

Metro's Fareless System Initiative (FSI)

Fareless System Initiative (FSI) Update
Board of Directors Meeting
Thursday, July 22, 2021

Devon Deming
Interim Deputy Executive Officer
Fareless System Initiative (FSI)
demingd@metro.net
(213) 978-7957



May Board Motion

Requested implementation of the Fareless System Initiative, subject to a final financial plan, while pursuing cost-sharing agreements, with reports to the Board monthly on the development, launch, and performance of FSI.

Requirements included:

- Streamlined, efficient application and administration
- Cost-sharing agreements with K-12 districts and community colleges
- Maintaining existing agreements between colleges and transit agencies
- Identifying new funding source

Background for Phase 1

- 69% of 1.4 million K-12 students qualify for Free and Reduced-Price Meal programs for low-income families
- 20% of junior high school students and 23% of LA adults are obese
- People who take transit are 44% less likely to be overweight
- An AA degree increases income potential by up to 47%
- Only 30% of community college students graduate, and only 26% of African American students and 22% of Latino students

Program Goals - Phase 1 (K-14)

Increase ridership, increase student success, and improve student health by building on existing Metro and regional student pass programs, to make access to transit fareless for all K-12 and community college students in LA County through cost-sharing partnerships with districts (school and community college) and transit agencies

K-12 District Partnerships: Status

Proposed cost-sharing for District K-12 Partnerships would be \$3 per student per year for all students in district and would include:

- Distribution of free TAP Cards through District
- Unlimited rides on all participating transit agencies in LA County

38 districts have expressed interest in becoming Partners representing:

- 1,139 schools
- 695,610 students
- \$2,086,830

K-12 District Partnerships: Ready to Mobilize

1. **Culver City Unified**
9 schools, 7076 students, launching a paid program with Culver CityBus when school starts on August 19
2. **Los Angeles Academy of Arts and Enterprise (LAAAE)**
Downtown Los Angeles, 275 Students
3. **North Valley Military Institute**
Sun Valley, 759 Students
4. **San Gabriel Valley School of the Arts**
Duarte, 1130 Students
5. **Youth Build Charter Schools**
Compton, East LA, El Monte, Hollywood, Lennox, Norwalk, Palmdale, South LA, Whittier, 1500 Students

K-12 District Partnerships: Expressed Interest

1. Academia Avance Charter
2. Alhambra Unified
3. Alma Fuerte Public School (Altadena)
4. Azusa Unified
5. Baldwin Park Unified
6. Basset Unified
7. Claremont Unified
8. Davinci Schools
9. El Monte Union High
10. El Rancho Unified
11. Environmental Charter Schools
12. Girls Athletic Leadership School Los Angeles (Charter)
13. Glendora Unified
14. Hacienda - La Puente Unified
15. Hughes-Elizabeth Lakes Union Elementary Unified
16. Inglewood Unified
17. ICEF Public Schools
18. LA Alliance Charter Schools
19. Larchmont Charter
20. LA Promise Fund Charters
21. Lawndale Elementary
22. Little Lake City Elementary
23. Los Angeles Unified (LAUSD)
24. Montebello Unified
25. Mountain View Elementary
26. Monrovia Unified
27. Newhall
28. Palmdale Elementary
29. Pasadena Unified
30. Santa Monica-Malibu Unified
31. South Whittier Elementary
32. Time Community Schools
33. William S. Hart Union High

Community College Partnerships: Update

- Maintain all existing agreements between colleges and transit agencies
- Recommend schools transition from opt-in to opt-out programs
- Proposed cost-sharing for new Community College Partnerships for Year 1 would be \$7 per student per year for all students in district for first year:
 - Distribution of free TAP Cards through District
 - Unlimited rides on all participating transit agencies in LA County
- Cost difference based on Community College average ridership of 7 boardings per week vs. K-12 average ridership of 3 Boardings per week
- This would give colleges time to assess usage and pass student referendum for student fee for Year 2, if desired
- Under Muni/College agreements, student fees range from \$7-\$9.50 per term

Regional Transit Agencies

- Ready to launch (4)
 - City of Commerce
 - City of Culver City Transportation
 - City of Santa Monica Department of Transportation (CC pending)
 - Norwalk Transit System
- Interested, Pending Board Approval (6)
 - Arcadia Transit
 - City of Gardena (GTrans)
 - Foothill Transit
 - Long Beach Transit
 - Torrance Transit System
 - One agency that didn't want response shared

Phase 1 Costs

Due to scope of Phase 1, projections are limited to fare revenue losses

- Defeasance of bonds (\$80M) not necessary for implementation of Phase 1
- Administration, operations, and security will be covered by existing budget

\$ in millions	FY19 (pre-COVID)	FY22	FY23	Estimated Fare Revenue Losses
<u>Fare Revenue Losses</u>				
Metro K-12 Students ⁽¹⁾	\$ 27.0	\$ 7.7	\$ 25.8	\$ 33.5
Muni/Local K-12 Students ⁽²⁾	8.2	8.2	8.2	16.4
Community College Students ⁽³⁾		-	-	-
		\$ 15.9	\$ 34.0	\$ 49.9

NOTES:

1. Metro fare revenue loss:
 - FY22 based on FY22 budgeted amount of \$73.2M and 10.5% K-12 share
 - FY23 based on estimated 95.5% of pre-covid ridership levels
2. Muni/Local fare revenue loss:
 - Estimates are based on Metro percentage shares of K-12 fare revenues applied to countywide 2019 NTD data (pre-pandemic levels)
3. Regional U-Pass program and existing community college agreements held by muni/local operators will continue under current contracts, except that all community college passes will be accepted as valid fare on all participating FSI Operators

Phase 1 Funding Plan

Identified new funding for Phase 1:

- Metro plans to propose ARPA to fund Metro's participation
- In consultation with regional transit operators, Metro is recommending use of their ARPA allocations to fund their participation

Potential new funding

- K-12 school districts interested in cost-sharing
- Continue to seek additional funding to support the pilot

Metro Youth Council

- Missing youth voices in existing planning process, advisory councils and committees.
 - Youth Council is aimed at students between 14 and 17 who represent the diverse demographics and geographic areas of LA County.
- Youth Council will be made up of 26 members representing Metro's nine sub-regions.

Fareless System Initiative

- FSI Plan-Phase 1 will leverage the Youth Council efforts

Public Participation

- Build a pipeline of riders and transit leaders as it moves towards engaging K-14 students in LA County.

Next Steps

Report back to the Board in September 2021 with:

- Comprehensive funding plan for Phase 1 (K-12 and community college) and Phase 2 (low-income)
- Cost of current fare collection
- Ways to engage community college students



Fareless System Initiative