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Committee Meeting Date: N/A
Board Meeting Date: August 30, 2007
ACTION DISCUSSION INFO X

BOARD MEMORANDUM

TO: Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: Jerry G. Mikolajczyk
Chief Financial Officer

SUBJECT: Request for Pilot of Reduced Monthly Pass Fare for Milpitas School Students

FOR INFORMATION ONLY

At the June 21, 2007, Board of Directors meeting, Allysson McDonald, resident of Milpitas and member of the ad-hoc Escuela Schools Traffic Reduction Committee, addressed the Board of Directors regarding traffic problems on Escuela Parkway. Ms. McDonald requested that VTA consider implementing a pilot program to increase Milpitas student ridership on VTA by reducing the cost of their monthly passes to \$25. The Board of Directors directed staff to prepare an analysis of the proposal from Ms. McDonald.

STAFF COMMENTS AND POSITION

To support students' use of VTA, other school districts have programs to purchase monthly passes or tokens from VTA and provide these free or at a discounted price to students. Staff believes that VTA should continue this existing practice, which provides full payment to VTA. VTA has recently reduced the price of Youth monthly passes by nearly 20%, from \$49 to \$40, effective September 1, 2007.

BACKGROUND

With total enrollment of about 4,400 students, Milpitas High School, Russell Middle School, and

Pomeroy Elementary are located within a one-quarter mile radius on Escuela Parkway in Milpitas. Traffic congestion is an on-going concern for parents/residents on Escuela, particularly during the peak periods just before and after school.

In 2005 the Santa Clara County Air Quality Resource Team performed a traffic evaluation at the three Escuela Parkway schools at the request of the city and developed recommendations on how these schools could reduce congestion using traffic demand management strategies. The report resulting from this work, "*Transportation Evaluation and Traffic Reduction Plan for Milpitas High School, Russell Middle School and Pomeroy Elementary*" was not reviewed or adopted by the Milpitas City Council. Upon completion of the study, an ad-hoc community team was formed comprised of representatives of the Parent-Teacher-Student Associations of the three schools called the Committee for Traffic Reduction along Escuela Parkway. Although the Committee is not an appointed City of Milpitas commission, city staff has worked with the Air Quality Resource Team and the Committee to implement some improvements.

From April through June 2006, consistent with a recommendation of the Air Quality Resource Team plan, Milpitas High School offered VTA monthly passes to students at a reduced price. This one-time promotion, which reduced the monthly pass price from \$49 to \$25, was funded by the City of Milpitas. The City's original intent was to use Transportation Fund for Clear Air grant funds for this purpose, but it was determined that pass subsidies would be ineligible for this funding. A total of 102 passes (an average of 34 per month) were subsidized during the three-month program (at a cost to the city of \$2,448).

The City of Milpitas staff performed its own traffic study on Escuela Parkway in 2006 focusing on operations improvements around the schools, and is in the process of implementing recommendations from this study. Improvements being pursued by the City include civil improvements to help better manage existing traffic patterns and the development of educational materials to promote and enhance pedestrian and bicycle use and safety.

According to City staff, the proposed improvements also include the implementation of new passenger loading zones to assist in the drop-off and pick-up of students, establishing high visibility bicycle roadway markings to better promote the sharing of the roadway between vehicles and bicycles, and the widening of sidewalks and implementation of streetscape elements to enhance the walking experience. These recommendations will go before the Milpitas City Council in early August for review and approval. These improvements should also facilitate the movement of VTA buses through this area during school arrivals and departures.

ANALYSIS

Milpitas is one of many communities and school districts encouraging students to take advantage of VTA services for travel to and from school. Particularly since most districts have eliminated school buses, in many areas VTA provides the only transit option available for students.

