

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Considering possible options to change existing youth fares and approving one of the possible options. Staff recommends that the SFMTA Board approve the option to provide free transit service for low-income youth, ages 5-17, who use a Clipper[®] card, for a 22-month pilot program beginning August 1, 2012 through May 31, 2014 after which date youth fares will return to the regular indexed value on June 1, 2014 absent explicit future SFMTA Board action.

SUMMARY:

- On April 6, 2010, the San Francisco Board of Supervisors (BOS) approved Resolution Number 141-10, a resolution requesting that the SFMTA create a discounted Youth Lifeline Pass for qualified low-income youth.
- Subsequently, the SFMTA Board of Directors approved providing the San Francisco Unified School District (SFUSD) up to 12,000 discounted Youth Lifeline passes per month at a rate of \$10 per pass for distribution to low-income students as part of the FY 2011 and 2012 budget.
- On February 15, 2011, the Board of Supervisors approved Resolution Number 83-11 requesting that the SFMTA adopt changes to the discounted Youth Lifeline Pass for the low-income students program to provide for the distribution of free youth transit passes to qualified low-income SFUSD students for the last three months of the school year.
- On March 1, 2011, the SFMTA Board authorized providing up to 12,000 monthly youth transit passes for April through June, 2011, to the SFUSD for distribution to low-income students at no cost as SFUSD was unable to implement the program due to a variety of issues related to distribution and collection of cash.
- Since then there have been additional requests for the SFMTA to consider providing additional free transit passes to youth for a pilot period based on funds identified to replace the lost revenue to the SFMTA. The Youth Commission, the Board of Education and Board of Supervisors passed resolutions supporting providing free transit service for all youth, ages 5-17, who use a Clipper[®] card.
- The SFMTA Board has options to consider and approve including: 1) the status quo; 2) providing free transit service for all youth, ages 5-17, who use a Clipper[®] card; 3) providing free transit service for low-income youth, ages 5-17, who use a Clipper[®] card; and 4) reducing the youth fare for transit service for youth, ages 5-17, who use a Clipper[®] card.
- Based on various factors as outlined in this report, staff recommends that the SFMTA Board approve free transit service for low-income youth, ages 5-17, who use a Clipper[®] card, for a 22-month pilot program beginning August 1, 2012 through May 31, 2014, after which date youth fares will return to the regular indexed value on June 1, 2014 absent explicit future SFMTA Board action.

ENCLOSURES:

1. Resolution

APPROVALS:

DATE

DIRECTOR _____

3/29/12

SECRETARY _____

3/29/12

ASSIGNED SFMTAB CALENDAR DATE: April 3, 2012

PURPOSE

The purpose of this calendar item is to outline several possible options available to the SFMTA Board related to changes in existing youth fares, request that the Board consider these various options, and approve one of the options. Staff recommends that the SFMTA Board approve the option to provide free transit service for low-income youth, ages 5-17, who use a Clipper® card for a 22-month pilot program beginning August 1, 2012 through May 31, 2014 after which date youth fares will return to the regular indexed value on June 1, 2014 absent explicit future SFMTA Board action.

GOAL

The approval of this resolution will assist the SFMTA in meeting the following strategic goals:

- Goal 2: Make transit, walking, bicycling, taxi, ridesharing, and carsharing the preferred means of travel.
- Goal 3: Improve the environment and quality of life in San Francisco.

DESCRIPTION

On February 1, 2010, the Youth Commission passed Resolution No. 09-10-AL08 and the Board of Supervisors passed Resolution No. 141-10 on April 6, 2010 urging the SFMTA to create a Youth Lifeline pass, a discount Youth Pass for low-income youth in San Francisco's public school system.

In April 2010, the SFMTA Board adopted a two-year budget for FY 2011 and FY 2012 that approved the allocation of 12,000 discounted Youth Lifeline passes per month to low-income youth by fifty percent off the current monthly fee which equates to \$10 per month. The revenue loss was estimated at \$1.4 million and \$1.5 million per year respectively. These passes were to be distributed by the San Francisco Unified School District (SFUSD).

