products and/or policies with very low utilization. When a fare product or policy is used by a very small number of individuals, slight differences in utilization can exceed IndyGo's +/- 20 percent standard. To address this, IndyGo applies the methodology only to fare types used by at least one percent of ridership; changes to fare types below this threshold are considered immaterial as a 'Major Policy Change.

According to IndyGo’s practices, if a disparate impact or disproportionate burden are found in the initial proposal, then IndyGo must:<sup>6</sup>

- Analyze any proposed modifications, in order to avoid, minimize or mitigate the impacts;
- If a disparate impact and/or disproportionate burden is still found after the proposal is modified, IndyGo must “propose a substantial legitimate justification for the proposed fare change AND... show there are no alternatives that would have a less disparate impact on minority riders but would still accomplish the transit provider’s legitimate program goals.”<sup>7</sup>

IndyGo evaluated its recommended fare policy changes in 2026. The methodology for that analysis is contained in the FARE EQUITY METHODOLOGY section. An overview of the initial proposal, and the results of the analysis, follows.

## Overview of Fare Policy Changes

The fare policy change considered for analysis were 1) removal of the deposit bonus, and 2) removal of TVMs across the network. Neither of these changes is considered to be a major service change (defined earlier) that would normally require a fare equity analysis. The removal of the ticket vending machines across the network is not considered a change or significant change in access to the fare media and therefore was not analyzed. See Appendix A for details on the removal of TVMs.

The removal of the deposit bonus is not an increase or decrease in fares, the key trigger for IndyGo’s major change for fares. However, the deposit bonus was initially reviewed as part of its 2019 Fare Policy. Therefore, IndyGo does not consider either change to be major fare changes, necessary of a fare equity analysis but because the deposit bonus was reviewed in IPTC’s 2019 Fare Policy, the deposit bonus will be reviewed.

## Fare Policy Changes Analysis

### Deposit Bonus

Deposit bonuses are offered to only MyKey users (not individuals using cash on the bus or pre-purchased mag-stripe passes) to incentivize riders to minimize the number of payment transactions. The MyKey deposit bonus will continue as long as the MyKey fare collection system accepts payment. Bonuses in the amount of \$1.00 of value are provided for purchases between \$20.00 and \$39.99; \$2.00 for purchases between \$40.00 and \$59.99, and \$3.00 for purchases of \$60.00 or more.

The MyKey+ electronic fare collection system capabilities do not support automatic bonuses for fare purchases.

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<sup>6</sup> The FTA Circular 4702.1B does not require transit agencies to provide a substantial legitimate justification for the proposed fare change for findings of disproportionate burden, unlike findings for disparate impact. However, IndyGo has chosen to apply the same standard for disproportionate burden.

<sup>7</sup> FTA Circular 4702.1B, Chap. IV-20.

A typical fare equity analysis for IndyGo relies on on-board survey (OBS) data to analyze the fare policy change. The OBS is conducted every four to five years and meets the standard outlined by FTA for demographic surveys needed to analyze service and fare equity analyses.

In evaluating the existing OBS, conducted in 2022, IndyGo staff found the questions and responses were not directly or indirectly relatable to the specific deposit bonus policy change. Other data available to IndyGo for this analysis is limited to MyKey data. IndyGo does not collect demographic information, such as household income or race/ethnicity, for MyKey users.

In reviewing existing data sources to understand how to quantify the potential DI/DB for the removal of the deposit bonus policy, IndyGo staff concluded that no existing data sources are relevant.

*Therefore, IndyGo staff concludes that a quantitative analysis would not yield meaningful or reliable insight on the potential for a DI/DB. IndyGo staff recommends forgoing quantitative analysis and proceeding with public outreach and documentation of a business justification.*

## Summary of Initial Proposal Analyses

IndyGo evaluated the fare policy change. As no quantitative analysis was performed, IndyGo is proceeding as though a potential DI/DB could have been found.

### Evaluation of Alternatives

In IndyGo's process, if a potential DI/DB is found (or in this case, assumed), alternatives need to be presented and evaluated (if available).

### Proposal Modifications

IndyGo staff did not modify the initial proposal.

### Alternatives Available

In discussing potential alternatives to a deposit bonus, IndyGo staff were unable to propose any alternatives. The EZfare system (which MyKey+ operates on) does not support automatic deposit bonuses. IndyGo's philosophy with this iteration of the e-fare collection system is not to request custom modifications that would increase the cost and time for deployment.

### Staff Recommendation

It remains IndyGo's decision to not offer deposit bonuses for MyKey+.

