

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: July 14, 2010

SUBJECT: POST-SECONDARY STUDENT DISCOUNTED PASS PROGRAM
UPDATE

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission:

1. Receive the update on the Post-Secondary Discounted Pass Program in this report for information.
2. Approve TTC Corporate Policy 6.17.0 Post-Secondary TTC Student Discount Card Eligibility (Attachment A).

FUNDING

The 2010 TTC Operating Budget included a provision of \$1.5 million in revenue loss and 0.5 million ridership gain for the implementation of a Post-Secondary Student Metropass in September 2010. This was based on a 2005 survey of full-time post-secondary student transit usage for the "U" Pass. In November, 2009, the Commission extended Student pricing for Metropass to also cover full-time and part-time degree and diploma post-secondary students. Based on a recently completed survey of post-secondary student transit usage and Metropass sales, the ridership figures are expected to be comparable, but the revenue losses will be higher.

Staff will closely monitor Post-Secondary Student Metropass sales when this pass is implemented in September 2010 and future Chief General Manager's Reports will include best estimates of both 2010 ridership and revenue impacts. The 2011 TTC Operating Budget will be based on these actual results.

BACKGROUND

At the public meeting held on November 17, 2009, the TTC Commission approved:

- a. Student prices for the Metropass be extended, starting in September 2010, to post-secondary students enrolled in full-time or part-time degree or diploma granting programs.
- b. The age limit for the Student Metropass be removed.
- c. Staff be directed to report back on implementation issues as required.

DISCUSSION

Following is a status update on the tasks and activities that have been completed since the November 17, 2009 meeting.

Post-Secondary Student Discounted Metropass

In order to deliver on the Commission's directive to extend Student Metropass pricing to Post-Secondary Students, the TTC will introduce a new fare media, the Post-Secondary Student Metropass (see sample in Attachment B), during the September 2010 Metropass sales period which begins in late August. The Post-Secondary Student Metropass will sell for the same price as the Student Metropass - \$99.00 at TTC Collector Booths and at participating external fare media sellers (formerly TTC Ticket Agents).

Full-time or part-time post-secondary students, with no age restriction, that are enrolled in a program granting a degree or diploma only as defined in *Post-Secondary Education Choice and Excellence Act, 2000*, are eligible to use the Post-Secondary Student Metropass. There are no changes to the terms and conditions for the eligibility of Student (high school) fare media.

The Post-Secondary Student Metropass will only be valid with a Post-Secondary Student TTC Photo ID (see sample in Attachment B). Students are required to show the Post-Secondary TTC Student Photo ID to the Operator/Collector on duty each time they use their Post-Secondary Student Metropass. The Post-Secondary TTC Student Photo ID cannot be used with Student Tickets, Student Weekly Passes or Student Cash fares. Post-Secondary Students not using a Post-Secondary Student Metropass will have to pay an Adult fare.

With the removal of the student age restriction for the Post-Secondary Student Metropass and the large differential in cost from the Adult Metropass, the Post-Secondary Student Metropass and Post-Secondary TTC Student Photo ID have gained in value to the average rider. Operational considerations that will be monitored are the possibility of fraud as well as the potential for fare disputes. Sufficient quantities of the Post-Secondary Student Metropass have been ordered to fill the expected demand with the program launch in September, for distribution through Collectors and external fare media sellers. In terms of other operational impacts, we do not anticipate the need for additional service to be required to handle the implementation of the program; individual routes will need to be checked to monitor loads.

The Post-Secondary Metropass program approved by the Commission required that a survey of Post-Secondary students be done to determine their current use of the TTC and TTC fare media, since the previous 2005 survey data was five years old. This survey was the first web-based TTC usage survey undertaken for a specific rider group. Approximately 400 self-selected (not random) responses were received out of the 244,000 students in full-time/part-time degree/diploma programs. Staff will closely monitor Post-Secondary Student Metropass sales when the pass is implemented in September, 2010 to compare with the expected results based on the new survey.

Annual Financial Impact

When the 2010 fare increase was approved last year, the staff recommendation was for a Post-Secondary Student Metropass priced at \$99 to be available to full-time students enrolled in degree and diploma programs. The Commission amended that recommendation to include part-time students.

The previous report set the annual revenue loss at approximately \$3.8 million. This was based on full-time students only and based on 2007/2008 post-secondary Volume Incentive Pass (VIP) sales. The current projection sets the annual loss in the order of \$7 million. About half of the increase is due to the volume increase in post-secondary VIP sales since that time and the other half due to part-time students and other smaller items. It is interesting to note the high participation of post-secondary students in VIP; about one-half of full-time students and three-quarters of part-time students buy VIP passes, based on the recently completed survey.

