



Board Report

File #: 2016-0859, File Type: Program

Agenda Number: 37.

**EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 17, 2016**

**SUBJECT: COMMUNITY COLLEGE STUDENT TRANSIT PASS PILOT PROGRAM - MOTION
49.1**

**ACTION: APPROVE TITLE VI ANALYSIS AND UNIT REDUCTION AND ADD A 12-MONTH
TRANSITIONAL PASS TO THE TWO YEAR UNIVERSAL COLLEGE STUDENT
TRANSIT PASS (U-Pass) PILOT PROGRAM ENDING SUMMER 2018**

RECOMMENDATION

CONSIDER:

- A. APPROVING the **unit reduction for undergraduate students from 8 units to 6 units beginning Spring 2017;**
- B. CREATING a **reduced fare Transitional Pass to U-Pass participants for 12 months after graduation;** and
- C. APPROVING the Title VI Analysis required by Civil Rights department.

ISSUE

As part of an ongoing effort to pursue strategies to increase student transit ridership, motion 49.1 requested an assessment of the feasibility of piloting a Universal Community College Student Transit Pass Program (See Attachment A).

Currently, there are more than 1.4 million public college students in Los Angeles County, and only 14,000 (1%) are actively participating in Metro's reduced fare college pass programs, the College/Vocational (C/V) Pass and Institutional Transit Access Pass (I-TAP) programs. In addition, the C/V and I-TAP programs are only offered to full-time students who represent only 30% of public school students in Los Angeles County, while the remaining 70% of students are considered part-time and are not eligible for these programs. Lastly, Metro's systemwide average fare per boarding (FPB) is \$0.75 while the I-TAP group rate pricing is only generating \$.29 per boarding. The I-TAP group rate pricing model is no longer revenue neutral to Metro. Under their current configuration, these programs are not reaching a large enough percentage of the student population to encourage ridership growth.

Riding transit is an important life skill that should be learned at a young age. Many adults who have not previously ridden transit are intimidated by learning new routes and afraid of getting lost on an unfamiliar system. Broadening the use of transit at the college level will teach this skill and create riders for life because users will understand the system.

DISCUSSION

Full-time undergraduate and graduate students in Los Angeles County are eligible for a reduced fare College/Vocational 30-day pass that is offered at \$43 per month, a 57% discount from the regular Metro 30-day pass which is \$100 per month. In order to be eligible for the C/V pass, undergraduate students must be enrolled in a minimum of 12 units or 12 hours of in-classroom study per week for a minimum of 3 consecutive months. Graduate students must be enrolled in a minimum of 8 units of in-classroom study per week for a minimum of 3 consecutive months. Students can purchase the reduced fare TAP card directly from Metro and load it at Ticket Vending Machines (TVMs), customer centers, vendor outlets, or online.

In 2003 the Board adopted the I-TAP program. This program was designed to increase student ridership, while keeping the program revenue neutral for Metro. The I-TAP program allows schools to purchase passes directly from Metro on a semester or quarterly basis. There were four (4) schools participating in the I-TAP program in 2016 - Pasadena City College, Rio Hondo College, University of California Los Angeles (UCLA) and University of Southern California (USC - graduate students only).

In May 2016, the Board adopted the Universal College Student Transit Pass (U-Pass) Pilot Program. This program was designed to partner with schools to utilize technology and improve accessibility to reduced fares to increase student ridership, while keeping costs low for students. Students of participating schools can purchase semester passes online or on campus. They receive a sticker with an embedded TAP chip, which turns their student ID into a TAP card that can be renewed each semester. Schools partner with Metro in co-branded marketing and collect payments from students to fund the program. At the end of the semester, the schools are only billed for actual rides taken by students at the reduced rate of \$0.75 per boarding and the maximum charge is capped at \$43 per student per month to match the existing C/V program.

Fall 2016 Participation

For Fall 2016, six (6) schools participated in the U-Pass Pilot Program:

- California Institute of Technology (CalTech)
- California State University, Northridge (CSUN)
- Los Angeles Trade Technical College (LATTC)
- Pasadena City College (PCC - Transition from ITAP)
- Rio Hondo College (Rio - Transition from ITAP)
- Santa Monica College (SMC) - Test Group

Previously, there were 7,402 I-TAP participants. As of October 17, 2016, there were 8,367 participants in the U-Pass and I-TAP programs combined, which is an increase of 965 participants or 13% (see chart below). In the first 8 weeks of the program, there were 474,959 boardings in the

combined programs.