In September 2010, the SFMTA was prepared to provide the discounted Youth Lifeline monthly passes to SFUSD. In December 2010, the SFMTA and SFUSD finalized a Memorandum of Understanding (MOU) that described the terms for distribution and payment for the discounted Youth Lifeline monthly passes, and allowed the SFUSD to charge a nominal administrative fee for sale of the transit passes.

The SFUSD experienced difficulties developing and implementing an internal plan to distribute these transit passes directly to eligible students and collect the \$10 per pass fee. SFUSD has identified four challenges to implementation:

- Eligibility: identifying eligible low-income students while complying with federal privacy laws
- Personnel: identifying personnel who could distribute the passes without adding duties outside of employee job descriptions
- Payment: taking payments in a secure manner
- Sales and Distribution Location: finding student-accessible and earthquake-safe site(s) to sell and distribute the transit passes

On February 15, 2011, the Board of Supervisors approved Resolution Number 83-11 urging the SFMTA to adopt changes to the Youth Lifeline Program in order to facilitate implementation. Specifically, the resolution “urges the SFMTA Board of Directors to support the use of \$1.4 million in previously approved funds for Fiscal Year 2010-2011 to provide youth passes free-of-charge each month over the last three months of the school year to qualified low-income SFUSD students.”

On March 1, 2011, the SFMTA Board authorized providing up to 12,000 discounted Youth Lifeline monthly passes for April through June 2011 to the SFUSD for distribution to low-income students. Given the low-income youth discount pass would only be in effect for the remainder of the FY 2011, the revenue lost by providing 12,000 free transit passes per month was projected to be \$720,000, \$680,000 less than the \$1.4 million originally identified in the FY 2011 budget.

For FY 2012, there has not been any distribution of free Youth transit passes or discounted Youth Lifeline transit passes. The FY 2012 Budget includes a \$1.5 million revenue loss for the allocation of 12,000 discounted Youth Lifeline monthly passes for low-income students per month at \$10.50 per pass or fifty percent off the \$21 regular youth pass fare for FY 2012.

Since March 1, 2011, there have been additional requests for the SFMTA to consider providing additional free transit passes to youth for a pilot period if new funds could be identified to cover lost revenue and incremental Clipper® costs (there has not been any discussion regarding funding to cover any incremental service cost increases associated with providing free or reduced-fare transit passes to youth).

On August 18, 2011, the SFMTA Board received a presentation on Youth Fares which included the Budget Analyst’s Report findings. The San Francisco Youth Commission unanimously passed Resolution 1112-AL-01 on September 19, 2011 urging various City agencies to work together to create a plan to make MUNI free for young San Franciscans. On October 18, 2011, the Board of Supervisors approved Resolution Number 0445-11 urging “government agencies to work together to develop a free MUNI Fast Pass for San Francisco youth”.

On October 12, 2011, the SFUSD Board approved Resolution Number 1110-11A2 supporting the “idea of Free Muni” and urging SFUSD to work with others to implement a “three-year pilot program for free MUNI for all youth in San Francisco including the exploration of providing free MUNI for 18 year old full time students”.

On March 6, 2012, the SFMTA Board held a public hearing regarding the FY 2013 and FY 2014 Operating Budget that included testimony regarding youth fares.

ALTERNATIVES CONSIDERED

There are several possible options for the SFMTA Board’s consideration related to the 22- month pilot program for youth fares including: 1) the status quo; 2) providing free transit service for all youth, ages 5-17, who use a Clipper® card; 3) providing free transit service for low-income youth, ages 5-17, who use a Clipper® card; and 4) reducing the youth pass fare for transit service for youth, ages 5-17, who use a Clipper® card.

The table below includes the assumptions used for the analysis for each of the options.