## Mitigation Strategies

IndyGo will mitigate any potential disparate impact and disproportionate burden in removing the deposit bonus. IndyGo will conduct public outreach to riders on the bus and at the Carson Transit Center about the discontinuation of the deposit bonus.

## Public Input

IndyGo held open houses on the deposit bonus, and other topics under review, on February 12 and February 14. Meetings were held at the Julia Carson Transit Center (CTC), which is in downtown Indianapolis and is IndyGo’s only transfer center.

## Next Steps

IndyGo leaders will present the feedback received from riders to the IndyGo Board of Directors in preparation for the directors' vote on the fare policy amendment June 18.

**Table 2 Schedule of Fare Changes**

Phase	Activity Description	July 1, 2026	September 2026	December 2026	July 1, 2027
<b>Effective Date of Fare Policy - Deposit Bonus</b>	Deposit Bonus not applied for transactions on MyKey+.	X			
<b>Start Accepting Cash Payment at Retail Locations</b>	Riders can load value on a stored value account on MyKey+ at select retailers. Cash or credit card will be accepted.	X			
<b>Start Accepting Open Loop Payment</b>	Start accepting Open Loop payment (Credit/Debit, Google Pay/Apply Pay)			X	

# **Appendix C**

## Title VI Fare Equity Analysis Fare Equity Analysis Methodology

**May 20, 2026**

## FARE EQUITY ANALYSIS METHODOLOGY

### Proposed Fare Changes

The fare policy change considered as part of this analysis has a single component: remove the deposit bonus for MyKey+. <sup>1</sup> IndyGo's methodology for evaluating fare equity, in assessing any benefits or impacts associated with these policies, is outlined in this appendix.

#### Definitions

The following definitions will apply to the fare equity analysis.

**Disparate Impact:** A determination of disparate impact shall be made if the effects of a major service change borne by the minority population, both adverse and beneficial, are not within 20 percent of the effects borne by the non-minority population. This policy was established in IndyGo Board Resolution 2013-03.

**Disproportionate Burden:** A determination of disproportionate burden shall be made if the effects of a major service change borne by the low-income population, both adverse and beneficial, are not within 20 percent of the effects borne by the non-low-income population. This policy was established in IndyGo Board Resolution 2013-03.

**Low-Income:** Low-income individuals are individuals within a household below the Department of Health and Human Services (DHHS) poverty guidelines; the definition is consistent with the FTA definition. This definition is consistent with the definition applied in the Service Monitoring Report completed for the 2023 Title VI Program. The Service Monitoring Report is an FTA-required analysis of service provided by FTA-funded agencies in an urban area over 200,000 persons and that operate 50 or more fixed route vehicles in peak service.<sup>2</sup> The analysis requires comparing actual service provided by the agency to minority and non-minority populations and low-income and non-low-income populations.<sup>3</sup>

**Minority:** Minorities is defined as those individuals who identify themselves as non-white and/or Hispanic. This definition is consistent with the definition applied in the Service Monitoring Report completed for the 2023 Title VI Program.

### General Methodology

The following section outlines the methodology, including data used to conduct the analysis of potential Title VI impacts of IndyGo's fare policy changes for the amended Fixed-Route Fare Policy, as proposed in March 2026.

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<sup>1</sup> As outlined in Appendix A, the removal of the ticket vending machine was not analyzed.

<sup>2</sup> See FTA Circular C4702.1b, Chapter IV-9 (October 1, 2012).

<sup>3</sup> An equity analysis, whether fare, facility, or service, is intended to evaluate potential adverse impacts before the modification is made. The Service Monitoring Report evaluates the potential adverse impacts of service being provided. For IndyGo, these analyses should share the same definitions and methodologies to avoid discrepancies between a service equity analysis and the SMR, for example.

Per IndyGo’s adopted Title VI Policy, all major fare policy changes are assessed for the benefits or, if applicable, the burdens borne by minority, non-minority, low-income, and non-low-income riders. If the proportion of minority or low-income riders receiving benefits or burdens differs by more than +/- twenty percent relative to their respective comparison groups, then a disparate impact or disproportionate burden may exist.

Generally, IndyGo fare equity analyses utilize data from the most recent on-board survey. The most recent on-board survey is the *2022 On-Board Ridership Survey*. The OBS provides data on ridership characteristics. That survey allowed respondents to identify their race, ethnicity, household size, and household income. Minority riders are those riders who identified as any of the following: American Indian/Alaska Native, Asian, Black/African-American, Hispanic/Latino, Native Hawaiian/Pacific Islander, or “other” as applicable; non-minority riders are those who identified as White, alone, in the survey. Survey respondents who refused to identify their race or ethnicity are not included in the analysis concerning disparate impact.

