



Board Report

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EXECUTIVE MANAGEMENT COMMITTEE MAY 17, 2018

**SUBJECT: UNIVERSAL COLLEGE STUDENT TRANSIT PASS
PILOT PROGRAM**

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING the results of the Universal College Student Transit Pass (U-Pass) Pilot and GradPass Programs;
- B. APPROVING the transition of the U-Pass and GradPass Programs to become permanent programs and discontinue the I-TAP Program effective Fall 2018;
- C. APPROVING the unit reduction for undergraduate students from 6 units to 0 units and only require current enrollment in credit or non-credit courses effective Summer 2018 term for the U-Pass Program; and
- D. EXTENDING work on the Regional U-Pass Program to report back to Board within 12 months.

ISSUE

As part of an ongoing effort to pursue strategies to increase college student transit ridership, the Metro Board approved the Universal College Student Transit Pass (U-PASS) Pilot Program in May 2016 in response to Motion 49.1 by Director Ridley-Thomas. The two-year pilot program concludes in August 2018 and has increased college student ridership by 49%.

A lesson learned from the Pilot Program is that colleges interested in a fee-based administration system where all registered students pay a transportation fee and all registered students receive a TAP-enabled college ID card, for use on Metro and partner agencies, requires all students who pay the fee to be eligible to participate in the U-Pass program. As a result, staff recommends removing the unit requirement from the U-Pass program and allow all students who are enrolled in credit or non-credit courses to be eligible to participate.

BACKGROUND

In 2003, the Board adopted the I-TAP program. This program was designed to increase college student ridership, while keeping the program revenue neutral for Metro. The I-TAP program allowed 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).

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.

As of August 2016, there were more than 1.4 million public college students in Los Angeles County, and only 14,000 (1%) were 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 were only offered to full-time students who represented only 30% of public school students in Los Angeles County, while the remaining 70% of students were considered part-time and were not eligible for these programs. Lastly, Metro's systemwide average fare per boarding (FPB) was \$0.75 while the I-TAP group rate pricing was only generating \$.29 per boarding. The I-TAP group rate pricing model was no longer revenue neutral to Metro, and the existing college pass programs were not reaching a large enough percentage of the student population to encourage ridership growth.

Motion 49.1

In May 2016, the Board adopted the Universal College Student Transit Pass (U-Pass) Pilot Program in response to Motion 49.1 by Director Ridley-Thomas. While the motion highlighted community college students, the recommended and subsequently adopted pilot program addresses all college students. This program is designed to partner with schools to utilize technology and improve accessibility to reduced fares by streamlining the Pass enrollment process 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.

Staff created boilerplate Memoranda of Understanding (MOUs) approved by County Counsel and standard administrative procedures to make the U-Pass Program easy to implement, while also

placing a high value on allowing schools to administer the program in the way that works best on their individual campuses.

DISCUSSION

U-Pass Participation

As of May 2018, there are thirteen (13) schools participating in the U-Pass Program:

1. California Institute of Technology (CalTech) - Joined Fall 2016
2. California State University, Northridge (CSUN) - Joined Fall 2016
3. California State University, Los Angeles (CSULA) - Joined Spring 2017
4. Compton Community College District (CCCD) - Joined Fall 2017
5. El Camino College - Joined Fall 2017
6. Los Angeles City College - Joined Spring 2018
7. Los Angeles Mission College - Joined Spring 2018
8. Los Angeles Pierce College - Joined Spring 2017
9. Los Angeles Trade Technical College (LATTC) - Joined Fall 2016
10. Loyola Marymount University (LMU) - Joined Fall 2017
11. Pasadena City College (PCC) - Joined Fall 2016
12. Rio Hondo College - Joined Fall 2016
13. University of Southern California (USC) Graduate Students - Joined Spring 2016

University of California Los Angeles is the only remaining institution in the I-TAP Program and plans to transition to U-Pass on July 1, 2018.

Previously, there were 7,402 I-TAP participants. At the end of the Fall/Winter pass period on February 25, 2018, there were 11,051 participants in the U-Pass Program, which is an increase of 3,649 participants or 49% (see chart below).