	<i>Number</i>	<i>Source</i>
Population - All Youth (ages 5-17)	75,000	Census 2010
SFUSD Students	56,000	SFUSD
Other Youth	19,000	Calculation
Free/Reduced Lunch Youth (SFUSD) 61%	34,160	SFUSD
Estimated Population Free/Reduce Lunch Youth (Non SFUSD) 25%	4,750	25% x 19,000
Total Free/Reduced Youth	38,910	Calculation
Free/Reduced Lunch Youth as % of Total Youth	52%	Calculation
Average Number of Youth Passes Sold Per month	16,650 **	SFMTA
Annual Youth Pass Revenue	\$4.4 m **	SFMTA
Total Youth Cash Revenue (FY11 Budget)	\$3.5 m **	SFMTA

** Average number of monthly passes pre- Clipper[®] was 19,000 for FY 08 through FY 10. Budget Analyst used 18,600 in their analysis and this analysis assumes low month during the summer of 16,650 passes. Youth passes were migrated to Clipper[®] cards on September 1, 2011 and for October 2011, 10,557 youth passes were purchased on a Clipper[®] card and an additional 2,800 paper youth passes were purchased by SFUSD.

The SFMTA does not have data on the demographics of youth riding the system nor the amount of cash fares paid by adults, seniors, disabled or youth. For this analysis, 5% of the total cash fare collected in FY 2011 was assumed for youth cash fare.

There has been a decline in the number of youth passes for the five months that youth passes were transitioned to Clipper[®] cards (see table below). There could be several reasons for this decline, such as the elasticity of transition as well as youth passes that were being purchased by non-youth historically and since the Clipper[®] program requires proof of age, this could have resulted in fraud deterrent. Cash Fares, conversely, have increased since Clipper (SFMTA is attempting to get a report to determine what group of riders are causing the cash fare increases). Given these unknowns related to the Clipper[®] program because of the short time frame since implementation, this analysis assumes that overall revenues of \$7.9 million from youth fares from FY 2011.

	FY07/08	FY08/09	FY09/10	FY10/11	FY11/12 YTD – 8 months
Youth Passes Sold	232,640	225,416	222,047	208,283	99,191 Transition 9/1 to Clipper [®]
Youth Pass Fare	\$10	\$10	\$15, May 1 st \$20	\$20	\$21

Lost Revenue and Incremental Clipper® Costs

The table below highlights the lost revenue and incremental Clipper® card costs for each of the four alternatives.

<i>Annual Figures</i>	Status Quo for FY 2013/ FY 2014	Free Youth Pass for All Youth	Free Youth Pass for Low-income Youth (52%)	\$5 Youth Pass Fare for all youth
Youth Pass Fare	\$22/\$23	\$0	\$0 for Low-income, \$22/\$23 for others	\$5
Youth Cash Fare	\$0.75	\$0.75	\$0.75	\$0.75 (no change)
Annual Youth Pass Revenue	\$4.4 m	\$0	\$2.2 m	\$1.2 m
Annual Youth Cash Revenue	\$3.5 m	\$0.7	\$1.7 m	\$0.7 m
Total Revenue	\$7.9 m	\$0.7	\$3.9 m	\$1.9 m
Total Revenue Loss	\$0	(\$7.2) m	(\$4.0 m)	(\$6.0 m)
Graffiti Clean up	\$0	\$0.5 m	\$0.5 m	\$0.5 m
Additional MTAP Staff	\$0	\$0.1 m	\$0.1 m	\$0.1 m
Incremental Clipper® Transaction Fees	\$0	\$0.4 m	\$0.2 m	\$0.2 m
Clipper® Marketing Costs (one time)	\$0	\$0.2 m	\$0.2 m	\$0 m
Incremental Administration Costs	\$0	\$0.3 m	\$0.1 m	\$0 m
Total Incremental Costs	\$0	\$1.5 m	\$1.1 m	\$0.8 m
Total Revenue Loss and Incremental Clipper® Costs (required to be funded)	\$0	(\$8.7 m)	(\$5.1 m)	(\$6.8 m)

