

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
201856

Resolution:
☒ Yes ☐ No

TITLE:

DC School Transit Subsidy Program

PRESENTATION SUMMARY:

This presentation provides an overview of the Kids Ride Free Program for the past year and requests authorization for the General Manager/Chief Executive Officer (GM/CEO) to negotiate and execute an updated permanent agreement for the District of Columbia (DC) School Transit Subsidy Program.

PURPOSE:

Staff requests authorization for the GM/CEO to negotiate and execute an updated School Transit Subsidy Program agreement between Metro and DC that includes the two proposed items below:

- Establishment of a permanent program with annual renewal subject to bilateral agreement
- Extension of the Kids Ride Free program to 365 calendar days, eliminating the need for a separate summer school program

DESCRIPTION:

Key Highlights:

- The expanded DC School Transit Subsidy program, including Kids Ride Free on Metrobus and Metrorail, has successfully expanded student mobility. DC and Metro are working together to resolve some remaining challenges regarding system technical limitations, improving student behavior and ensuring proper use of fare media.
- Metro and DC have identified certain changes to improve the administration of the program for the 2017-2018 school year. These changes include moving to a 365 day program (eliminating the need for a separate summer school program) and establishing a permanent program with annual renewal subject to bilateral agreement.
- The expected revenue to Metro from the student subsidy program in the 2017-2018 school year under the new agreement is \$19.2 million, up from \$18.6 million in the current year.

Background and History:

Since the late 1970s, WMATA has offered reduced Metrobus and Metrorail fares to students in the District of Columbia under an agreement whereby DC makes equitable payments to WMATA for these reduced fares, consistent with Compact Section 79. WMATA has previously modified the student reduced fare agreement as needed for changes in service, fare policy, and fare payment technology.

In June 2013, the Council of the District of Columbia approved the Free Transportation for Students Amendment Act (also known as the "Kids Ride Free" program) which provided all DC students (including public, public charter, private, and parochial) with free access to Metrobus and DC Circulator. WMATA successfully implemented the Kids Ride Free on Bus program in time for the opening of the 2013-2014 school year as a "flash pass" and then transitioned to an all-electronic program the following year.

In June 2015, the DC Council also approved the "Kids Ride Free Metrorail Benefit," authorizing additional subsidies to allow public and public charter students to travel on Metrorail for free. This program was modeled on the existing student monthly pass and was successfully launched for the 2015-2016 school year.

For the 2016-2017 school year, Metro and DC jointly agreed to modify both the technological and financial parameters of the program in order to address program challenges and simplify program reporting and invoicing. Under this new approach, all eligible public and public charter students can receive a single Kids Ride Free bus/rail combo pass good for the entire regular school year. (Private and parochial students can still receive the Kids Ride Free on bus pass and can purchase discounted monthly student rail passes.) Metro now receives funding for the Kids Ride Free program based on the total number of enrolled students and on the number of days in the program.

Discussion:

Staff seeks authorization for the GM/CEO to negotiate an updated and permanent student transit subsidy program agreement. In particular, Metro and DC have reached preliminary agreement to modify the current pricing methodology, based on the number of enrolled students, the number of calendar days covered by the program, and a negotiated fare discount (30 percent of the minimum peak rail fare). This calculation reflects the estimated value of the full-fare rides taken by all bus and rail travel sponsored by DC through the student program. The key aspects of the preliminary agreement include:

- All eligible students with active DC One cards (currently approximately 77,000 students, not including pre-kindergarten students who may ride

bus and rail for free) will automatically receive the pass without having to re-register.

- The program length will also be extended to 365 days (a full calendar year) in order to avoid having to administer a separate summer school program.
- Metro will invoice DC a flat, fixed daily rate per student based on Office of the State Superintendent of Education (OSSE) annual enrollment figures. It is expected that the total revenue to Metro from DC for the Kids Ride Free program will be \$19.2 million for the 2017-2018 school year, an increase from the prior year total of \$18.6 million. This pricing structure can then be updated in future years as the student population grows or as fares increase.

The proposed program changes will benefit students, Metro, and DC. Eligible students will continue to be automatically registered for the pass products, and the rules governing the use of the rail pass will be simplified. The changes should reduce or eliminate problems with auto-loading the passes and uncertainty over invoicing. Finally, the proposed changes have the potential to reduce fare evasion.

Further modifications that do not materially change the structure of the program (e.g., updates to the number of enrolled students or updates to the daily rate based on Board-approved fare changes) will be executed by the General Manager/Chief Executive Officer. Any material changes to the structure of the program will still require Metro Board approval.

FUNDING IMPACT:

The continuation of the DC school transit subsidy program (Kids Ride Free on bus and rail) is assumed in the recently approved FY2018 budget. The expected revenue from the program in the 2017-2018 school year is \$19.2 million.	
Project Manager:	Tracey A. Foster
Project Department/Office:	CFO/TRES

TIMELINE:

Previous Actions	<p>August 2015 - WMATA Board approval of the student subsidy program</p> <p>May 2016 - Extension of program to cover summer school 2016</p> <p>July/August 2016 - Implementation of modified subsidy programs for the 2016-2017 school year</p>
Anticipated actions after presentation	<p>Spring 2017 - GM/CEO will negotiate and execute updated agreement</p>

RECOMMENDATION:

Recommend Board approval authorizing the GM/CEO to negotiate and execute a permanent school transit subsidy agreement between Metro and DC.

SUBJECT: DELEGATION TO GENERAL MANAGER/CHIEF EXECUTIVE OFFICER TO
NEGOTIATE 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, The Washington Metropolitan Area Transit Authority (WMATA) has provided support for the District of Columbia's (DC) School Transit Subsidy Program since the late-1970s; and

WHEREAS, In the past, WMATA and DC have modified the student reduced fare agreement as needed for changes in service, fare policy, and fare payment technology; and

WHEREAS, Resolution 2011-30 requires Board of Directors approval of revisions to the School Transit Subsidy Program Agreement (Agreement); and

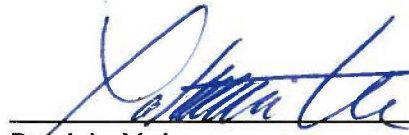
WHEREAS, The Board of Directors believes that this Agreement should be delegated to the General Manager/Chief Executive Officer (GM/CEO) in order to provide for more efficient operations of the Board; now, therefore be it

RESOLVED, That the Board of Directors delegates to the GM/CEO, the authority to negotiate and set terms for the Agreement, so long as revenues to the Authority reasonably reflect the fare that would have been collected absent the subsidy; and be it further

RESOLVED, That the GM/CEO shall have the authority to make modifications to the Agreement that do not materially change the DC School Transit Subsidy structure; and be it finally

RESOLVED, That this Resolution shall be effective immediately so that WMATA and DC can finalize and execute the Agreement, and can begin implementation and deployment activities in advance of the 2017 Summer School Session.

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

PROPOSED