



Finance & Budget Committee

Action Item III-B

April 12, 2018

**District of Columbia
Kids Ride Free Program**

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
201978

Resolution:
☒ Yes ☐ No

TITLE:

Kids Ride Free Program

PRESENTATION SUMMARY:

This presentation provides an overview of the District of Columbia's (District) Kids Ride Free Program for the past year along with program changes for the 2018-2019 school year.

PURPOSE:

Staff seeks Board authorization to modify Kids Ride Free Program structure to improve program management and utilization.

DESCRIPTION:

Key Highlights:

The District provides a subsidy for students to ride Metrobus and Metrorail, by making equitable payments to WMATA for the reduced fares. Major program successes in 2017-2018 school year include:

- Higher student participation, with 32,000 students using the Kids Ride Free transit benefit compared to 25,000 in the previous year; a 28 percent increase that resulted in weekday ridership growth on Metrorail.
- Student tap rate increased from 34% in 2016 to 60% in 2017, as a result of increased communication, student outreach and Fair Fare initiative.

Key program challenges include complex fulfillment process, low compliance with students "flashing" their cards or not using them at all, and geographic restrictions that result in negative balances. The lack of tapping also makes it difficult to determine actual student participation or ridership.

Background and History:

Since the late 1970s, WMATA has offered reduced Metrobus and Metrorail fares to students in the District under an agreements that provide equitable payments to WMATA for the reduced fares, consistent with Compact Section 79. These agreements have periodically been modified for changes in service, fare policy and fare payment technology.

In June 2013, the District approved the Free Transportation for Students Amendment Act (also known as “Kids Ride Free” program); providing all public, public charter, private and parochial students in the District with free access to Metrobus and DC Circulator. In June 2015, the District approved a “Kids Ride Free Metrorail Benefit,” allowing public and public charter students to ride Metrorail for free. This program was modeled on the existing student monthly pass and was successfully launched for the 2015-2016 school year.

WMATA and the District further modified the program for the 2016-2017 school year to simplify program reporting and invoicing; with all eligible public and public charter students receiving a Bus/Rail Combo pass that was loaded on their DC One Card - a District-issued multiple purposes student identification card that is used for library and recreational facility access among others.

Discussion:

Kids Ride Free has successfully expanded student mobility in the District. The key challenge with DC One Card, which is designed to give children, adults and seniors universal access to DC government facilities and programs is the requirement that students “double tap” the card between time intervals in order to activate the transit feature on the card. This “double tap” is required because of a software limitation that could not be changed. This has compounded the challenge of getting students to tap the cards to count ridership. Additionally, card distribution and activation were obstacles to the program being fully successful.

To better meet student travel needs and improve program administration, management and the District propose to replace DC One cards with pre-loaded SmarTrip cards valid for the academic school year for students participating in Kids Ride Free Program. Similar to the U-Pass, the use of SmarTrip cards that are activated for immediate use would eliminate "double tapping," eliminate the need to flash, and promote a uniform ridership culture on Metrobus and Metrorail. This change would also facilitate utilization tracking and more efficient card management and replacements. Under the new program structure, geographic restrictions would be eliminated to help eliminate fare disputes and evasion.

The new program retains the current \$1.00 a day pricing model based on the number of participating students. A \$2 replacement fee will be assessed for each replacement SmarTrip Card to deter fraud, in addition to the standard \$2 SmarTrip card fee. Under the new approach, the District’s reimbursement to WMATA would be calculated on a “per user” basis as opposed to broad card distribution based on student eligibility. WMATA would also be reimbursed for distribution/outreach efforts on behalf of the District.

FUNDING IMPACT:

Kids Ride Free generated \$19.2 million in 2017/2018 school year. The proposed change will utilize actual number of students who receive SmarTrip cards; resulting in an estimated minimum revenue of \$12.1 million for 2018-2019 school year.

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

Previous Actions	<p>August 2015 - WMATA Board approval of the Rail Student Subsidy Program.</p> <p>May 2016 - Program extension to cover 2016 summer school.</p> <p>July/August 2016 - Implementation of modified subsidy programs for the 2016-2017 school year.</p>
Anticipated actions after presentation	Implementation of new Kids Ride Free Program prior to the Fall 2018-2019 school year. Revenue projections included in future Budgets, without separate Board approval.

RECOMMENDATION:

Staff seeks Board authorization to modify the Kids Ride Free Program structure to improve program management and utilization.



