

THIS PRINT COVERS CALENDAR ITEM NO. : 12

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Resolution authorizing the Executive Director/CEO to provide the Department of Children, Youth and Their Families (DCYF) or San Francisco Unified School District (SFUSD) with 12,000 free monthly youth passes for the last three months of Fiscal Year (FY) 2011 (April -June 2011).

SUMMARY:

- On April 6, 2010, the San Francisco Board of Supervisors (BOS) approved File Number 100408, a resolution requesting that the SFMTA create a youth Lifeline discount Fast 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 passes per month at a rate of \$10 per pass for distribution to low-income students as part of the Fiscal Year 2011 and 2012 budget.
- To date the SFUSD has been unable to implement the program due to a variety of issues related to distribution.
- Due to the delay in implementation, Supervisor David Campos introduced BOS File Number 110074 [MUNI Youth Lifeline Discount Fast Pass Program Changes] co-sponsored by Supervisors Mirkarimi, Avalos, Cohen, Kim and Mar requesting that the SFMTA revise the proposal to allow distribution of free passes. This resolution was passed by the City Operations and Neighborhood Committee on February 14, 2011 and approved by the full Board of Supervisors on February 15, 2011.
- Given the issues SFUSD has with the distribution of these passes to low-income youth, DCYF has been identified to help with the appropriate distribution channels.
- Providing 12,000 free monthly youth passes to DCYF or SFUSD for the last three months of FY 2011 (April-June 2011) will not have a negative budgetary impact.

ENCLOSURES:

1. SFMTA Resolution
2. BOS File Number 100408
3. BOS File Number 110074

APPROVALS:

DATE

DIRECTOR OF DIVISION

PREPARING ITEM _____

FINANCE _____

EXECUTIVE DIRECTOR/CEO _____

SECRETARY _____

ADOPTED RESOLUTION BE RETURNED TO Sonali Bose

ASSIGNED SFMTAB CALENDAR DATE: _____

PAGE 2

PURPOSE

The purpose of this calendar item is to authorize the Executive Director/CEO to provide the Department of Children, Youth and Their Families (DCYF) or San Francisco Unified School District (SFUSD) with 12,000 free monthly youth passes for the last three months of Fiscal Year (FY) 2011 (April -June 2011).

GOALS

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

Goal 2: External Affairs/Community Relations: To improve the customer experience, community value, and enhance the image of the SFMTA, as well as ensure SFMTA is a leader in the industry.

Objective 3.4 – Enhance proactive participation and cooperatively strive for improved regional transportation.

DESCRIPTION

In response to the price of the Youth Fast Pass increasing from \$10 to \$20 on April 6, 2010, the San Francisco Board of Supervisors approved a resolution requesting the SFMTA create a discounted Lifeline Fast Pass for qualified, low-income youth.

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 monthly passes per month to low-income youth at 50 percent off the current fee or \$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 passes to the School District. In December 2010, SFMTA and SFUSD finalized a Memorandum of Understanding (MOU) that describes the terms for distribution and payment for the Youth Lifeline passes, and allows the SFUSD to charge a nominal administrative fee for sale of the pass.

The SFUSD has experienced difficulties developing and implementing an internal plan to distribute these 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 that 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 passes

PAGE 3

While conversations with the SFUSD are on-going, as of February 1, 2011 SFUSD has not submitted a final distribution plan. Therefore, given the issues faced by SFUSD in distributing these passes, the Department of Children, Youth and Their Families (DCYF) has been identified to assist the SFUSD to distribute these passes to low-income youth through their distribution channels.

On February 1, 2011, Supervisor Campos introduced a resolution urging 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.” Co-sponsors included Supervisors Mirkarimi, Avalos, Cohen, Kim and Mar. The resolution was passed at the City Operations and Neighborhood Services Committee on February 14, 2011 and adopted by the full Board of Supervisors on February 15, 2011.

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 passes per month for the last three months of the fiscal year is projected to be \$720,000 which is \$680,000 less than the \$1.4 million originally identified in the FY 2011 budget.

The FY 2012 Budget includes \$1.5 million revenue loss for the allocation of 12,000 low-income youth discount pass per month at \$10.50 per pass or 50 percent off the \$21 regular youth pass fare for FY 2012.

Prior to moving forward with distribution, the SFUSD will provide the SFMTA with their final distribution plan for the 12,000 free monthly low income youth passes to be provided to them by the SFMTA. Their plan will include criteria used in determining eligibility and methods developed for proper distribution to recipients of the approved application process.

ALTERNATIVES CONSIDERED

For the remainder of FY 2010-2011, SFMTA would provide 6,000 free paper passes per month to the SFUSD for distribution rather than 12,000 passes at \$10 per pass. The possible advantage to limiting the number of free passes to 6,000 in the current fiscal year would be to provide consistency in policy between FY 2010-2011 and FY 2011- 2012.

The SFMTA Board would not approve a revised Youth Lifeline Discount Program, and SFMTA would take no action until such time as the SFUSD has addressed all of the challenges previously described and were able to distribute the originally agreed upon 12,000 passes per month costing \$10 per pass.

The two alternatives were not recommended because the first did not provide enough outreach to include as many eligible students as possible and the second caused further delay in implementation to wait until all challenges were solved.

PAGE 4

FUNDING IMPACT

The FY 2011 Budget approved by the SFMTA Board of Directors recognized a revenue loss of \$1.4 million related to providing 12,000 discount passes at \$10 for low-income youth discount pass. Based on the delay in implementation and the general desire to continue the positive spirit of the program SFMTA is proposing to distribute 12,000 passes per month at no cost for the last three months of FY 2011 (April-June 2011) the revenue loss projected for FY 2011 would be \$720,000 compared to the \$1.4 million originally identified.

OTHER APPROVALS OBTAINED OR STILL REQUIRED

None.

RECOMMENDATION

Staff recommends the SFMTA Board of Directors authorize the Executive Director/CEO to provide the Department of Children, Youth and Their Families (DCYF) or San Francisco Unified School District (SFUSD) with 12,000 free monthly youth passes at no cost for the last three months of Fiscal Year 2011 (April -June 2011).

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 100408 requesting that the SFMTA create a low-income youth discount pass; and

WHEREAS, On April 20, 2010, The SFMTA Board of Directors approved providing the San Francisco Unified School District (SFUSD) up to 12,000 passes per month at a rate of \$10 per pass for distribution to low-income students as part of the Fiscal Year 2011 and 2012 budget; and,

WHEREAS, To date the SFUSD has been unable to implement the program and the Department of Children, Youth and Their Families (DCYF) has been identified to assist SFUSD in the distribution of the low-income youth discount pass; and

WHEREAS, Due to the delay in implementation, Supervisor David Campos introduced Resolution Number 110074 [MUNI Youth Lifeline Discount Fast Pass Program Changes] co-sponsored by Supervisors Mirkarimi, Avalos, Cohen, Kim and Mar requesting that the SFMTA revise the proposal to allow the low-income youth discount pass to be distributed for free; and

WHEREAS, Supervisor Campos's resolution after being passed by committee on February 14, 2011 and approved by the Board of Supervisors on February 15, 2011; and

WHEREAS, Providing 12,000 free monthly low-income youth discount passes for the last three months of Fiscal Year 2011 (April-June 2011) would have no additional fiscal impact; now, therefore, be it;

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Executive Director/CEO to provide up to 12,000 youth passes per month to the San Francisco Unified School District or the Department of Children Youth and Families for April-June 2011 for distribution to low-income students at no cost.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at their meeting of _____.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

RESOLUTION FILE NUMBER 100408

MUNI Youth Lifeline Discount Pass.

Resolution requesting the San Francisco Municipal Transportation Agency to create a youth lifeline discount Fast Pass for qualified low-income youth.

WHEREAS, A high proportion of San Francisco's youth population use MUNI to get to school, work, the location of their extracurricular activities, and many other places; and

WHEREAS, According to the Fall 2008 YouthVote Student Survey, which polled 8,256 San Francisco Unified School District (SFUSD) high school students, nearly seventy percent of respondents (69.3%) use some form of public transportation to get to or from school and over forty percent (44.2%) of these students (who ride public transportation to school)—and thirty percent (30.6%) of overall respondents—must take more than one train or bus to get to school;¹ and

WHEREAS, According to section 8A.115 of the City Charter, San Francisco has a Transit First Policy, the second point of which declares, "Public transit [...] is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit [...] must be an attractive alternative to travel by private automobile;" and

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) will have raised the cost of the Youth Fast Pass 100% within a 12 month period given that the pass cost \$10 per month in May of 2009 and will cost \$20 per month as of May 2010; and,

¹ Fall 2008 YouthVote Student Survey, page 66,
(<http://www.sfbos.org/Modules/ShowDocument.aspx?documentid=17354>).

WHEREAS, The current cost of MUNI fares and fast passes are already a financial burden to many youth, especially those in low-income families who are already struggling to make ends meet; and

WHEREAS, The SFMTA already recognizes the need to offer reduced fast passes to needy adults in the form of the discounted Lifeline pass, which costs half the price (\$30) of a regular Adult Fast Pass (\$60); and

WHEREAS, Qualifying for free lunch² depends on living at 130% of the Federal poverty guidelines, yet qualifying for a MUNI Lifeline depends on living at 200% of the Federal poverty guidelines³, and in 2008 the median family income in San Francisco was \$87,583⁴; and

WHEREAS, Of students enrolled in the SFUSD in the 2008-2009 school year, 39.7% (21,951) qualified for free lunch;⁵ and

WHEREAS, In November of 2009, the unemployment rate for Americans between 16 and 19 years old was over 40%, which is the highest rate of teenage unemployment in the United States since World War II; and

WHEREAS, Assuming the 21,951 youth who qualify for free lunches do not currently purchase a Youth fast pass were to purchase to a Youth Lifeline Pass at the rate of \$10 per month, the SFMTA could potentially generate an additional \$2,634,120 in fare revenue; and

² Federal Register, March 27, 2010, page 13411-13412,
(<http://www.fns.usda.gov/cnd/Governance/notices/iegs/IEGs09-10.pdf>)

³ San Francisco Department of Human Services, (<http://www.munilifeline.org/index.cfm>).

⁴ American Community Survey, United States Census Bureau,
(http://factfinder.census.gov/servlet/ADPTable?_bm=y&-qr_name=ACS_2008_3YR_G00_DP3YR3&-geo_id=16000US0667000&-gc_url=&-ds_name=ACS_2008_3YR_G00_-&-lang=en)

⁵ San Francisco Unified School District Summary, (<http://orb.sfusd.edu/profile/prfl-100.htm>).

WHEREAS, The San Francisco Youth Commission passed a resolution on February 1, 2010 advocating for the creation of a Youth Lifeline in the interest of protecting low income young people's access to public transportation; now, therefore, be it

RESOLVED, That the San Francisco Board of Supervisors hereby requests the SFMTA institute a Youth Lifeline pass, to be sold at the rate of \$10 per month to those San Francisco youth who qualify for free lunch; and, be it

FURTHER RESOLVED, That the Board of Supervisors further requests that the SFMTA work in conjunction with the SFUSD to implement a Youth lifeline pass program.

RESOLUTION FILE NUMBER 110074
MUNI Youth Lifeline Discount Fast Pass Program

Resolution urging the San Francisco Municipal Transportation Agency to adopt changes to the Youth Lifeline Discount Fast Pass Program for qualified low-income youth.

WHEREAS, A majority of San Francisco's public school students depend on MUNI to travel between their homes and schools; and

WHEREAS, The Fall 2008 YouthVote Student Survey found that, of the 8,256 San Francisco Unified School District (SFUSD) high school students surveyed, nearly seventy percent (69.3%) use some form of public transportation to get to school, and over forty percent (44.2%) of respondents took more than one train or bus to get to school; and

WHEREAS, A significant portion of San Francisco's public school students are low-income. In the 2008-2009 school year, 21,951 students or 39.7% of the student population qualified for free lunch and 8,059 students or 14.6% of the student population qualified for reduced lunch; and

WHEREAS, Students that qualify for free lunch live in households with incomes at or below 130% of the poverty line (\$28,665 a year for a family of four); and

WHEREAS, The price of the MUNI Youth Fast Pass recently increased 100%, rising from \$10 per month in May 2009 to \$20 per month in May 2010; and

WHEREAS, The Board of Supervisors unanimously passed Resolution 100408 on April 6, 2010 urging the SFMTA to create a Youth Lifeline Discount Fast Pass Program for qualified low-income youth, and that the SFMTA work in conjunction with the San Francisco Unified School District (SFUSD) to implement the program; and

WHEREAS, On April 20, 2010, the SFMTA Board of Directors approved a budget that funded 12,000 discounted youth passes per month to homeless and low-income youth for Fiscal Year 2011 and 2012 and Fiscal Year 2011-2012, and authorized the SFMTA to provide these passes to SFUSD to oversee the distribution process; and

WHEREAS, SFUSD has faced several challenges to implementing the distribution of these passes, including making sales of the discounted pass accessible to students across the city, ensuring that cash payments can be made in a secure manner, and identifying adequate staffing to administer the program; and

WHEREAS, Providing the Youth Lifeline Pass free-of-charge to qualifying youth would allow SFUSD to distribute the passes just once through existing distribution channels; and

WHEREAS, The cost of public transportation continues to be a major concern for youth in San Francisco; and

WHEREAS, In a survey of 450 San Francisco youth conducted in the Fall of 2010 by the Youth Commission, 30% of respondents selected “lower cost” as “the one thing you would improve about MUNI.” This selection represented the highest percentage of all options, which included “Buses and trains that come more frequently,” “Buses and trains that come on time,” “Cleaner buses and trains” and “Safer buses and trains;” and

WHEREAS, The number of students qualifying for free and reduced lunch increased to 61% or 32,350 students of 53,033 in the 2010-2011 school year; and

WHEREAS, The U.S. Bureau of Labor Statistics found that the unemployment rate in San Francisco increased from 9.2 percent in May 2009, when the Youth Fast Pass price increased, to 9.6 in November 2010; now, therefore, be it

RESOLVED, That the San Francisco Board of Supervisors 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; and, be it

FURTHER RESOLVED, That the San Francisco Board of Supervisors directs the Clerk

of the Board to forward this resolution to the SFMTA Board of Directors.