<i>22-month Figures</i>	Status Quo for FY 2013/ FY 2014	Free Youth Pass for All Youth	Free Youth Pass for Low-income Youth (52%)	\$5 Youth Pass Fare for all youth
Total Revenue Loss and Incremental Clipper® Costs (required to be funded)	\$0	(\$16.0) m	(\$9.4) m	(\$12.5) m

Incremental Service Costs Estimates In addition to lost revenue and incremental Clipper® card costs, the table below highlights estimates for potential service cost impact for each of the alternatives. These are estimates based on available information and projections. The pilot, however, will assist in the determination of these figures.

<i>22-month Figures</i>	Status Quo for FY 2013/ FY 2014	Free Youth Pass for All Youth	Free Youth Pass for Low-income Youth (52%)	\$5 Youth Pass Fare for all youth
Service Costs**	n/a	\$9.3 m	\$4.6 m	\$4.6 m
Additional Fare Inspectors and Car Cleaners	n/a	\$1.2 m	\$0.6 m	\$0.6 m
Total Costs		\$10.5 m	\$5.2 m	\$5.2 m

** Estimate is based on 25,000 to 37,000 additional service hours for Free Youth Pass for All Youth (Source: 2008 Muni Free Fare Study). Estimate for Free Youth Pass for Low-income Youth (52%) and \$5 Youth Pass Fare for all Youth is assumed to be the same.

Funding Sources Identified

The table below summarizes the possible funding sources and potential issues with each source:

Source	Amount	Issues
SFMTA Operating Budget	\$2.8 m plus \$1.5 million unspent in FY 2012 Budget	The \$1.5 million in FY 2012 Approved Budget for the Youth Lifeline Discount program has not been spent. The FY 2013 and FY 2014 Operating Budget will include \$1.4 million for this program (match what the Board approved in FY 2011 and FY 2012 to offset the revenue loss for the Youth Lifeline Discount Pass) and will not be available for other operating purposes.
MTC	Up to \$5.0 m one time (capital funds), \$500k set aside for targeting marketing and education program in schools.	Some of these funds may come from carry-over Bay Area Regional Climate Initiative Funds which San Francisco has benefited from in the past for programs such as electric vehicles. May involve swapping capital funds with operating funds. Will require MTC approval.
SFUSD	\$0.2 m	SFUSD Operating Budget, \$0.1m / year
Lifeline – FY 2011 (SFMTA)	\$11.7 m one time (capital funds) Prop 1B Funds	Funds will be available when the State sells a Prop 1B bond which is expected to occur within 12 months. Absent the youth fare program, SFMTA would use these capital funds for other new projects to improve service to residents in low income areas. Would require swapping capital funds with operating funds.
Lifeline – FY 2012 (SFCTA)	\$1.46 m. one time State Transit Assistance (STA) Funds.	Exact amounts are subject to change depending upon the State Budget and MTC has advised SFCTA to only program 95% of these funds or \$1.39 m. While Lifeline funds are geared towards one-time projects, Lifeline funds have been allocated for operations and SFMTA was planning to use these funds to continue the operating programs funded by the 2010 Lifeline Program (see table below). If these funds are used for the Youth Fare program, SFMTA will either have to reduce other services in the operating budget or eliminate this service. If these funds were not used for the youth pass program, SFMTA would apply to the SFCTA and compete for these funds along with other eligible sponsors to continue to fund the operating projects in the 2010 Lifeline Program (see tables

		below).
Lifeline – FY 2013 (SFCTA)	\$2.67 m. one time STA and Surface Transportation Program (STP) Funds.	Exact amounts are subject to change depending upon the State Budget and MTC has advised SFCTA to only program 95% of these funds or \$2.59 m. While Lifeline funds are geared towards one-time projects, Lifeline funds have been allocated for operations and SFMTA was planning to use these funds to continue the operating programs funded by the 2010 Lifeline Program (see table below). If these funds are used for the Youth Fare program, SFMTA will either have to reduce other services in the operating budget or eliminate this service. Because STP funds cannot be used for operations, a fund swap would need to occur. If these funds were not used for the youth pass program, SFMTA would apply to the SFCTA and compete for these funds, which are targeted for bike and pedestrian improvements, along with other eligible sponsors to continue to fund the operating projects in the 2010 Lifeline Program (see tables below).