Washington Metropolitan Area Transit Authority

Kids Ride Free Program

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Purpose

- Seek Board authorization to improve structure and utilization of Kids Ride Free Program





Background

- WMATA has operated a DC-subsidized student transit program since the 1970s; with periodic changes including:
- 2013-2014:
 - ✓ Kids Ride Free on Metrobus for all DC students
- 2015-2016:
 - ✓ Kids Ride Free on Metrorail for DC public school and public charter school students
- 2016-2017:
 - ✓ Program extended to cover summer school and pricing based on UPass model (combo Bus-Rail Pass)

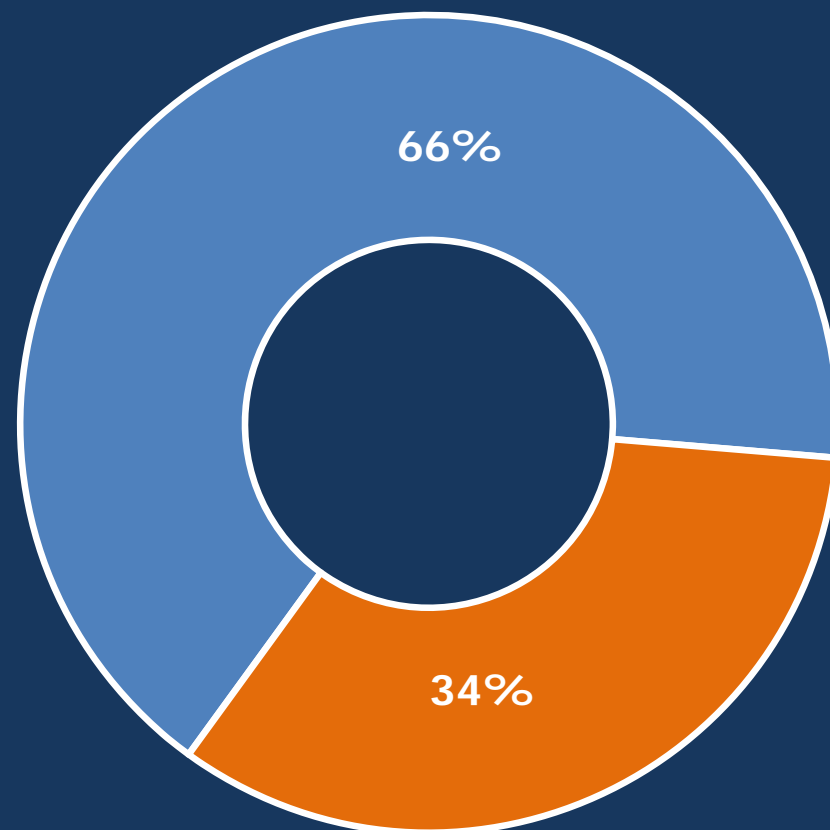


FY2018 Ridership and Revenue

Projected Revenue = \$19.2M*

□ Projected Bus Trips (6.7M)

■ Projected Rail Trips (3.0M)



* Negotiated amount includes direct Student payments for Token and Monthly Pass sales



Proposed Program Improvements

- Migrate DC students to registered SmarTrip Cards similar to U-Pass program to eliminate “double tapping”
- Eliminate geographic restrictions to promote seamless travel and reduce fare disputes
- Streamline program administration and enhance outreach and collaboration to improve utilization
- Monitor utilization; with actual ridership numbers determining DC student subsidy to WMATA



Supporting SmarTrip® Philosophy

- Aligns with U-Pass and MetroAccess; promotes Tap to Ride program
- Supports Fair Share initiative – prevents fare disputes, secure swing gates
- Improves data collection and fare payment modernization program





Recommendations

- Board authorization to improve Kids Ride Free Program structure and utilize active SmarTrip cards

SUBJECT: DELEGATION TO GENERAL MANAGER/CHIEF EXECUTIVE OFFICER TO
RENEGOTIATE AND EXECUTE THE DISTRICT OF COLUMBIA SCHOOL TRANSIT
SUBSIDY PROGRAM AGREEMENT

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

WHEREAS, Resolution 2011-30 requires approval from the Board of Directors for fare buy-down agreements; and

WHEREAS, Resolution 2017-19 authorized the General Manager/Chief Executive Officer (GM/CEO) to negotiate and set terms for the District of Columbia (DC) School Transit Subsidy Agreement (Agreement) so long as revenues to the Washington Metropolitan Area Transit Authority (WMATA) reasonably reflect the fare that would have been collected absent the subsidy, and to make modifications to the Agreement that do not materially change the DC School Transit Subsidy structure; and

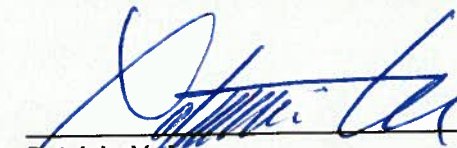
WHEREAS, DC and WMATA desire to make material changes to the structure of the DC School Transit Subsidy program; NOW, THEREFORE, be it

RESOLVED, That the GM/CEO is authorized to negotiate, execute, and renew Agreements or amendments regarding the following terms: WMATA undertaking the distribution of the fare media (if reimbursed by DC); changing the type of fare media to be used in the program and ceasing the use of the DC One Card; DC providing reimbursement on a per user rather than a per student basis; removing geographic and time restrictions from the program; and charging for card issuance, replacement cards, and fare evasion; and be it further

RESOLVED, That the GM/CEO will provide yearly updates to the Board of Directors regarding the status of the DC School Transit Subsidy program and particularly efforts to curb fare evasion, until otherwise directed by the Board; and be it finally

RESOLVED, That in order to ensure the continuity of the DC School Transit Subsidy program and expedite the changes to the program, this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Patricia Y. Lee
General Counsel

WMATA File Structure Nos.:
2.7 Delegation of Authority
4.3.1 Fare and Fee Agreements