Low-income riders are those riders who described their total annual household income in ranges that are within the thresholds set by Department of Health and Human Services (DHHS) poverty guidelines in 2022 (see Table 11 for details). Survey respondents who refused to identify their income or household size are not included in the analysis concerning disproportionate burden.

**Table 3 Low-Income Guidelines**

<b>Number of People in Household</b>	<b>DHHS 2022 Poverty Limit</b>	<b>2022 On-Board Survey Income Bracket</b>
<b>1</b>	\$13,590	\$10,000 - \$14,999
<b>2</b>	\$18,310	\$15,000 - \$24,999
<b>3</b>	\$23,030	\$15,000 - \$24,999
<b>4</b>	\$27,750	\$25,000 - \$34,999
<b>5</b>	\$32,470	\$25,000 - \$34,999
<b>6</b>	\$37,190	\$35,000 - \$39,999
<b>7</b>	\$41,910	\$40,000 - \$49,999
<b>8</b>	\$46,630	\$40,000 - \$49,999
<b>9</b>	\$51,350	\$50,000 - \$59,999
<b>10</b>	\$56,070	\$50,000 - \$59,999

## Deposit Bonus Removal Methodology

### Adequacy of Available Data

In conducting fare equity analyses—as is standard practice across the industry—IndyGo primarily relies on its periodic *On-Board Survey*. This survey is administered by professional firms that specialize in this type of survey. IndyGo’s *On-Board Survey* is generally administered every four to five years; its most recent survey was administered in September and October 2022.

The *On-Board Survey* captures information relating to riders’ household characteristics, income profiles, and demographics; it also captures information on their type of fare, fare payment method,

how they load/reload MyKey (if applicable), whether their journey is a round trip, whether their journey involves transfers, how frequently they take this particular trip, among several other data points. These data—the combination of profile data, fare payment behavior, and frequency of travel—form the basis for the quantitative analyses IndyGo undertakes when assessing potential impacts related to changes to the fare policy.

Notably, a user's trip serves as the basic unit of analysis for the *On-Board Survey*; as an example, the survey includes the following questions: “What fare payment methods did you use for this one-way trip?” and “Will you (or did you) make this same trip in exactly the opposite direction today?” (emphasis added). The survey's questions are not oriented toward riders' broader patterns of behavior, such as the amounts that they paid when loading their fare media, whether they typically load the same amounts on their fare media each time, or whether they often or have ever received a deposit bonus when purchasing transit value. As such, there is limited utility in using the *On-Board Survey* data to assess the potential for DI/DB with respect to the removal of the deposit bonus.

Beyond the *On-Board Survey* data, IndyGo considered the utility of using MyKey purchasing behavior as a basis for a fare equity analysis. The MyKey system tracks transaction amounts, from which analysts could infer whether a deposit bonus was granted; recent data suggest about 20 percent of transactions meet or exceed the minimum threshold. The majority of these transactions, however, are not tied to known persons; they are simply tied to accounts or fare media. Further, even those media that are registered—for which IndyGo may be able to tie the media to a specific individual or email address—the MyKey system has no information pertaining to individuals' races, ethnicities, or incomes, which are also necessary to conduct a fare equity analysis.

In short, neither of the two data sources from which IndyGo is able to derive data related to fare payment are sufficient to assess the potential for DI/DB as it relates to the potential elimination of the agency's deposit bonus.

### **Revisiting IndyGo's 2019 Fare Policy Methodology**

As noted above, the deposit bonus was adopted as one of several changes in the agency's 2019 *Fare Policy* update. As part of the fare equity analysis IndyGo conducted in concert with that update, the deposit bonus was analyzed. In assessing how it might analyze the elimination of the deposit bonus, IndyGo considered the continued applicability of the methodology it developed when considering the adoption of the deposit bonus in 2019.

Notably, in 2019, IndyGo did not yet have an e-fare, system and analysts had to draw inferences with respect to the data available to it at that time to approximate which of its riders might be able to access a deposit bonus. Those inferences served as the basis of the equity analysis as it pertained to the deposit bonus policy.

Specifically, IndyGo analyzed the dollar amounts individuals were paying for their current fare media and categorized them as having met the minimum threshold for the deposit bonus or not. If riders were purchasing fare media that cost at least \$20—such as, for example, a \$60 31-day pass—it was presumed that these individuals would be able to continue to spend \$20 or more and realize a deposit bonus. Conversely, individuals who purchased fares for less than \$20—for example, a single trip at

\$1.75 or a day pass at \$4.00—did not demonstrate current spending that suggested they would meet the threshold to realize a deposit bonus, and thus were categorized as not benefiting from the change.