Prior Lifeline Program Allocations to SFMTA		
<i>Adopted July 25, 2006 by SFCTA</i>	<i>2006 Program</i>	
SFMTA Adult Lifeline Pass Distribution Expansion	\$219,333	Operations
SFMTA Muni Route 29 Service Expansion	\$946,223	Operations
SFMTA Muni Route 108 Treasure Island Service	\$525,000	Operations
Total SFMTA Allocation	\$1,690,556	
Non SFMTA allocation	1,062,620	
TOTAL 2006 PROGRAM	2,753,176	
<i>Adopted March 30, 2010 by SFCTA</i>	<i>2008 Program</i>	
SFMTA Balboa Park Station Eastside Connections Project	\$1,083,277	Capital
SFMTA Shopper Shuttle	\$1,560,000	Operations
SFMTA Persia Triangle Transit Access Improvements Project	\$802,734	Capital
SFMTA Randolph/Farallones/ Orizaba Transit Access	\$480,000	Capital
SFMTA Route 29 Reliability Improvement Project	\$727,200	Operations
SFMTA Route 108 Treasure Island Enhanced Service	\$1,139,828	Operations
SFMTA Bus Restoration project	\$1,690,000	Operations
Total SFMTA Allocation	\$7,483,039	
Non SFMTA allocation	\$2,416,210	
TOTAL 2008 PROGRAM	\$9,899,249	

New Lifeline Application		
<i>Call for Projects mid-March 2012</i>	<i>Requested Amount</i>	
Job Access and Reverse Commute (JARC) – not available for Youth Fare Program. Competitive Grant, Total \$1.2m available compared to the \$1.7m from the	\$1.2 m	Sustain evening and Off Peak service for the 19 Polk, 21 Hayes, 27 Bryant, 29 Sunset, 44

2008 Program. SFMTA is competing with other entities for these funds. Likely that SFMTA will not receive full request.		O'Shaughnessy, and 54 Felton
--	--	------------------------------

Clipper® Card Implementation

The following section summarizes the Clipper® card implementation process associated with each alternative:

Status quo

- No change.

Providing free transit service for all youth, ages 5-17, who use a Clipper® card

- Any youth with a valid Clipper® card would be eligible to ride free.
- Initial increase in demand at SFMTA sales locations in order for youth to obtain Clipper® card.
- 60-day notice required to Clipper® contractor, CUBIC, to implement fare change.
- Program cannot be limited to San Francisco youth. Clipper® is designed as a regional fare payment system and does not currently have the capacity to limit or extend discounts to a subset of an existing fare category.
- SFMTA staff would manage ongoing administration of the program, including processing lost, damaged and replacement Clipper® card requests.

Providing free transit service for low-income youth, ages 5-17, who use a Clipper card

- Providing free transit service for low-income youth, ages 5-17, who use a Clipper® card with a two-step process:
 - Obtain a Clipper® card
 - The SFMTA would work with partners via marketing and outreach to get youth signed up with youth Clipper ® cards.
 - SFMTA will request MTC consider whether the current documentation required for Clipper ® card enrollment can be changed.
 - Certify eligibility
 - Income threshold would be consistent with Free and Reduced Lunch program eligibility standards, or other appropriate level set to achieve program goals (e.g. 120 percent of Area Median Income).
 - SFMTA would make applications available at school sites, through community based and non-profit organizations and online to capture all qualifying youth. Application would require Youth Clipper® card serial number and income eligibility declaration.
 - Youth will have the option of submitting their application to SFMTA via postal mail, e-mail or in-person at one of the SFMTA’s sales locations.
 - Once youth eligibility is certified, SFMTA would develop database and forward to CUBIC to activate pass on Clipper® card by moving each eligible youth into the “Institutional Pass” program.