I-TAP and U-Pass Participants

School	ITAP (Fall 2015)	ITAP and U-Pass (Fall 2016)
PCC	3,724	2,119
Rio Hondo	1,198	1,868
UCLA (12-Units or More)	1,194	1,194
USC (Graduate Students)	1,286	1,286 (Fall 2015)
CSUN	0	1,647 (Fall 2015)
LATTC	0	182
CalTech	0	1
SMC	0	70
Totals	7,402	8,367

Success of the program has been largely due to schools subsidizing passes, Metro’s presence on participating campuses, co-branded marketing, and ease of purchasing passes.

Title VI

All U-Pass participants were required to complete a demographic survey. The data from this survey shows that 93% of the participants are ethnic and 75% of the participants are at or below the poverty level in Los Angeles County based on the regional cost of living. The percentage of minorities for Metro’s service area is 77% and the percentage of low-income individuals in the service area is 15.9%. Therefore, the U-Pass fare reduction does not create a disparate impact or disproportionate burden because the benefit falls on a population that is more minority and low-income than the overall service area (See Attachment B).

Reducing the Minimum Unit Requirement

In the initial External Task Force meetings, many of the schools requested that the minimum units required to obtain a reduced fare pass be significantly reduced, or even eliminated.

The U-Pass Pilot Program initially reduced the units required to participate from 12 to 8 units for undergraduate students and from 8 to 6 units for graduate students. In the May 2016 Board Report, staff committed to reporting back on the financial impact of this change within the first six months of the program with analysis on whether or not this requirement should be reduced further. The financial impact of reducing the unit requirement from 8 units to 6 units cannot be determined until it has been implemented in Spring 2017. However, preliminary data for Fall 2016 showed that 71% of the U-Pass participants were full-time students carrying 12 or more units. Only 2,207 or 29% of the participants were part-time students carrying 8-11 units. Of the part-time participants who responded to the survey, 74 students (3.35%) were formerly Metro 30-Day or EZ Monthly pass holders, 570

were new Metro riders, and 654 riders were part-time riders paying cash fares who have now converted to pass holders. While it is difficult to determine the financial impact, this data indicates that allowing part-time students to participate resulted in a net ridership gain. Therefore, staff recommends reducing the unit threshold for undergraduate students from 8 units to 6 units beginning in Spring 2017 to further increase student participation and ridership (See Attachment C).

Transitional Pass Program

Staff recommends creating a reduced fare Transitional Pass available at \$43 per month to U-Pass participants for 12-months after graduation. Once approved, MCS staff will work with TAP Operations to establish the policies and procedures for implementing and managing the program.

Regional U-Pass

Several of the current and future U-Pass and I-TAP schools have agreements with multiple transit agencies to provide service, which is accessed on a single fare instrument. Although the schools pay each transit provider separately, all passes are loaded onto a single TAP sticker or card. U-Pass schools with multiple existing agreements, or in current discussions for multiple agreements, are:

- Rio - Metro, Foothill Transit, Montebello Bus, Norwalk Transit, El Monte Transit, and LA County El Sol
- University of California, Los Angeles (UCLA) - Metro, Santa Monica Big Blue Bus (BBB), Culver CityBus
- El Camino College (ECC) - Metro, Torrance Transit, Gardena Transit (G-Trans)
- Cerritos College - Metro, Norwalk Transit, Long Beach Transit
- California State University, Los Angeles (CSULA) - Metro, Foothill Transit
- CalTech - Metro, Pasadena Transit
- PCC - Metro, Pasadena Transit
- Santa Monica College (SMC) - Metro, BBB

Many other municipal providers have also expressed interest in joining the U-Pass Program. It would benefit students and transit agencies to have one Regional U-Pass that is valid on all Regional Pass participating agencies. Staff recommends moving forward on creating this pass, which will require the agreement of all participating municipal operators.

Spring Semester Participation

For Spring 2017 implementation, MCS staff is in negotiations with the following schools:

- CSULA
- Cerritos College
- East L.A. College (ELAC)
- El Camino College (ECC)
- LA Mission College
- Pierce College
- SMC - Full Implementation

- University of Southern California (USC - Graduate Students)
- UCLA - Transition from ITAP

DETERMINATION OF SAFETY IMPACT

This program does not affect the incidence of injuries or healthful conditions for patrons or employees. Therefore, approval of this request will have no impact on safety.