In conducting its 2019 analysis, staff recognized the limitations of its approach. First, because IndyGo had no e-fare system at the time of the analysis, it had to make assumptions about future e-fare utilization. With e-fare being a future prerequisite to receiving the deposit bonus, IndyGo's approach had to assume that those demonstrating spending behavior that would meet the threshold for a deposit bonus would migrate to e-fare. Second, IndyGo's methodology necessarily treated baseline spending patterns as fixed for the purposes of analysis, even while recognizing that riders' spending behavior could change in practice, particularly with the introduction of e-fare and deposit bonus incentives.

Accepting these limitations, in the absence of an operating e-fare system, was a reasonable approach to inferring potential benefits or impacts at the time of the 2019 *Fare Policy* update. However, to accept these limitations under the current system—with an operational fare system—would yield misleading, unreliable, and internally inconsistent results at present.

Specifically, in reality, only those using MyKey are eligible for deposit bonuses. In 2019, IndyGo analysts had to make assumptions about MyKey adoption in conducting their analysis; however, it no longer makes sense to rely on hypotheticals about MyKey adoption because it has been deployed. At the same time, in applying the 2019 methodology, MyKey users would be viewed as “spending” \$1.75 (full fare) per trip (debiting that amount on the balance of their MyKey account or media), which would not meet the minimum threshold for receiving a deposit bonus.

Accepting hypotheticals made sense in 2019 in the absence of an e-fare system. However, using the same methodology today would yield results that suggest the only individuals eligible for the deposit bonus (those using MyKey) would not be able to realize the minimum threshold required to receive that bonus. Using the 2019 methodology without revision would produce misleading results, while revising the methodology to accommodate who is and is not eligible for the bonus would result in an internally inconsistent finding that no one among IndyGo ridership would be impacted by such a change.

In short, while the 2019 fare equity analysis methodology was reasonable, given limitations at that time, it would not be reasonable to replicate it, given changes in IndyGo's operating environment that have been implemented since that time.

## **Conclusion and Recommended Approach**

Taken together, the data and methods available to IndyGo at this time do not support a reliable quantitative assessment of potential impacts related to the elimination of the deposit bonus. The most recent *On-Board Survey*—the agency's primary source of demographic and fare payment data—captures information at the trip level and does not reflect riders' loading behavior or deposit patterns. Conversely, MyKey transaction data capture purchasing activity but are not linked to the demographic characteristics necessary to conduct a fare equity analysis. Neither dataset provides the information required to assess whether removal of the deposit bonus would result in a disparate impact or disproportionate burden.

Similarly, the methodology developed in 2019 was appropriate to the operational environment that existed at that time, when e-fare had not yet been deployed and assumptions about future utilization were necessary. Under the current system, however, reliance on that same methodology would either analyze riders who are not eligible for the deposit bonus or produce internally inconsistent conclusions that suggest no one would be impacted. Attempting to adapt or replicate the 2019 approach under present conditions would risk creating a suggestion of authoritative precision that cannot be supported by the available data.

For these reasons, IndyGo concludes that a quantitative analysis would not yield meaningful or reliable insight on the potential for a disparate impact or disproportionate burden relating to the elimination of the deposit bonus. Therefore, IndyGo recommends forgoing quantitative analysis and instead proceeding with public outreach and documentation of a business justification, recognizing that the available data do not support a defensible assessment of differential impacts across rider groups.

# **Appendix D**

## FTA Requirements Checklist

## FTA REQUIREMENTS CHECKLIST

The following table is derived from the checklist “Considerations for a Fare Equity Analysis” from the FTA Circular 4702.1B, page K-10.

**Table 4 FTA Requirements Checklist**

<b>Appendix K Checklist</b>	<b>Location in the Fare Equity Analysis</b>
Briefly and clearly state policy to determine when a “disparate impact” occurs in the context of fare changes.	See Appendix B “Fare Equity Analysis”, specifically the section IndyGo Title VI Policy.
Specify how we engaged the public in developing our policy for measuring disparate impacts.	See Appendix B “Fare Equity Analysis”, specifically the section IndyGo Title VI Policy.
Briefly and clearly stated our disproportionate burden policy, and our policy describes how we engaged the public in developing the developing the disproportionate burden policy.	See Appendix B “Fare Equity Analysis”, specifically the section IndyGo Title VI Policy
Analyzed fare media generated from ridership surveys indicating whether minority and/or low-income riders are disproportionately more likely to use the mode of service, payment type, or fare media that would be subject to the fare increase or decrease.	See Appendix B “Fare Equity Analysis”.
Determined the number and percent of users of each fare media proposed for increase or decrease, including a profile of fare usage by group – minority, low-income, and overall ridership.	See Appendix B “Fare Equity Analysis”.
Depict fare media comparing the existing cost, the percent change, and usage of minority groups as compared to overall usage and low-income groups as compared to overall usage. Clearly analyze fare media for minority groups distinct from low-income.	See Appendix B “Fare Equity Analysis”.