MDP Impact

In meetings with the student federations since the time the Commission approved the implementation of the pass, it is clear that a Post-Secondary Student Metropass Discount Plan (MDP) would be a desirable product for many post-secondary students. In fact, the recent post-secondary student survey conducted suggests that about 45% of the existing 400,000 VIP passes sold annually through post-secondary institutions would switch to an MDP Post-Secondary Metropass if the price were set at \$89/month. Were that to happen, the annual revenue loss would be about \$1.8 million. In addition, we would lose another net \$1.6 million through token users switching based on a monthly price of \$89 vs. the monthly pass price of \$99 (as approved by the Commission). Consequently, even though the students would clearly want MDP (and may be expecting MDP to be offered), the MDP Post-Secondary Student Metropass is not being recommended for implementation in this report due to the \$3.4 million revenue loss. Commission approval did not include offering the MDP option.

Photo ID Process

Because Post-Secondary students are only eligible for the Student Metropass fare and are not eligible to use Student tickets or the Student cash fare, they require a unique photo identification card that confirms that they are degree/diploma students entitled to use the Post-Secondary Student Metropass. A new "P" photo identification card has been developed that is valid for one year, in addition to a new "P" Metropass priced at the Student rate. The card will be valid from September of one year to the end of October the following year – this time frame is necessary to logistically produce and distribute new cards each year. Corporate Policy 6.17.0 Post-Secondary TTC Student Discount Card Eligibility outlines the eligibility and conditions of use for the new photo ID card.

Post-Secondary students will require a Post-Secondary TTC Photo ID at the start of the school year, beginning in September 2010. To facilitate this requirement, staff initiated a post-secondary school photo ID visitation program. Staff have met with student representatives from Centennial College, George Brown College, Humber College, Ryerson

University, Seneca College, University of Toronto and York University regarding the Post-Secondary Metropass program and the process for providing post-secondary students with a Post-Secondary TTC Student Photo ID.

The TTC will utilize its photo identification contractor, Datacard Inc., to produce the Post-Secondary TTC Photo ID card. The photo ID program for Post-Secondary students differs from the high school photo ID visitation program. In the high school photo ID program, Datacard visits the schools to take the photos, and then sends digital images and the names of the students to an off-site location in order to produce the cards. The cards are then returned to the schools for distribution. Using this process, the cost of the card is \$5.25 and is valid for one year.

The Post-Secondary TTC Student Photo ID program differs since student representatives indicated that they would prefer to have the cards produced and distributed on-site at the time of the photo shoot. To accommodate this request, it was necessary for Datacard to acquire printers, computers and additional temporary staff. As a result, in order for the TTC to recover its expenses, the cost of the Post-Secondary TTC Student Photo ID card will be \$7.00. This is acceptable to the Post-Secondary student representatives. The photo ID contractor is in the process of confirming photo dates/locations with the Post-Secondary institutions; all have opted for September dates with a few requesting additional days in August when students will be on campus. Similar to the high school photo ID program, the on campus photo shoots will be done on an annual basis in September.

Post-secondary students, who miss the on campus photo sessions, lose their Photo ID card or start school at a time other than September can visit the TTC's central photo facility at Sherbourne Station where the cost of the card is \$5.25.

Volume Incentive Pass Impact

The introduction of the new Post-Secondary Student Metropass will have an impact on the TTC Volume Incentive Pass (VIP) Program. The VIP program enables organizations/institutions to make bulk purchase of TTC Adult transferable Metropasses at a discount rate. Currently enrolled in the VIP program are Centennial College, George Brown College, Humber College, Ontario College of Art and Design, Ryerson University, Seneca College, University of Toronto and York University. Current VIP pricing for an Adult Metropass ranges from \$107 to \$109, depending on the volume of passes purchased with approximately 400,000 VIP monthly Metropasses sold in 2009 to post-secondary schools.

Staff has contacted each post-secondary VIP Program administrator to discuss the options of discontinuing their participation in the VIP program and advising students to purchase a Post-Secondary Student Metropass at TTC Collector booths or at external fare media sellers; discontinuing the VIP program and becoming a TTC external fare media seller wherein they would realize the standard 1% commission of their sales; or continue with the VIP program, providing the minimum required sales levels of Adult Metropasses are maintained, and become an external fare media seller and realize the standard 1% commission of their sales.