- SFMTA staff would manage ongoing administration of the program, including processing lost, damaged and replacement Clipper® card requests.
- The purpose of limiting the pilot to low-income youth only is:
 - to use the smaller population to evaluate impacts on ridership, access to school, work, and afterschool activities, operating impacts, and other aspects of the program to fully evaluate impact to make a better decision on how to move forward post-pilot, and
 - to meet the most imminent need identified by the movement for this program and the great majority of the public comment/feedback we have received, which has been related to affordability.

Reducing the youth pass fare for transit service for youth, ages 5-17, who use a Clipper® card

- Fare change, which would move Youth Pass to \$5 instead of to \$22, as included in the baseline budget.

Education and Pilot Evaluation

SFMTA will work jointly with SFUSD, other schools, and community partners to implement an education program which will focus on youth rider responsibility, public safety and encouraging youth to become life-long transit riders.

SFMTA will work with all partners and stakeholders to develop an evaluation plan with specific criteria for the program so that at the end of the 22- month pilot period, the impact of the program can be evaluated.

OTHER APPROVALS OBTAINED OR STILL REQUIRED

Published Notice

Pursuant to Charter Section 16.112 and the Rules of Order of the Board of Directors, advertisements were placed in the City's official newspaper to provide notice of the public hearings. The Board's Rules of Order require that advertisements run for at least five days and not less than fifteen days prior to any public hearing. In compliance with this requirement, the advertisements ran in the San Francisco Chronicle beginning on February 15, 2012 for the March 6, 2012 hearing; and beginning on March 12, 2010 for the April 3, 2012 hearing.

Environmental Review

Modifications to fares are subject to the California Environmental Quality Act (CEQA). CEQA provides a statutory exemption from environmental review for the establishment, modification, structuring, restructuring or approval of rates, tolls, and other charges pursuant to California Public Resources Code section 21080(b)(8) and CEQA implementing guidelines, Title 14 of the California Code of Regulations section 15273 if these rates, tolls, and other charges will be used to meet operating expenses, including employee wage rates and fringe benefits, or purchase or lease supplies, equipment, or materials.

It has been determined that the proposed changes to youth fares are statutorily exempt from environmental review under California Public Resources Code section 21080(b)(8) and CEQA

implementing guidelines, Title 14 of the California Code of Regulations section 15273 because the anticipated revenues will be used to meet SFMTA operating expenses, including employee wage rates and fringe benefits, or to purchase or lease supplies, equipment, or materials as documented in the SFMTA's FY2013 and FY2014 proposed Operating Budget which is enclosed with the FY2012-2013 and FY2013-2014 Operating Budget SFMTA Board calendar item.

Other Approvals

Other approval still required:

- FY 2013 and FY 2014 SFMTA Operating and Capital Budget approval by SFMTA Board
- BOS action on FY 2013 and FY 2014 SFMTA Operating Budget
- Approval by the SFCTA Commission of use of Lifeline funds.
- Approval by MTC Commission of MTC funding.

Absent the approval of all of the above policy bodies, youth fares will remain at status quo.