FINANCIAL IMPACT

The financial impact of reducing the unit requirement for undergraduates from 8 units to 6 units cannot be determined until Spring 2017 semester has been completed. However, in Fall 2016, the reduction of the undergraduate unit requirement from 12 units to 8 units resulted in a 29% increase in student participation. Therefore, staff recommends decreasing the requirement to 6 units to allow additional part-time students to enroll in the program.

Impact to Budget

The funding source for the MCS programs is Enterprise Fund operating revenues including sales tax and fares. The source of funds for this action, operating revenues, is eligible to fund bus and rail operating and capital expenditures.

The expansion of the U-Pass program may warrant an evaluation of the staffing in the mid-year FY 17-18 budget process.

ALTERNATIVES CONSIDERED

1. Due to the lack of widespread usage, difficulty of administration, and the loss of revenue, staff does not recommend continuing the I-TAP program during the U-Pass Pilot Program. The USC graduate student program will be converting to U-Pass in Spring of 2017. UCLA is currently in negotiations. All current I-TAP schools will be converted to U-Pass.
2. Metro will continue to offer the regular monthly College/Vocational Pass for students at schools not participating in the U-Pass pilot program.

NEXT STEPS

1. Continue to communicate details of U-Pass Pilot Program with all 77 schools in L.A. County and target 10 or more schools to participate in the program.
2. Implement Transitional Pass Program
3. Begin discussions with Municipal agencies to create a countywide U-Pass.
4. Continue to seek additional funding to further reduce the cost of the program to schools and will work with schools to identify other sources of funding such as parking fees and/or fines, student association fees, and/or activity fees and/or referendums and as a means of subsidizing the program.
5. Continue to partner with schools to address transit service and service alignment issues.
6. As part of the midyear budget process for FY17, MCS will be requesting 3 FTE positions in

lieu of the Inland Transportation Services (ITS) vendor contact to assist with the growth of the U-Pass pilot program and the new 3-Month Promotional Employer Pass (PEP) program (See Attachment D).

Metro Commute Services (MCS), which includes the Annual Transit Access Pass (A-TAP), Business Transit Access Pass (B-TAP), the Youth On the Move (YOTM), Jury Pass Program, and the new 3- Month Promotional Employer Pass (PEP) programs, as well as the recently approved Universal College Pass (U-Pass) Pilot Program, conducted a cost benefit analysis of its current staff. The results indicate an annualized staffing cost of \$2.49 million, which consists of 15 staff member (see below).

Current Staffing	Total Annualized Cost	Staff Count
Program Support Vendor (ITS)	\$ 651,072.00	1
Metro FTE (Fully Burdened- Non Contract)	\$ 1,214,720.00	7
Metro TCU (Fully Burdened)	\$ 522,750.00	5
As Needed/ELTP	\$ 105,040.00	2
Total Annual Cost	\$ 2,493,582.00	15

MCS is tasked with growing ridership among college students in Los Angeles County through the U-Pass program, and assisting with increasing ridership along the new rail extensions and bus lines through the 3-Month PEP. MCS is requesting to add two (2) Sr. Account Executives to assist with marketing the programs and one (1) Administrative Analyst for Tap Operations to in assist in program administration. A cost benefit analysis was completed with the additional the 3 FTE positions (see below) and the result indicated a decrease of 10% to \$2.24 million from \$2.49 million in staffing costs, which is a \$243,000 savings for the agency (See Attachment E).

Recommended Staffing	Total Annualized Cost	Staff Count
Metro FTE (Fully Burdened- Non Contract)	\$ 1,621,841.00	10
Metro TCU (Fully Burdened)	\$ 522,750.00	5
As Needed/ELTP	\$ 105,040.00	2
Total Annual Cost	\$ 2,249,631.00	17

ATTACHMENTS

Attachment A - File #:2016-0333, Board Report on Approve Adoption of Universal College Student Transit Pass (U-Pass) Pilot in response to Motion 49.1

Attachment B - Title VI Data for U-Pass Pilot Program


Attachment C - U-Pass Participant Survey Analysis

Attachment D - Board Box on Promotional Employer Program (PEP)

Attachment E - Staffing Cost Analysis

Prepared by: Devon Deming, Dir. of Metro Commute Services, (213) 922-7957
Jocelyn Feliciano, Communications Manager, (213) 922-3895
Glen Becerra, DEO Communications, (213) 922-5661

Reviewed by: Pauletta Tonilas, Chief Communications Officer, (213) 922-3777



Phillip A. Washington
Chief Executive Officer