To support students' use of VTA, other school districts have programs to provide free or discounted VTA passes to students. Some schools subsidize VTA day pass tokens in addition to monthly passes. In a number of cases, passes are provided for free to low-income students (those

eligible for free or reduced-price school lunches). Similarly, several districts or schools provide free passes to special education students. For students not included in one of these categories, some districts provide passes at a partially subsidized price. Each school or district determines eligibility requirements for their students to receive discounted VTA passes. In all cases, VTA receives full price for passes and tokens, as shown in the VTA tariff, from the schools. VTA does not provide discounted fares for any of these programs. Specific examples of existing school subsidy programs for VTA passes and tokens are as follows:

- Fremont Union High School District provides free passes to low-income students (those eligible for free or reduced-price lunches) and to special education students. Passes are sold to other students at a subsidized price of \$15. In 2006, Fremont Union High School District purchased \$285,000 worth of VTA passes and tokens for subsidized distribution to students.
- Mountain View/Los Altos High School District provides free passes to low-income and special education students. The value of passes and tokens purchased by the district in 2006 was \$192,000.
- San Jose Unified School District provides free passes to low-income students and students in programs where it is mandated that they receive free transportation (including special education). Other students pay \$310 per school year (about \$34 per month) for transportation whether it be for a VTA monthly pass or for a school bus permit, where available. San Jose Unified purchased \$138,000 worth of VTA passes and tokens for these purposes in 2006.
- Palo Alto Unified School District provides free passes to any student who needs to ride VTA to school due to the unavailability of school bus service. Total 2006 purchases of VTA passes by Palo Alto Unified were \$13,000 (approximately 30 passes per month).

The case for pass subsidies for Milpitas students is presented in the 2005 Air Quality Resource Team plan as follows:

The current \$49 pass is priced at a level where parents don't consider it worth the expense and would rather drive their children to school. It is crucial to find sources of money to subsidize part of the expense of the youth monthly passes and bring down the cost to at least [most] \$30 per pass.

The 2005 report goes on to suggest a possible means for local funding of pass subsidies. Specifically, the plan suggests funding by raising student parking fees at the high school. While Milpitas High School charges \$25 per year for student parking permits, Gunn High School in Palo Alto charges \$100 for carpools and \$150 for solo drivers. Milpitas High School has approximately 250 parking spaces available to sell to students. However, according to City of Milpitas staff, the Milpitas School District has raised concerns about increasing the parking fee citing financial hardships for Milpitas families.

In June, the VTA Board of Directors approved a reduction in the price of the Youth monthly pass from \$49 to \$40 per month, effective September 2007. This cuts nearly in half the amount of

subsidy that would be needed to provide passes at the \$30 price point as suggested in the 2005 Air Quality Resource Team plan. If subsidy funds are limited, the 2005 plan suggests prioritizing eligibility for subsidies to students living the farthest away from the school.

The 2005 Air Quality Resource Team plan also recommends a number of other steps to promote greater use of public transportation by students. VTA is willing and interested in working with the school district, the City of Milpitas, the Air Quality Resource Team, and the Committee for Traffic Reduction along Escuela Parkway towards this goal. Specifically, the VTA Communications and Marketing Department could design and produce promotional materials, such as a flyer, to be distributed to families of the Escuela Parkway schools to inform them of the new lower VTA Youth pass fares, effective September 1, 2007. Also, VTA Service and Operations Planning is always monitoring and adjusting service in response to changing demand, and VTA staff is in regular contact with City of Milpitas staff working on the Escuela Parkway traffic circulation improvements, to ensure that any changes are supportive of the movement of VTA buses.

VTA staff analysis of the spring 2006 one-time pass price reduction program at Milpitas High School indicates that expectations for traffic reduction from such a program should be very modest. Specifically, a review of sales during those three months at VTA's commercial outlets in Milpitas (two Albertsons stores) suggests that students who bought the subsidized passes were not new pass buyers, rather, they were existing pass buyers who shifted their purchases from the stores to the city/school subsidized program. Also, the promotional pass pricing did not have any measurable impact on ridership.

SUMMARY

VTA has a long-standing policy of selling monthly passes (and tokens) at regular prices to school districts and some individual schools, which then provide them to students at no cost or a reduced price. VTA suggests that a similar program could be established with the Milpitas School District.

VTA has recently responded to community and rider concerns by reducing the price of the Youth monthly pass by nearly 20% (from \$49 to \$40). This adjustment significantly reduces the local costs for pass subsidy programs, especially if passes are only partially subsidized.

VTA is willing and eager to partner with Milpitas School District for promotion of transit use by Escuela Parkway school students through marketing campaigns, and will work with the City of Milpitas and other entities on an on-going basis, as needed to ensure efficient movement of VTA vehicles and appropriate scheduling of transit service to meet demand.

Prepared by David Sausjord, Revenue Services Manager