



## Board Report

File #: 2015-1639, File Type: Informational Report

Agenda Number: 49.

### EXECUTIVE MANAGEMENT COMMITTEE NOVEMBER 19, 2015

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

**ACTION: RECEIVE AND FILE**

#### **RECOMMENDATION**

RECEIVE AND FILE report on **Community College Student Transit Pass Pilot Program in response to Motion 49.1.**

#### **ISSUE**

As part of an ongoing effort to pursue strategies to increase student transit ridership, motion 49.1 requests a report as well as an assessment of the feasibility of piloting a Universal Community College Student Transit Pass Program.

#### **DISCUSSION**

##### **Background**

As part of Metro's fare policy, all full-time undergraduate and graduate students in Los Angeles County are eligible for a reduced fare whether or not their school participates in the Institutional Transit Access Pass Program (ITAP) which was approved by the Metro Board in 2003. The current fare structure includes a College/Vocational 30-day pass that is offered at a 57% discount from the regular 30-day pass.

In order to be eligible for the College/Vocational 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 customer centers, vendor outlets, or online.

An additional reduced fare program offered by Metro to students is ITAP. Many colleges have participated, including the Los Angeles Community College District (LACCD). Initially, nine community college campuses used construction mitigation funds to provide free passes to students. However, once the construction mitigation funding ran out, these colleges terminated the program as they had no other funding available.

Currently USC, UCLA, Pasadena City Community College (PCC) and Rio Hondo Community College participate in the ITAP Program. In 2015, Metro conducted boarding analyses on the four participating schools. The primary objectives for the ITAP Program were to increase transit ridership and to be revenue neutral for Metro. PCC and Rio Hondo's findings indicate that the ITAP Program resulted in a substantial increase in transit ridership. PCC surveyed full-time students in 2009, and indicated that 11.1% rode Metro. In fall 2014, out of 7,638 students, 47% rode Metro. In spring 2015, out of 8,725 students 39% rode Metro. Rio Hondo surveyed their full-time students in 2009, and indicated that 7.1% of their students rode Metro. In fall 2014, out of 2,818 students, 46% rode Metro. In spring 2015, out of 2,233 students, 46.8% rode Metro. In 2012, additional Metro bus service lines were added to help support some of Rio's growth in ridership. However, the current ITAP Program at PCC and Rio Hondo is no longer revenue neutral for Metro. In fact, PCC paid \$0.28 per boarding in FY'14, and \$0.27 in FY'15. Rio Hondo paid \$0.34 in FY'14, and \$0.43 in FY'15.

In FY15, the effective subsidy provided for College/Vocational 30-day passes was \$6 million. In addition, a \$2 million subsidy was provided for the ITAP program, for a total of \$8 million in total fare subsidies for all transit passes provided to college students in FY15.

### **Findings**

Going forward, Metro must ensure consistency with universal pass programs, and also ensure revenue neutrality for Metro. Because of TAP technology, and the ability to calculate total boarding's per campus, Metro has provided community colleges (that are participating in the ITAP program) with boarding data results. The boarding results can be used to help the participating colleges estimate the budget needed for the cost of their transit pass programs. Coordination with TAP operations will be an important part of this process and will require technical programming, support and coordination with other municipalities. Service alignment issues must also be addressed for any and all campuses that are interested in partnering with Metro.

Funding for a pilot program, and/or an on-going program may be available through Greenhouse Gas Reduction Fund/Low Carbon Transit Operations Program (LCTOP) revenue Cap and Trade and/or through the South Coast Air Quality Management District's Mobile Source Air Pollution Reduction Review Committee (MSRC) funding, as "seed" money to help subsidize costs. However, colleges and universities must be willing and able to secure sustainable funding sources of their own in order to ensure that the program continues. If a pilot program is designed it should be implemented for a period of time which is long enough for colleges to find a sustainable source of funding prior to the end of the pilot program. Colleges may be able to subsidize the cost of the Universal Pass Program by using revenue generated by parking fees and/or fines, registration fees through a student referendum, point of sale fee, student activity fees, or a combination of these sources.