I-TAP and U-Pass Participants:

School	ITAP Passes Fall 2015	U-Pass Fall '16 (Annual Increase)	U-Pass Fall '17
PCC	3,724	2,022 (-46%)	2,004 (-0.01%)
Rio Hondo (Rio)	1,198	1,874 (+56%)	1,206 (-36%)
UCLA (ITAP)	1,194	1,818 (+52%)	2,000 (+10%)
USC (Graduate Students)	1,286	1,414 (+10%)	1,295 (-8%)
CalTech	0	8	7 (-1%)
CSUN	0	1,663	1665 (+.001%)
LATTC	0	268	418 (+56%)
CSULA	0	0	2188
Compton College	0	0	58

El Camino College	0	0	110
LA Pierce	0	0	100
LMU	0	0	0
SMC (Test Group)	0	70	0
Annual Totals	7,402	9,137 (+23%)	11,051 (21%)
Total Increase			+49%

In the first 16 months of the program, there were 3.9 million boardings in the U-Pass Program. The success of the program has been largely due to schools subsidizing passes, Metro's presence on participating campuses, co-branded marketing, and the ease of purchasing passes.

The success of this program resulted in Metro's U-Pass Program being chosen by the Transportation Research Board (TRB) as a case study in the Transit Cooperative Research Program (TCRP) report Synthesis 131 on Best Practices in College Student Transit Pass programs (<http://www.trb.org/Main/Blurbs/177362.aspx>). In addition, U-Pass has been one of the key focuses of the South Los Angeles Transit Empowerment Zone (SLATE-Z), a designated Promise Zone for Federal grant funding, and was included as part of The Kresge Foundation's 2017 National Summit on Higher Education and Transportation.

Spring Semester Participation

Staff is in discussions with the following schools for Summer or Fall 2018 implementation:

- ArtCenter
- Azusa Pacific University (APU)
- CSUDH
- Glendale Community College
- West L.A. College (WLAC)
- Whittier College
- University of Southern California (USC - Undergraduate Students)
- UCLA - Transition from ITAP on July 1, 2018

If all of the above schools join the U-Pass Program in Fall, 28.5% of colleges in Los Angeles County will be participating in the program. Staff has set an aggressive goal of enrolling the remaining 55 schools in the county within the next two years of the program.

Reducing the Minimum Unit Requirement

In the initial External Task Force meetings to establish the U-Pass Pilot Program, many of the schools requested that the minimum units required to obtain a reduced fare pass be significantly reduced or eliminated.

Several municipal partners who offer U-Pass-type programs have a zero-unit or one-unit requirement:

- Big Blue Bus - Santa Monica College (SMC) students and staff may ride any Big Blue Bus line at any time using a valid, activated SMC ID card with current semester sticker
- Foothill Transit Class Pass - 1 Unit Required
- Long Beach Transit - CSULB U-Pass covers all students, faculty, staff, and auxiliary, with no unit requirement

One of the primary goals of the Metro U-Pass Program is to help transition participating schools to a fee-based administration system where all registered students pay a transportation fee and all registered students receive a dual-technology ID card with an embedded TAP chip or a TAP sticker on their regular ID Card to use on Metro and partner agencies' services throughout the semester. In order to utilize that type of program administration, all students who pay the fee would need to be eligible to participate in the U-Pass Program.

During the pilot period, 22,833 individuals purchased U-Passes (See Attachment B). Of these, 15,312 (67%) were full-time students and 7521 (33%) were part-time students. Of the part time students, 271 (4%) previously purchased Metro Monthly or EZ Regional passes, and 1,562 (21%) were new Metro riders.

Based on the information above, staff recommends removing the unit requirement from the U-Pass program and allowing all students who are enrolled in credit or non-credit courses to be eligible to participate. Staff also recommends allowing schools who subsidize the program to set specific eligibility requirements for receiving the subsidy as long as any enrolled student is able to purchase the pass at the full U-Pass price.

Transitional Pass Program

Staff recommends continuing and expanding the GradPass Program, a reduced fare Transitional Pass available at \$43 per month to U-Pass participants for 12-months after graduation, as a permanent program. For Spring Semester 2017, only two schools participated in the program, CSUN and CSULA. Approximately 15% of qualifying U-Pass graduates at those schools participated in the U-Pass Program. Staff believes this program has much greater potential and will continue to work to expand the program.

