



OFFICE OF THE
SECRETARY-TREASURER

556 BOLESKINE ROAD, VICTORIA, BRITISH COLUMBIA V8Z 1E8
PHONE (250) 475-4108 FAX (250) 475-4112

TO: Board of Education
FROM: Mark Walsh, Secretary-Treasurer
DATE: Monday, December 12, 2016
RE: **BC Transit Fare Structure**

Last year, BC Transit changed their fare structures. One of the changes involved removing the Youth Pass. This change has two impacts on our students. First, it significantly raised the price by nearly 30% and impacted student ID. Essentially transportation for our students is now \$150 more than previous. The Board passed motions in support of the student concerns regarding the changes.

Subsequent to the concerns raised, BC Transit approached the District to discuss a possible solution. BC Transit indicated that the former youth pass had significant administrative concerns related to the issuance of the passes. BC Transit also proposed two alternatives.

First, a bulk purchase solution. This would require the District to pay for a minimum number of passes (final numbers not determined but likely approximately 2000), the District would then distribute the passes, collect the funds and would also be required to fund part of the discount of the bulk purchase. Transit would have provided a discount. The drawbacks were that education dollars would be reallocated to BC Transit, the District would take the entire financial risk and would also add a significant administrative task to our schools and centrally.

Second, a universal pass. This option would require all students to pay for a pass (similar to UVIC) and then the District would forward the payment to BC Transit. This option is unrealistic given our inability to charge fees. This option will likely be available to private institutions.

The District offered BC Transit our expertise in trying to solve the administrative problem in order to reinstitute the previous Youth Pass system.

On December 12, 2016 we received indication from BC Transit that they are not interested in the solution presented by the District at this time. They indicated that the first two options noted would be presented as recommendations to the Transit Commission on December 13, 2016. The solution presented by the District is not being presented as an option to the Commission.

The District continues to be open to assisting BC Transit with their administrative issue.

SUBJECT: SCHOOL YOUTH PASS PROGRAMS

PURPOSE

To provide the Victoria Regional Transit Commission (the "Commission") with program options targeted at school-aged youth. This report is provided for **APPROVAL**.

BACKGROUND

BC Transit, on behalf of the Commission, conducted a fare review in 2015. The primary goal was to simplify the fare structure in order to improve the customer experience, gain operational efficiencies and to reduce passenger/operator conflict. Through this process, the number of fare products available for purchase was reduced. The changes to the fare structure included the removal of discount tickets, elimination of transfers for customers who choose to pay with cash or tickets and the elimination of the Youth Pass Program.

At its June 21, 2016 Commission meeting, BC Transit was directed to explore program options targeted at school-aged youth in the region. Concurrently, on August 10, 2016 the Ministry of Education announced \$14.7 million in additional funding for school districts in B.C. with the goal of reducing transportation costs for parents and improving services for youth. The funding was not specific to either yellow bus or local transit and each school district was asked to submit an application for funding outlining their desired use of the grant funding.

BC Transit has been working with representatives from School District 61 and one independent school to develop two potential youth pass options. Both options were developed to ensure the original goals of the fare review were maintained, including the availability of provincial funding, administrative and operational impacts, expected student/parent acceptance, legislation constraints and revenue and ridership expectations. An overview of both programs is presented below.

DISCUSSION

Program #1: Universal Pass (U-Pass) Program

This program is modeled after the U-Pass programs in use at partnering Universities and Colleges throughout British Columbia. The U-Pass concept is attractive because it is based on an existing successful program that promotes cost-effective transit to the youth demographic.

Program Details:

- Mandatory participation is required for all students from each participating school similar to the current U-Pass program.
- The mandatory fee is based on the U-Pass pricing model (\$11.25 per month or \$135 per year).
- Each student would receive a photo identification student card that would serve as the transit pass.
- The production, encoding and distribution of the student card would be the responsibility of the school administration with specification support from BC Transit.
- Each student would be entitled to a full year of transit use.

The following table summarizes the potential size and scope of the program if all public and independent schools within the Victoria region (grades 8 through 12) were to participate.

Program	Annual Enrollment	Participation Rate*	Price	Duration (Months)	Annual Revenue	Annual Ridership	Average Fare
U-Pass	19,875	100%	\$11.25	12	\$2,683,125	2,432,700	\$1.10

*Participation Rate: Participation is mandatory with this program

The program presents some potential risks:

- Further review and approval of charging mandatory fees to each parent is required with the Ministry of Education and School Districts.
- Additional service hours may be expected from students and parents leading to new demands on service delivery.
- School administrators may find new tasks challenging and time consuming.

Program #2: Bulk Purchase Program

This concept is derived from the Large Employer Program BC Transit created in 2005 to support the University of Victoria's desire to offset their staff and faculty parking challenges. This approach has minimal administration costs for BC Transit as it uses established vendor processes and existing fare products.

Program Details:

- Schools or districts would sell students discounted BC Transit monthly passes.
- Student participation is voluntarily, similar to the previous Youth Pass program.
- Both BC Transit and the partnering school administration would be required to contribute a 10 per cent discount off the regular BC Transit student pass price.
- The purchase price for each student would be \$36 per month (\$45 less 20 per cent).
- School Districts would be required to register and adhere to BC Transit vendor guidelines.

The following table summarizes the potential size and scope of the program if all public and independent schools within the Victoria region (grades 8 through 12) were to participate.

Program	Annual Enrollment	Participation Rate*	Price	Duration (Months)	Annual Revenue	Annual Ridership*	Average Fare
Bulk Purchase	19,875	10%	\$40.50	12	\$965,925	810,900	\$1.19

*Participation Rate and Ridership Rate: Estimates based on previous Youth Pass program trends

The program presents some potential risks:

- Additional service hours may be expected from students and parents leading to new demands on service delivery.
- School administrators may find administrative responsibilities time consuming.
- The pass does not have photo identification.

Conclusion

The two programs presented above are both considered viable replacement options for the discontinued Youth Pass program. They were developed to consider the availability of provincial funding, administrative and operational impacts, expected student/parent acceptance, legislation constraints and revenue and ridership expectations. If approved, BC Transit staff will continue to work with willing school districts and independent schools to implement either of these proposed fare options for students.

RECOMMENDATION

It is recommended that the Commission **APPROVE** both programs as youth pass options for schools and school districts in the greater Victoria region.

Respectfully,



Manuel Achadinha
President and Chief Executive Officer