Appendix K Checklist	Location in the Fare Equity Analysis
Compare the differences in impacts between minority users and overall users.	See Appendix B “Fare Equity Analysis”.
Compare the differences in impacts between low-income users and overall users.	See Appendix B “Fare Equity Analysis”.
Analyzed any alternative transit modes, fare payment types, or fare media available for people affected by the fare change. The analysis compared the fares paid by the proposed changes with fares that would be paid through available alternatives. Analysis shows whether vendors that distribute/sell the fare media are located in areas that would be convenient to impacted populations.	There are no geographic considerations with respect to the fare changes that have been proposed here, thus the locations of vendors and their convenience to riders is not analyzed. There is no alternative proposed for the customers affected by the fare change. As there were no proposed alternatives, no additional analysis was conducted.
Identify whether minority populations will experience disparate impacts.	DI not found but assumed. See Appendix B “Fare Equity Analysis”, specifically the section Major Fare Policy Changes Analysis.
If a disparate impact exists, we considered modifying our proposal. If we modified our proposal, we analyzed the modified proposal to determine whether minority populations will experience disparate impacts.	DI not found but assumed. See Appendix B “Fare Equity Analysis”, specifically the section Major Fare Policy Changes Analysis.
If a disparate impact exists, we provided a meaningful opportunity for public comment on any proposed mitigation measures. <sup>1</sup>	DI not found but assumed. See Appendix B “Fare Equity Analysis”, specifically the section Major Fare Policy Changes Analysis.
If a disparate impact exists and we will continue to make the fare changes, we demonstrated a substantial legitimate justification and demonstrated that we analyzed the alternatives to determine whether the proposed fare changes are the least discriminatory alternative.	DI not found but assumed. See Appendix B “Fare Equity Analysis”, specifically the section Major Fare Policy Changes Analysis.

<sup>1</sup> The public comment requirement is not included in Appendix K but can be found in FTA C4702.1B on Chap.IV-21.

<b>Appendix K Checklist</b>	<b>Location in the Fare Equity Analysis</b>
<p>If there is a documented a disparate impact or disproportionate burden, we explored alternatives and mitigation, including timing of fare increases, discounts to social agencies, and other alternatives.</p>	<p>See Appendix B “Fare Equity Analysis”, specifically the sections on Summary of Initial Proposal Analyses for discussion of alternatives and staff recommendations and Mitigation Strategies for mitigations proposed.</p>

# **Appendix E**

## Summary of Policy Changes After Public Involvement

## **SUMMARY OF POLICY CHANGES AFTER PUBLIC INVOLVEMENT**

There were no substantive changes to the proposed fixed-route fare policy following the public outreach period that ended in February 2026.

Following the IPTC Board of Directors meeting, no substantive changes were made to the fixed-route fare policy.

# **Appendix F**

## Summary of Public Involvement

## PUBLIC COMMENTS AND PRESENTATIONS

IndyGo held open houses on the deposit bonus, and other topics under review, on February 12 and February 14. Meetings were held at the Julia Carson Transit Center (CTC), which is in downtown Indianapolis and is IndyGo’s only transfer center.

### Public Meetings and In-Person Engagement

The following table outlines the date, time, location and individuals present for each public meeting and in-person engagement.

**Appendix Table F-1 Deposit Bonus Open Houses**

<b>Date</b>	<b>Time</b>	<b>Location</b>	<b>Organization/Individuals/ Municipalities Engaged</b>
February 12	7 – 9 am	CTC	50 attended
February 12	4-6 pm	CTC	50 attended
February 14	10am – 12 pm	CTC	50 attended

**TOTAL MEETING ATTENDEES: 150**

### Public Comments

**No public comments were submitted.**

### Board of Directors Public Hearing

A public hearing was held on June 18, 2026 at 9503 E. 33<sup>rd</sup> Street, Indianapolis, IN. There were no public comments.

### Public Hearing Presentation

The presentation was delivered orally; no supporting slides were shown to the public.

### IPTC Board of Directors Comments

There were no comments by any IPTC Directors regarding the fixed-route fare changes.