Staff and Faculty Employer Pass Pilot Program (E-Pass)

Since the beginning of the U-Pass Pilot Program in 2016, schools have been asking for a similar program to cover their staff and faculty boardings. Commute Services is currently working with the Office of Management and Budget (OMB) on a Pilot Program, which will be based on a per-boarding cost and administered through partnership agreements, similar to the U-Pass Program. The per-boarding charge of \$1.40 is equivalent to the current average fare per boarding that Metro is collecting under the ATAP Program. As a marketing incentive, the maximum cost per participant will be capped at \$80 per month. This program will run for up to two years, based on the timeline of OMB's current fare analysis project and all current and future U-Pass schools will have the opportunity to participate in the E-Pass Pilot Program.

Regional U-Pass

Several of the current and future U-Pass schools have agreements with multiple transit agencies to provide service, which is accessed on a single fare instrument. Previously, the schools paid each transit provider separately, and all passes were loaded onto a single TAP sticker or card. Under that system, there were more than 10 different fare types in the TAP system.

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

As a first step, staff has created reimbursement agreements with several of the transit agencies listed above, where the agency adds U-Pass to their farebox and Metro reimburses them for all U-Pass boardings at the end of the semester at the U-Pass rate or their current college rate, whichever is lower. During the Fall 2017 semester, El Camino and Compton College students had access to Torrance Transit, GTrans, and Long Beach Transit through their U-Passes. Staff is currently in discussions to add reimbursement agreements with the following agencies for Fall 2018: Big Blue Bus, County of Los Angeles, Culver CityBus, El Monte Transit, Foothill Transit, LADOT, Norwalk Transit, Montebello Bus, and Santa Clarita Transit. This change would reduce the total college fare types in the TAP fare system to only 3 (See Attachment C). Many other municipal providers have also expressed interest in joining the U-Pass Program.

Staff will continue to work with OMB and municipal agencies to establish a Regional U-Pass and will report back to the Board in 12 months regarding the progress of this program.

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

Since the beginning of the pilot program in August 2016, the U-Pass Program has generated \$4.1 million in revenue. Of the part time students who participated in the pilot period, 271 (4%) previously purchased Metro Monthly or EZ Regional Passes, representing a potential revenue loss of \$30,000 per month. However, 1,562 did not previously ride Metro, representing potential new revenue of approximately \$50,000 per month (based on the average weekly ridership of 10 boardings per week at \$.75 per boarding) for a net monthly revenue increase of \$20,000 (67% increase).

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 continued expansion and support of the U-Pass program may warrant an evaluation of the

staffing for future years as part of the budget process.

ALTERNATIVES CONSIDERED

1. Continue the I-TAP Program. However, due to the lack of widespread usage, difficulty of administration, and the loss of revenue, staff does not recommend continuing the I-TAP beyond the U-Pass Pilot Program. As of July 1, 2018, UCLA will be converting to U-Pass and all current I-TAP schools have been converted to U-Pass.
2. Discontinue the regular monthly College/Vocational Pass discount for students. However, staff does not recommend this because not all colleges are enrolled in U-Pass. As a result, Metro will continue to offer the regular monthly College/Vocational Pass for students at schools not participating in the U-Pass program.

NEXT STEPS

1. Establish long-term contracts with each of the existing U-Pass schools.
2. Enroll the all colleges in L.A. County during the next two years of the program and continue to grow ridership at all partner schools by 10% each year.
3. Expand the GradPass Program to all participating colleges.
4. Continue discussions with Municipal agencies to create countywide Regional U-Pass and report back to board in 12 months.
5. 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.
6. Continue to partner with schools to address transit service and service alignment issues.

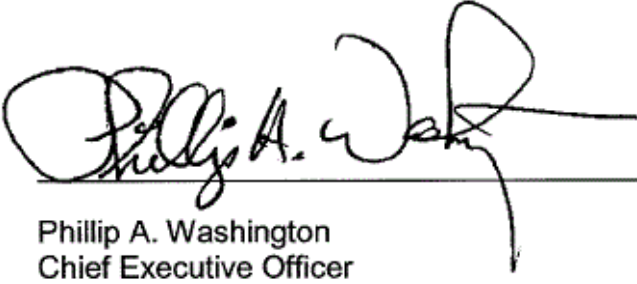
ATTACHMENTS

Attachment A - U-Pass Survey Analysis

Attachment B - U-Pass Fare Consolidation Table

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