Post-Secondary schools who determine they wish to discontinue their participation in the VIP

Program as a result of the introduction of the Post-Secondary Student Metropass will not be charged the applicable administrative fees associated with cancellation of VIP participation prior to the end of their agreement period.

Communications Plan

A transit advertising campaign that communicates the introduction of the new Post-Secondary Student Metropass, its benefits and the requirement for a Post-Secondary TTC Student Photo ID is currently in development. Post-Secondary Students will be encouraged to buy the new Metropass to save money and to show their Post-Secondary TTC Student Photo ID every time they use their Post-Secondary Student Metropass. To complement the transit advertising campaign, ads will be placed in Post-Secondary School print and on-line newspapers.

In support of the Post-Secondary TTC Student Photo ID – School Visitation Program, promotional materials about the program and the photo dates at each campus are also in development.

JUSTIFICATION

An implementation plan has been developed to launch the Post-Secondary Student Metropass in September 2010 as approved by the Commission in November 2009, taking into account various operational considerations. Financial and operation impacts resulting from the introduction of this new fare media will be monitored and reported to the Commission.

June 28, 2010
3.54.54
Attachments

POLICY/INSTRUCTION

SUBJECT	CLASSIFICATION	DATE APPROVED	P/I NUMBER
POST-SECONDARY TTC STUDENT DISCOUNT CARD ELIGIBILITY	Marketing and Customer Service		6.17.0

1.0 RESPONSIBILITY

Chief Marketing Officer

2.0 PURPOSE

To ensure that post-secondary students can use a Post-Secondary Student Metropass ("P") on all TTC vehicles in regular service within the City of Toronto, a Post-Secondary Student must produce a valid Post-Secondary TTC Student Photo ID ("P") card.

3.0 ELIGIBILITY

3.1 To receive a Post-Secondary TTC Student Photo ID ("P") card, the student must be a full-time or part-time degree or diploma student in a recognized post-secondary institution. Students in a post-secondary certificate program are not eligible for the reduced price Post-Secondary Metropass program.

3.2 RECOGNIZED EDUCATIONAL INSTITUTION

A recognized educational institution is one that offers:

3.2.1 Degrees, or programs leading to degrees, which must comply with the *Post-Secondary Education Choice & Excellence Act, 2000* which governs degree-granting Institutions. The Act prevents institutions from granting degrees, providing programs of Post-Secondary study leading to a degree, or being known as universities, unless they are so authorized by an Act of the Legislative Assembly of Ontario or have the consent of the Minister of Training, Colleges and Universities.

3.2.2 Diplomas through a college diploma program which takes 2 or 3 years to complete.

4.0 CONDITIONS OF USE

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POLICY/INSTRUCTION

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POST-SECONDARY TTC STUDENT DISCOUNT CARD ELIGIBILITY	Marketing and Customer Service		6.17.0

- 4.1 The Post-Secondary TTC Student Photo ID card can only be used by the eligible post-secondary student whose true name and photograph (taken by the TTC's contractor or TTC-approved satellite facility photographer), and bearer's signature appear on the card.

- 4.2 If for any reason a post-secondary student leaves the eligible school system during the school year, e.g. to enter the work force, he or she is no longer eligible for the reduced price Post-Secondary Student Metropass ("P"), the Post-Secondary TTC Student Photo ID card ("P") must be returned to the TTC. Failure to do so could subject the cardholder to prosecution. Eligible post-secondary students, who graduate in June, may continue to use their card until the following Labour Day.

- 4.3 If a post-secondary student cannot or will not produce a Post-Secondary TTC Student Photo ID card, the equivalent of a regular adult fare must be paid in order to gain transportation. If the post-secondary student does not comply, he/she will be required to leave the vehicle, or will not be permitted entry to the subway station.

- 4.4 If a post-secondary student loses his/her card, he/she must obtain a letter from the Post-Secondary institution confirming he/she is an eligible post-secondary student. The letter and a piece of photo identification is then taken to the TTC's central photo facility or a satellite Facility where the post-secondary student is photographed for a replacement card.

5.0 REFERENCE SOURCES

- Confiscated Fare Media Policy
- TTC By-law No. 1

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 330505
Post-Secondary Student Metropass

P  

2010 **SEPTEMBER**

Valid for month/year shown. No Pass Back Allowed.
Pass transferable only on completion of your trip.


TORONTO TRANSIT COMMISSION **123456**

 **Post-Secondary
TTC Student Photo ID**

SCHOOL _____

STUDENT _____

P Valid for school year
10/11
Card Expires 10/31/11



For use only with a TTC Post-Secondary Student Metropass
Post-Secondary Subject to conditions on reverse.