Title VI Compliance

Pursuant to the requirements contained in the Federal Transit Administration's (FTA) Circular 4702.1A, "Title VI and Title VI-Dependent Guidelines for FTA Recipients," Chapter V part 4, the SFMTA has conducted an evaluation of the proposed options to reduce or eliminate fares for all youth or for low-income youth only as described in this document. As the options discussed require the use of a Clipper card in order to access the decreased or free fares, there could be a disparate impact for those youth who otherwise pay with cash. This potential impact can be mitigated by the distribution of free Clipper cards to affected youth who typically otherwise pay with cash. The Title VI analysis addressing the various options to reduce or eliminate fares for all youth or for low-income youth only are included in the document titled "Title VI Analysis of FY2013 & FY2014 Fare Changes" which is enclosed with the FY2012-2013 and FY2013-2014 Operating Budget SFMTA Board calendar item.

The City Attorney has reviewed this item.

FUNDING IMPACT

In order for the program to be fully revenue and Clipper® card costs neutral, \$16.0 million will need to be identified for the free fare transit service for all youth who use a Clipper® card proposal, \$9.4 million for the free fare transit service for low-income youth who use a Clipper® card proposal, and \$12.5 million for an overall reduction in the Youth Fare for transit service proposal which would result in a \$5 Youth monthly transit pass.

The following table summarizes possible funding solutions for each of the alternatives to address revenue loss and Clipper® costs only (funding additional service costs has not been part of the discussion):

<i>22-month Figures</i>	Status Quo for FY 2013/ FY 2014	Free Fare for All Youth	Free Fare for Low-income Youth (50%)	Overall reduction in youth fare
Total Revenue Loss and Incremental Costs (required to be funded)	\$0	(\$16.0) m	(\$9.4) m	(\$12.5) m
Funding Sources:				
- SFMTA Operating Budget		\$4.3 m	\$4.1 m	\$4.3 m
- MTC		\$4.8 m	\$4.8 m	\$4.8 m
- SFUSD Operating Budget		\$0.2 m	\$0.2 m	\$0.2 m
- Lifeline (SFMTA and/or SFCTA)		\$6.7 m	\$0.3 m	\$3.2 m

Use of Lifeline funds for the Youth Program would reduce those funds availability for both operating and capital projects projected to be funded by Lifeline, which would mean either eliminating those projects, reducing other projects or finding alternative funding sources. It is highly unlikely that additional grant funds could be identified to prevent the loss of services previously funded by the Lifeline program (Routes 29, 108 and remaining Bus Service Restoration assistance). Absent the youth fare program, SFMTA would use the Prop1B one time capital funds for projects to improve service to residents in low income areas. Therefore, the alternative that will require the use of Lifeline funds the least would be the free transit service for low-income youth who use a Clipper® card.

Note that none of these figures address any service incremental costs required for implementation of any of these alternatives¹.

RECOMMENDATION

Approve the provision of free transit service for low-income youth, ages 5-17, who use a Clipper® card, for a 22-month pilot program beginning August 1, 2012 through May 31, 2014, after which date youth fares will return to the regular indexed value on June 1, 2014 absent explicit future SFMTA Board action, and contingent on receipt of MTC and TA funding.

¹ The SFCTA Lifeline funds can potentially be used for the additional service impacts. However, this may mean that the SFCTA Lifeline fund would not be available for the services previously funded by the Lifeline program (Routes 29, 108 and Bus Service Restoration).

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS
RESOLUTION No. _____

WHEREAS, On April 6, 2010, the San Francisco Board of Supervisors (BOS) approved Resolution Number 141-10 requesting that the SFMTA create a discounted Lifeline Pass for qualified, low-income youth; and

WHEREAS, On April 20, 2010, The SFMTA Board of Directors approved providing the San Francisco Unified School District (SFUSD) up to 12,000 discounted Youth Lifeline monthly passes to low-income youth at a rate of fifty percent off the current monthly fee which equated to \$10 per month as part of the Fiscal Year 2011 and 2012 budget; and,

WHEREAS, On March 1, 2011, the SFMTA Board authorized providing up to 12,000 discounted Youth Lifeline monthly passes for April through June 2011, to the SFUSD for distribution to low-income students at no cost; and,

WHEREAS, On August 18, 2011, the SFMTA Board received a presentation on Youth Fares which included the Budget Analyst's Report findings; and,

