



Board Report

File #: 2020-0353, **File Type:** Informational Report

Agenda Number: 24.

**EXECUTIVE MANAGEMENT COMMITTEE
JUNE 18, 2020**

SUBJECT: REPORT ON FREE STUDENT FARES FEASIBILITY STUDY

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

1. APPROVE working with Los Angeles Unified School District (LAUSD), Pasadena Unified School District (PUSD) and other districts to implement the K-12 U-Pass Program for Homeless Student Support Services
2. APPROVE working with Los Angeles Community College District (LACCD), University of California Los Angeles (UCLA) Graduate Student Association (GSA) and other schools and districts to implement the transportation fees approved through the student referendums under the existing U-Pass program
3. APPROVE working with LA County schools and districts to conduct student surveys and other collect other data needed to implement additional student pass programs

ISSUE

In January 2020, the Metro Board approved a motion directing the CEO to return to the Board in June 2020 with a report detailing various aspects of existing state and regional K-12 and college fare programs to help assess the feasibility of providing free transit passes to students in Los Angeles County. The motion stated that Metro's "existing student pass program has multiple barriers to entry and a high administrative burden that could be avoided through a universal program" and that "access to transportation is the single greatest factor in the odds of escaping poverty and avoiding homelessness." The Board requested a variety of information in the report, including performance reviews of similar existing programs, cost estimates for administration and operations, farebox impacts, needs assessment of schools and communities in the county, analysis of effects on ridership and operations, outreach to other transit agencies in the county, and recommended actions to reduce barriers to ridership.

DISCUSSION

Although the COVID-19 pandemic has closed schools and greatly reduced transit ridership, a 14-page Board Box (Attachment A) was published that contained the information that was available prior to the closures and proposed next steps in the process of moving toward more affordable transit passes for students in Los Angeles County.

The recommendations included:

1. Moving forward with implementing K-12 U-Pass Programs for Homeless Student Services with LAUSD, PUSD, or any other school district that expresses interest as approved by the Metro Board in January 2020 as Item #43, File #[2019-0879](#). Launching this program for this group first will give us data to determine how much funding will be needed to cover the cost of providing free transit passes in the future. It will also help us determine the best way to administratively implement the program, since we will need assistance from the school districts with the application and pass distribution process. While this would likely result in a revenue loss for Metro, it would also establish a cost sharing model for these programs and provide a mechanism for testing administrative processes that can be scaled up to include more schools and districts in the future, while fulfilling the Board directive of focusing on equity by helping the students with the greatest need first.
2. Working with LAUSD and other districts to survey students while they are “Safer at Home” to gather additional details about future transportation needs
3. Working with Move LA, LA Promise Fund and LAUSD to survey students at Manual Arts High School to gather information on barriers to utilizing free transit passes under the “Just Transit” Pilot Program

Additionally, the UCLA Graduate Student Association (GSA) recently voted to increase the GSA student fee by \$25.04 per quarter or \$37.56 per semester (depending on program of study), for a duration of three years, from Fall 2020 through Spring 2023 in order to provide unlimited free access for graduate students on all public transportation providers in Los Angeles County who are participating in Metro’s U-Pass Program.

Similarly, students at eight of the nine Los Angeles Community College District (LACCD) campuses recently approved a \$13 per semester fee to offset U-Pass costs. U-Pass Programs exists at 4 of the 9 LACCD schools, plus College Promise Program participants at all 9 schools. Metro staff estimates that \$13 fee will cover the cost of participation for up to 8% of LACCD students (Attachment B). However, there is a need to identify a funding source for a potential gap in funding of up to \$10 Million per year, based on LACCD estimates that up to 40% of students would participate. Therefore, staff also recommends working with LACCD, UCLA and other schools and districts to implement the Transportation Fees approved through these student referendums under the guidelines of the existing U-Pass 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

In FY '19, the U-Pass Program generated \$2.7 million in total revenue and paid \$112,595 in reimbursements to other agencies.

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. Metro will continue to offer the regular monthly College/Vocational and K-12 Reduced Fare Passes for students and schools not participating in the U-Pass pilot program.

NEXT STEPS

1. Establish U-Pass agreements with K-12 schools to support homeless student services programs.
2. Establish additional U-Pass agreements with colleges and universities to aid in the implementation of student referendums
3. Work with Move LA, Manual Arts High School, LAUSD and other districts to survey students
4. Establish External Working Group with school districts, regional transit agencies, and other stakeholders to make sure we are moving forward together
5. Continue to grow ridership at all partner schools by 10% each year.
6. 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 grants, parking fees and/or fines, student association fees, and/or activity fees and/or referendums and as a means of subsidizing the program.
7. Continue to partner with schools to address transit service and service alignment issues.

ATTACHMENTS

Attachment A - Report on Free Student Fares Feasibility Study

Attachment B - LACCD Pilot Program Metro CEO Response Letter 05-28-19

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