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EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
AUGUST 18, 2005

**SUBJECT: INSTITUTIONAL PASS FOR LOS ANGELES COMMUNITY COLLEGE
DISTRICT AND UCLA**

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file update on the expansion of the Metro Institutional Pass program.

ISSUE

The Institutional Pass (I-Pass) program is expanding from one educational institution (Los Angeles City College (LACC)) to possibly five educational institutions: LACC, LA Trade Tech, Valley College, Pierce College and UCLA. Staff is reporting on the progress of this pass program.

BACKGROUND

The Board approved the I-Pass program in February 2003. The I-Pass program offers Metro passes and transportation services to colleges, universities, trade schools and other institutions at a negotiated rate.

Los Angeles Community College District

On May 14, 2004, the first I-Pass program was launched. LACC purchased Metro passes for all full-time students. Student ID's, coupled with Metro validation stamps, served as the pass and enabled students to ride Metro Bus and Metro Rail during semester terms. Initial pricing of the program was based on estimated student ridership and funding availability of LACC.

Staff committed to the board that all I-Pass agreements would be revenue neutral e.g. would recover approximately the same revenue as would exist absent of the program. While the initial LACC contract did not fully cover projected lost revenue it was launched as a pilot program with the intent of 1) positioning the program for a student referendum (a vote of students to increase fees to pay for the pass program) and 2) increasing fees gradually until revenue neutrality is reached. While the fee structure has been a continual negotiation, LACC and the Los Angeles Community College District (LACCD), overall, are extremely pleased with the I-Pass program and have sought congressional support to expand it to all of its nine campuses. LACCD's goal is to fund the program at each campus for up to one year. During that time, it would be put to a student vote on whether or not to continue funding the program.

For the Fall 2005 semester LACCD has requested that Metro continue the I-Pass program at LACC and to possibly expand the program to include the Trade Tech, Pierce and Valley campuses. Trade Tech enjoys a high level of Metro Bus and Metro Rail service. Pierce and Valley are served by Metro Bus lines and will soon be served by the Metro Orange Line.

Staff is currently negotiating fee structures with the four campuses for fall and spring semesters. Under current pricing scenarios (still in negotiation) all agreements would achieve revenue neutrality by spring semester.

It is important to note that I-Pass pricing is currently based on survey data. Once the Transit Access Pass (TAP) program or smart card system is operational, survey data can be replaced with actual ridership numbers and be tracked to provide more exact estimates for pricing.

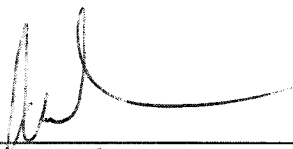
UCLA Offers Variation On Program

Beginning this fall, UCLA will offer Metro passes to its students and staff. The pass will consist of a Metro ID card featuring the new Transit Access Pass graphics, photo ID and a Metro stamp good for one quarter. UCLA will subsidize half of the cost of the passes and the student and or staff will pay the other half. Students will pay about \$43 per quarter and staff will pay about \$74 per quarter. The program is revenue neutral with UCLA reimbursing Metro the full value of each pass sold. Passes will go on sale beginning Tuesday, September 6, 2005. UCLA has committed to providing the subsidized pass program for at least one year. Student and staff passes for the summer quarter are not subsidized.

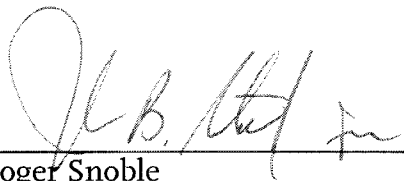
NEXT STEPS

As LACCD awaits word on Federal funding, Metro staff will continue to negotiate I-Pass agreements. Staff will provide updates to the Board as appropriate.

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