

Consent Item (D) 06-27-2019

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
202089

Resolution:
☒ Yes ☐ No

TITLE:

Montgomery County Kids Ride Free Expansion

PRESENTATION SUMMARY:

No presentation required, consent agenda item

PURPOSE:

Staff seeks Board authorization and General Manager/Chief Executive Officer (GM/CEO) delegation to enter into a fare buydown agreement for expansion of the Montgomery County Kids Ride Free Program. Request Board approval to enter into a fare buydown agreement for expansion of the Montgomery County Kids Ride Free Program.

DESCRIPTION:

Key Highlights:

In 2007, Montgomery County (Ride On) established a Kids Ride Free Program to allow free rides for students under the following conditions:

- The Kids Ride Free Program is open to eligible elementary and secondary school students under the age of 18 who are Montgomery County residents.
- Eligible students ride on local buses and most Metrobus routes within the County without paying a fare between 2:00 pm and 8:00 pm weekdays.
- A valid youth Cruiser SmarTrip card or school ID must be presented to bus operators.
- The Kids Ride Free hours were extended from 2:00 pm and 7:00 pm on weekdays to 8:00 pm.

Background and History:

Fixed route bus service is provided by the Ride On system throughout Montgomery County. Ride On operates primarily in neighborhoods and provides a collector and distributor service to the major transfer points and transit centers. Ride On supplements and coordinates the County's mass transit services with Metrobus and Metrorail service provided by WMATA.

The Board of Directors has authorized the Montgomery County Kids Ride Free Program annually through WMATA budget resolutions with Montgomery County reimbursing WMATA for fares associated with Metrobus rides taken on select routes Monday through Friday from 2:00 pm until 8:00 pm. Recent legislation by the Montgomery County Council approved expansion of the Kids Ride Free Program effective July 1, 2019, to include all days and hours of bus operations and appropriated funding to reimburse WMATA at an average fare for rides associated with this program. The new legislation will also discontinue the sale of Youth Cruiser Monthly and Summer Passes.

Discussion:

The cost structure for the Kids Ride Free Program includes foregone revenue to Ride On due to students who are already utilizing the system but receive free rides under the program. The secondary cost is associated with the reimbursement to WMATA for its foregone revenue on Metrobuses. Based on the historical ridership levels, the projected revenue to WMATA for expanded bus service hours is approximately \$951,083, a 75 percent increase over prior year. Revenue estimate assumes an average fare per ride of \$1.21 reimbursable by Montgomery County.

FUNDING IMPACT:

The Montgomery County Kids Ride Free Program generates approximately \$540,000 annually. The expansion of the Kids Ride Free Program to include all days and hours of operation will increase Montgomery County's reimbursement of revenue on select Metrobus routes (based on ridership).

Project Manager:	Tracey Foster
Project Department/Office:	CFO/TRES

TIMELINE:

Previous Actions	Annual approval through the WMATA budget resolution.
Anticipated actions after presentation	July 1st implementation of expanded hours, stakeholder engagement (Ride On, AFC, BUS, GOVR, COUN, retail outlets). Develop fare buydown agreement to establish program terms, conditions, cost and joint signatures.

RECOMMENDATION:

Staff seek Board authorization and GM/CEO delegation to enter into a fare buydown agreement for expansion of the Montgomery County Kids Ride Free Program.

SUBJECT: AUTHORIZING FARE BUYDOWN AGREEMENT WITH MONTGOMERY COUNTY FOR THE EXPANSION OF THE MONTGOMERY COUNTY KIDS RIDE FREE PROGRAM

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

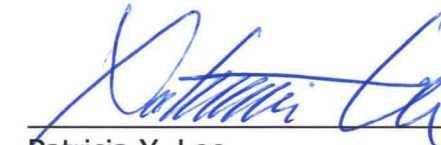
WHEREAS, The Board has authorized the Montgomery County Kids Ride Free Program annually through the WMATA budget resolution with Montgomery County reimbursing WMATA for fares associated with the Metrobus rides taken by its students on Mondays through Fridays from 2:00 pm until 8:00 pm; and

WHEREAS, The Montgomery County Council approved expansion of the Kids Ride Free Program, effective July 2019, to include all days and hours of bus operations and appropriated funding to reimburse WMATA the anticipated costs of the expanded Program; NOW, THEREFORE, be it

RESOLVED, That the Board of Directors authorizes the General Manager and Chief Executive Officer (GM/CEO) to enter into one or more fare buydown agreements with Montgomery County at a rate determined by the GM/CEO or his or her delegate to compensate WMATA for fares not collected from patrons and to set other terms and conditions as necessary for a successful Program; and be it finally

RESOLVED, That, in order to meet Montgomery County's July 2019 effective date and to coordinate expansion efforts for Metrobus with expanded Ride-On bus service under the Montgomery County Kids Ride Free Program, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee
General Counsel