USC, UCLA, PCC and Rio Hondo all participate in ITAP, but have varying programs. Students at USC and Rio Hondo passed student referendums approving fees to be used for transit. At Rio Hondo, every student is assessed a transit fee of \$9.00 per semester whether or not they use transit. USC students order the TAP cards through the university, and USC subsidizes about 1/3 of the cost. All students at PCC who are registered as "credit students" (classes with a focus toward a degree) pay a \$10.00 per semester student activity fee that goes toward transit and other support services.

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PCC also charges an associated fee of \$30.00 per student per semester in order to receive a Metro ITAP Pass. UCLA subsidizes half the cost of their students' passes.

After the original nine LACCD campuses terminated their participation in the ITAP program (due to funding issues), and with limited Metro staff available to work on the program, Metro ceased to provide outreach to encourage additional college enrollment. The four universities/colleges that are participating in the ITAP program are maintained by Metro Commute Services, with coordination from TAP operations for Customer Point of Sale device (CPOS), and fare coordination with other agencies, and the accounting department for invoicing purposes.

Marketing materials designed and produced by Metro for ITAP were limited. No new marketing materials have been designed within the last six years. Each campus has designed their own marketing materials in order to promote their programs.

Metro is interested in and has a responsibility to move forward with programs that are sustainable. Commitments from colleges must be secured in order to promote and market successful sustainable student pass programs. The current monthly reduced fare program of \$43.00 offers all full time college students an opportunity to participate. However, if a college is not promoting the pass, students may not be aware or inclined to apply on their own. When a college or university, such as UCLA and USC takes on the ownership of the program and partners with Metro to offer the current reduced fare of \$43.00, along with subsidies from the campus, a CPOS on site from Metro, and the college is actively marketing and promoting the program, student pass registration, and on-going commitments from students, is much greater.

### **ALTERNATIVES CONSIDERED**

Metro has offered ITAP pass programs to colleges and universities in the past. While UCLA and USC have successful programs, other colleges were unable to continue their participation. Metro does not recommend continuing with the current ITAP program, due to the lack of sustainable on-going funding sources, lack of "opt-in" student referendums, limited funding and the fact that the current ITAP program is no longer revenue neutral for Metro. Metro will continue to offer the regular monthly college/vocational program (such as the one UCLA and USC have). Metro staff is recommending reviewing the currently reduced college/vocational price as a viable means for going forward with a universal pass program. Some restructuring may be needed, but the current college/vocational pass is already a reduced rate; therefore, with increasing marketing efforts/outreach and campaigns, partnering with colleges/universities and campus commitments for sustainable funding sources, an increase in ridership and college participation can be expected to grow substantially over the next few years and beyond. It is estimated that with some restructuring of the current reduced college/vocational program we will be able to provide the colleges with the ability to maintain a successful, sustainable and affordable universal transit pass program.

Metro and the Board of Directors have considered the development and implementation of a universal pass program for many years. With the extension of Metro's infrastructures, and the recent decline in transit ridership, the design and implementation of a universal transit pass program will set

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the pace for on-going future ridership commitments from our youth. However, before moving forward many steps must be taken first.

### **NEXT STEPS**

To ensure that the Universal Student Transit Pass Program is designed well, meets the needs of the agency and the colleges, and is marketable and sustainable, Metro staff should:

- Convene a comprehensive working group to discuss, plan and coordinate next steps. The working group should have representation from not only community colleges, but 4 year universities and vocational schools. Sustainable funding plans should be a primary objective and lessons learned from previous programs (LAUSD/PCC/Rio Hondo) should be evaluated and reviewed in detail before going forward. The working group will require participation from OMB, TAP office, Operations, other municipalities, various colleges and university representatives and staff from Communication-Marketing.
- Evaluate if funding sources for the Universal Student Transit Pass Pilot Program and thereafter need to be secured through LCTOP/MSRC funding sources, or if colleges can sustain funding through student fees, parking fees, referendums etc.
- Determine if the currently reduced college/vocational program is the best fit for a pilot and/or on-going program.
- If a pilot program is desired, work with Metro CEO and Board to identify pilot campuses to determine how many and which colleges may participate in the pilot program. An option may be to select one campus in each supervisorial district, or perhaps working with the LACCD, at the District level would help insure efficiencies. If some of the pilots were with colleges that are currently working in partnership with one or more municipal bus operators this would allow for a study of best practices when more than one operator is involved
- Work with stakeholders to determine the appropriate share of funding that should come from student registration fees, LCTOP and/or MSRC. Determine if the pilot will include only the full-time students or also part-time students
- Metro should evaluate the student minimum requirements (Undergraduate 12 units), and consider reducing the full time minimum unit requirements in order to expand the opportunity for more students to be able to participate. An extensive evaluation on impact of resources and costs would need to be analyzed.
- Service alignment issues will need to be reviewed. Decisions for realignment and/or additional service may be required to accommodate a campus. In some cases this may not be feasible.
- Determine the length of time needed to pilot the program (one year, two semesters)

- Work to secure on-going funding sources. This may include subsidies from the colleges such as student association fees, and/or activity fees and/or referendums and should be considered as a means of subsidizing the program after the pilot period ends
- Work with working group members to coordinate all efforts to ensure consistencies. Work with TAP operations to ensure universal fare coordination between other agencies

**ATTACHMENTS**

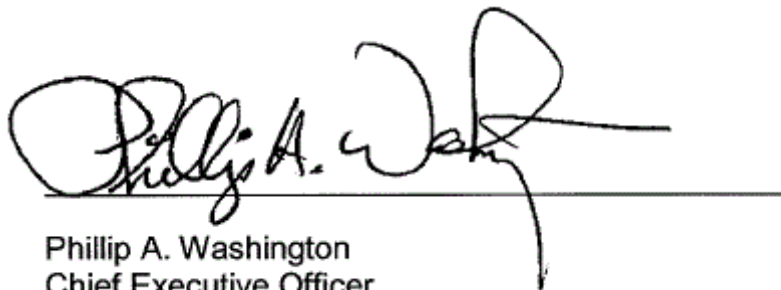
Attachment A - Motion Community College Pilot file 2015-1639

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Phillip A. Washington  
Chief Executive Officer

**Board Report**

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**File #:**2015-1497, **File Type:**Motion / Motion  
Response

Agenda Number:49.1

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**REGULAR BOARD MEETING  
SEPTEMBER 24, 2015**

**Motion by:**

**Mark Ridley-Thomas**

September 24, 2015

**Relating to Item 49, File ID 2015-1290  
Community College Student Transit Pass Pilot Program**

Los Angeles County Metropolitan Transportation Authority (Metro) staff is pursuing a number of strategies to increase ridership. While the agency currently offers subsidized monthly transit passes to students, it has not partnered with community colleges to offer a deep subsidy consistent with “Universal Pass” programs, which allow students significantly subsidized transit passes through their academic registration process. This model has been implemented at both public and private institutions locally and across the nation, and has demonstrated an ability to increase transit ridership and reduce student driving, thereby reducing traffic congestion. Research that dates back over two decades suggests that these programs are also worthwhile for the transit operator, as the programs have led to increases in total transit ridership, filled empty seats, and reduced the operating cost per ride.

As the agency pursues strategies to attract a new, diverse and sustained group of riders, the community college base may be one key sector to focus our efforts; the population tends to remain local over the long-term, and the subsidized pass can provide an impetus to become acquainted with our system. The recent expansion of the TAP card to all municipal operators throughout the County’s system would likely also increase the utilization and futility of a Universal Community College Student Transit Pass Program.

In addition to the “opt-in” increase in student registration fees, the costs of such a program could be subsidized by the college, as it will reduce parking demands. In addition, Metro could solicit additional resources through the South Coast Air Quality Management District’s Mobile Source Air Pollution Reduction Review Committee. Later this Fall, the Metro must also provide a proposal to the State of California on how we propose to spend approximately \$30 million of Greenhouse Gas Reduction Fund/Low Carbon Transit Operations Program revenue that is expected to be allocated to the agency through the State’s Cap and Trade Program; a revenue source that is anticipated to grow in the coming years. Given the focus on increasing ridership, this may also be a viable funding source for a Universal Pass program.

**MOTION by Ridley-Thomas** that the Board of Directors direct the Chief Executive Officer to provide a report in 60 days on the current College TAP Program, including the usage, marketing and outreach efforts to community colleges, as well as an assessment of the feasibility of piloting a Universal Community College Student Transit Pass Program.