WHEREAS, The San Francisco Youth Commission unanimously passed Resolution 1112-AL-01 on September 19, 2011, urging various City agencies to work together to create a plan to make MUNI free for young San Franciscans; and,

WHEREAS, On October 18, 2011, the Board of Supervisors approved Resolution Number 0445-11 urging "government agencies to work together to develop a free MUNI Fast Pass for San Francisco youth; and,

WHEREAS, On October 12, 2011, the SFUSD Board approved Resolution Number 1110-11A2 supporting the "idea of Free Muni" and urging SFUSD to work with others to implement a "three-year pilot program for free MUNI for all youth in San Francisco including the exploration of providing free MUNI for 18 year old full time students"; and

WHEREAS, During FY 2012, there have been additional requests for the SFMTA to consider providing free passes to youth for a pilot period based on new funds identified to cover lost revenue and incremental Clipper® costs; and,

WHEREAS, Pursuant to Section 10 of the SFMTA Rules of Order and Charter Section 16.112, duly noticed public hearings concerning fines, fees, fares, rates and charges were conducted on March 6, 2012 and April 3, 2012 including changes to youth fares; and,

WHEREAS, Modifications to fares are subject to the California Environmental Quality Act (CEQA). CEQA provides a statutory exemption from environmental review for the establishment, modification, structuring, restructuring or approval of rates, tolls, and other charges pursuant to California Public Resources Code section 21080(b)(8) and CEQA implementing guidelines, Title 14 of the California Code of Regulations section 15273 if these rates, tolls, and other charges will be used to meet operating expenses, including employee wage

rates and fringe benefits, or purchase or lease supplies, equipment, or materials; and,

WHEREAS, It has been determined that the proposed changes to youth fares are statutorily exempt from environmental review under California Public Resources Code section 21080(b)(8) and CEQA implementing guidelines, Title 14 of the California Code of Regulations section 15273 because the anticipated revenues will be used to meet SFMTA operating expenses, including employee wage rates and fringe benefits, or to purchase or lease supplies, equipment, or materials as documented in the SFMTA's FY2013 and FY2014 proposed Operating Budget which is enclosed with the FY2012-2013 and FY2013-2014 Operating Budget SFMTA Board calendar item; and,

WHEREAS, Said CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by this reference; and,

WHEREAS, Pursuant to the requirements contained in the Federal Transit Administration's (FTA) Circular 4702.1A, "Title VI and Title VI-Dependent Guidelines for FTA Recipients," the SFMTA has conducted an evaluation of the proposed options for youth fare reductions described in this document and has determined that any potential disparate impacts to youth who continue to pay with cash can be mitigated through distribution of a free Clipper card; and,

WHEREAS, The Metropolitan Transportation Commission (MTC) and the San Francisco Transportation Authority (SFCTA) must approve the allocation of funds required to implement free transit service for low-income youth, ages 5-17, who use a Clipper® card; and,

WHEREAS, Following a public hearing on April 3, 2012, the SFMTA Board has decided to approve the option to implement free transit service for low-income youth, ages 5-17, who use a Clipper® card for a 22-month pilot program beginning August 1, 2012 through May 31, 2014, after which date youth fares will return to the regular indexed value on June 1, 2014 absent explicit future SFMTA Board action; now, therefore, be it;

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to implement free transit service for low-income youth, ages 5-17, who use a Clipper® card for a 22-month pilot program beginning August 1, 2012 through May 31, 2014, after which date youth fares will return to the regular indexed value on June 1, 2014 absent explicit future SFMTA Board action; and, be it further

RESOLVED, That the implementation of free transit service for low-income youth, ages 5-17, who use a Clipper® card for a 22-month pilot program beginning August 1, 2012 through May 31, 2014, is contingent on both the MTC and SFCTA approving the allocation of necessary funding.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at their meeting of April 3, 2012.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency