



2020-2021 Universal Student U-PASS Advisory Board

Student Universal U-PASS Program
Fee Analysis for 2021-2022

Agenda

- **U-PASS Overview**
- **FY22-FY26 Transit Cost Projections**
- **Student U-PASS Financial Overview**
- **FY22 Student Fee Scenarios**
- **Public Comment**

What is U-PASS?



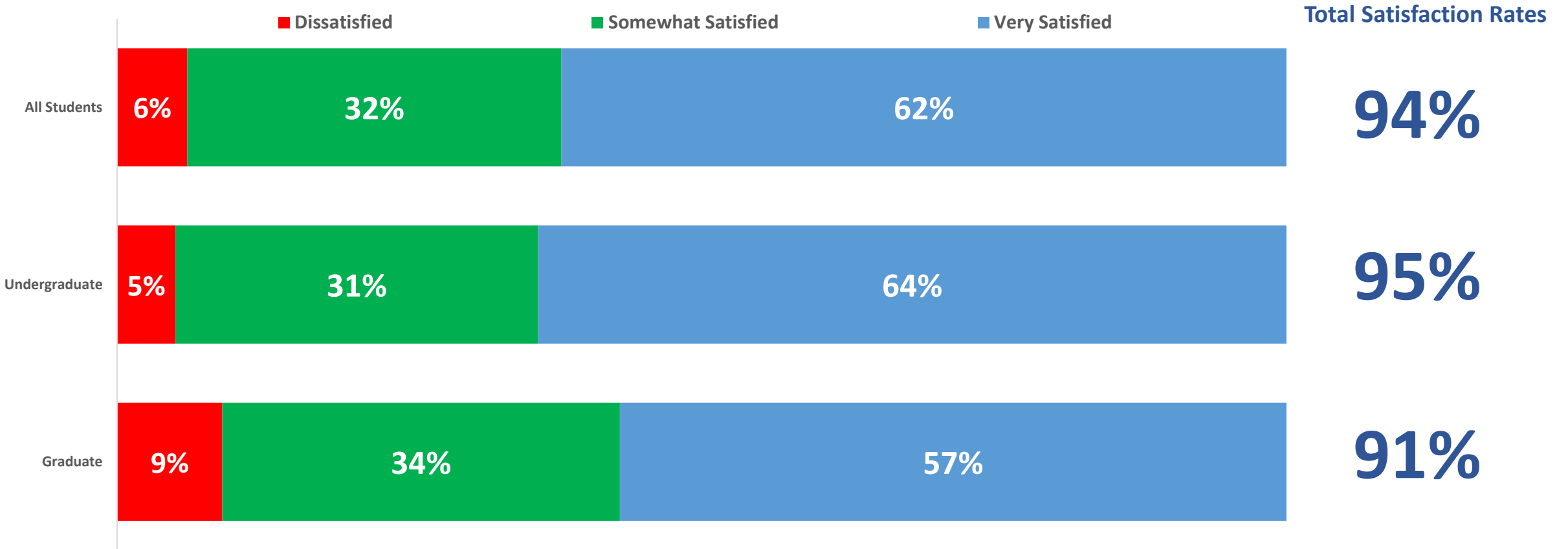
Unlimited rides:



Also includes:

- Seattle Streetcar, King Count Water Taxi, Monorail, Ride2
- NightRide Shuttle
- Discounted carpool parking
- Free vanpool parking & fare subsidy
- Discounts on transportation-related vendors (bike repair, car share)
- Free commute planning assistance

U-PASS Satisfaction



U-PASS History

1991: U-PASS INTRODUCED

- Only 3 participating transit agencies
- Students could choose to participate or opt-out
- UW would mail out stickers – students would apply to ID card
- In just 1 year, King County Metro ridership increased by 30%.
- 20 years later, new financial challenges emerge
- Rising costs force students to look for solutions



U-PASS History

2011: UNIVERSAL STUDENT U-PASS

- **Financial Solution:**
 - Universal U-PASS for students (no opt-out)
 - Fees included in tuition
- **Student Surveys:**
 - 79% of students supported Universal U-PASS.
- **Impact:**
 - 40% increase in program participation
 - 30% reduction in fees for students
 - Students recently reaffirmed support in 2015, approving a rate increase of 11% over the following two years.



Student U-PASS Fee History

Year	Fee/Quarter
2008	\$49
2009	\$99
2011 (Universal)	\$76
2015	\$80
2016	\$84
2020	\$86

U-PASS Value

\$86 Cost of a 2018-2019 quarterly U-PASS

\$297 Cost of a King County Metro one-zone peak pass for one quarter (3 months)

\$567 Cost of a transit pass that covers all transit services included in U-PASS for one quarter (3 months)

Students pay just **29%** of retail transit costs for a one-zone peak pass saving over **\$211** per quarter.

Current and Future Transit

COVID-19 impacts unknown

- Trip reductions projected in Fiscal Year 2022 (July 2021 – June 2022)

Expansion of Sound Transit Link Light Rail for next 5 years

- 2021 – North Link to Northgate (3 stations)
- 2023 – East Link to Redmond (10 stations)
- 2024 – North Link to Lynnwood (4 stations)



Student Universal U-PASS Cost Projections

	FY22 (COVID)	FY23	FY24	FY25	FY26
Transit Cost	\$13.15M	\$17.59M	\$19.05M	\$20.34M	\$20.34M
Admin Cost	\$0.70M	\$0.72M	\$0.74M	\$0.75M	\$0.76M
Total Cost	\$13.85M	\$18.31M	\$19.79M	\$21.09M	\$21.10M
<i>Required Reserves</i>	<i>\$1.15M</i>	<i>\$1.52M</i>	<i>\$1.65M</i>	<i>\$1.76M</i>	<i>\$1.76M</i>

Admin Cost

- Program salaries/benefits
- University overhead
- NightRide and vanpool
- Operation expenses (surveys, marketing, etc.)

Transit Cost Projections Methodology & Assumptions

Student U-PASS Transit Cost Projection Model

- Total Transit Cost = Projected Ridership x Cost per Trip
- Projected Ridership based on
 - Ridership over the past 3 years
 - Anticipated transit service growth
 - Anticipated student population growth
- Cost per trip based on
 - Historic cost/trip by agency
 - Negotiated adjustment - youth/senior populations
 - Anticipated fare increases
- Assumptions
 - Student Population Growth: 2% year over year (YOY)
 - Average \$2.15 trip cost for FY22-26; no fare increases

Transit Cost Projections Methodology & Assumptions

Sound Transit Link Light Rail Impact

- Projections based on
 - Mirrored transit behavior associated with UW Stadium Station opening in 2016
 - UW's 10% share of new Sound Transit boardings
 - Non-Sound Transit boardings reduced by 4% to account for conversion to light rail

FY22 COVID-19 Impact

- Projections based on
 - UW and system ridership since COVID-19
 - Anticipated increases with in-person classes
 - Increased service to pre-COVID levels over the course of FY22
 - Assume U-PASS suspension for summer quarter 2021

Sound Transit Link Light Rail Impacts to Student U-PASS

Light Rail Openings	% Increase In Sound Transit Cost	% Increase in Total Cost
Northgate - September 2021	62%	14%
East Link - March 2023	26%	8%
Lynnwood - March 2024	34%	13%

Student U-PASS Funding Sources

Central Funds Subsidy

10% of program expenses - capped at \$1.8M

Universal Student Fee

Fee assessed to Seattle campus students paying the Services & Activities Fee

- Exception for ASEs - fully-subsidized U-PASS

Transportation Demand Management (TDM)

Portion of parking revenue used to help support transit and shuttle services

Transportation Demand Management (TDM)

Transportation Services uses parking revenue to sustain operations and distributes available funds to U-PASS programs

- **Transportation Services - self sustaining unit and cannot deficit spend**
- **Reduction in parking revenue anticipated ~2% annually**
 - COVID-19 impacts
 - Campus Master Plan
 - reduction of 3,000 parking stalls by 2028
 - reduce drive alone commuting to 12% by 2028
- **Additional unfunded mandates**
 - ADA remediation
 - Campus Master Plan transportation obligations
 - Deferred maintenance

Student U-PASS Financial Outlook

	FY 21 Projected	FY 22 Budget	FY 23 Budget
Revenues			
User Fees	\$0	\$9.47M	\$10.29M
TDM Parking Revenue	\$0	\$2.38M	\$1.51M
General Subsidy (10% Total Program Costs, \$1.80M cap)	\$0	\$1.39M	\$1.80M
Total Revenues	\$0	\$13.24M	\$13.60M

Expenses			
Transit Cost	\$0	\$13.15M	\$17.59M
Admin Cost	\$0.46M	\$0.70M	\$0.72M
Total Expenses	\$0.46M	\$13.85M	\$18.31M

Net Position	\$(0.46M)	\$(0.61M)	\$(4.71M)
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Reserves Available	\$2.19M	\$1.58M	\$(3.13M)
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FY22 Fee Options

Student Fee – No Change

- No fee increase - FY22 and FY23
- MOU doesn't allow U-PASS deficit spending and must maintain one month of operating costs in reserves

FY	Fee	User Fee Revenue	Reserves	Difference from Required Reserves
2022	\$86	\$9.47M	\$1.57M	\$0.42M
2023	\$86	\$10.29M	\$(3.13M)	\$(4.66M)

Student Fee Increase - Option #1

- No fee increase in FY22
- \$39 increase to **\$125/quarter** in FY23 = 45% increase over FY21
- MOU doesn't allow U-PASS deficit spending and must maintain one month of operating costs in reserves

FY	Fee	User Fee Revenue	Reserves	Difference from Required Reserves
2022	\$86	\$9.47M	\$1.57M	\$0.42M
2023	\$125	\$14.96M	\$1.53M	\$0.007M

Student Fee Increase – Option #2

- \$6 increase to **\$92/quarter** in FY22 = 5% increase over FY21
- \$28 increase to **\$120/quarter** in FY23 = 30% increase over FY22
- MOU doesn't allow U-PASS deficit spending and must maintain one month of operating costs in reserves

FY	Fee	User Fee Revenue	Reserves	Difference from Required Reserves
2022	\$92	\$10.13M	\$2.19M	\$1.03M
2023	\$120	\$14.36M	\$1.55M	\$0.02M

Fee Scenario Summary

	FY22	FY 23	Total User Fee Revenue	FY 23 Ending Balance Above Reserve	Total Cost per Student (Over 6 Quarters)	Cost Increase per Student (Over 6 Quarters)	Cost % Increase per Student (Over 2 Years)
No Increase	\$86	\$86	\$19.76M	\$(4.66M)	\$516	-	-
1 -Increase FY23	\$86	\$125	\$24.43M	\$0.007M	\$633	\$117	22.7%
2 -Increase FY22/23	\$92	\$120	\$24.51M	\$0.02M	\$636	\$120	23.3%

Increase 1

- No fee increase in FY22
- Fee increase **\$39/quarter** in FY23

Increase 2

- Fee increase **\$6/quarter** in FY22
- Fee increase **\$28/quarter** in FY23 (\$36/quarter over FY21)

Public Comment

Advisory Board Discussion & Vote