



agenda

Subject: **Marin Transit Ad Hoc Committee on School Transportation**

Location: **Marin County Civic Center, Rug Room - 324A
3501 Civic Center Drive, San Rafael**

Date: **Friday, January 19, 2018**

Time: **1:00 pm – 3:00 pm**

Item #	Topic	Attachment
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1	Introductions	
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2	Review of Program Status	Attachment 1
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	a. Implementation of Countywide School Transportation Study Recommendations	
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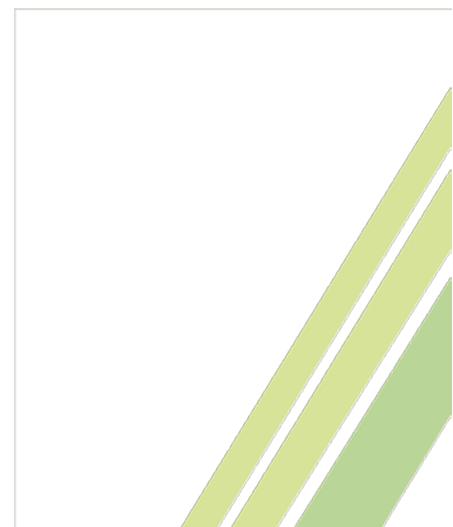
	b. Program Costs and Revenues	
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	c. Measure A Renewal	
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	d. Marin Transit SRTP Priorities, Funding and Unfunded Needs	
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3	Overview of Methods for Funding School Transportation in the Future	Attachment 2
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4	Next Steps	
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January 19, 2018

Student Transportation Ad Hoc Committee
Marin County Transit District
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Review of School Transportation Program Status

board of directors

Dear Board Members:

katie rice
president
supervisor district 2

stephanie moulton-peters
vice president
city of mill valley

damon connolly
2nd vice president
supervisor district 1

judy arnold
director
supervisor district 5

kate colin
director
city of san rafael

dennis rodoni
director
supervisor district 4

kathrin sears
director
supervisor district 3

BACKGROUND:

At its last meeting in June 2017, the Ad Hoc Committee discussed the preliminary polling results and the process for renewing and/or increasing the countywide transportation sales tax, Measure A. Since that time several key milestones have been achieved, new information about funding is available, and TAM's Expenditure Plan Advisory Committee has proposed an Expenditure Plan framework.

The purpose of this memo is to provide a basis for the Ad Hoc Committee's discussion of school transportation needs considering near term challenges and opportunities.

Summary of the Countywide Coordinated School Transportation Study and Progress on Recommendations

The Countywide Coordinated School Transportation Study made several recommendations which formed the basis for the implementation plan presented to the Ad Hoc Committee in summer 2016. The school transportation priorities and needs identified in the Study and implementation plan were reflected in Marin Transit's FY 2018-2027 Short Range Transit Plan.

The recommended implementation plan is structured in four phases. The (then) Current Phase and Phase 1 include actions identified as achievable without new funding. Phases 2 and 3 address the expansion of school service to high and medium need schools and require new funding.

A summary of the status of the recommended implementation of actions is shown in the attached, slides 3 and 4.

The phased implementation plan estimates the annual cost of the full program at \$10 million and that \$6.5 million in new funding is needed annually to implement the full plan. The estimate is based on several assumptions regarding costs and revenues and includes the annualized capital cost for purchase of buses and a facility for parking and maintaining buses. Additionally, the estimate was based on the proportion of existing contributions and fare (pass sales) revenue continuing for the current programs in Ross Valley, Reed Union, and Mill Valley School Districts and that future program expansion would have non-transit contributions (e.g., County, city, school district) of at least 10% of the program cost.

Summary charts of annualized expenses and funding by program are shown in the attached, slides 5 and 6.

Since the Study was finalized in December 2015, Marin Transit has added management of yellow bus programs to the existing supplemental school transit routes and youth pass program it offers. The costs and revenues for the yellow bus programs have been refined over the past two years as Marin Transit and the participating agencies have gained experience in their operation. The budgeted revenues for FY 2017/18 for the supplemental school transit routes, the youth pass program, and the three yellow bus programs Marin Transit manages is \$3,008,325. Of this amount, \$1,056,485 is Measure A revenue from the Local Transit portion of Marin Transit's allocation. Marin Transit also apportions \$182,586 in other transit revenues to these school transportation programs. The County, cities, towns, and school districts account for \$632,271 in contributions.

A summary of the budgeted FY 2017/18 revenues is provided in slide 7 of the attached.

Summary of Marin Transit's SRTP Priorities and Financial Plans

Marin Transit prepares a Short Range Transit Plan (SRTP), a ten year service and financial plan, every two years. The Plan assesses unfunded service needs and priorities and unfunded capital needs. School service expansion, testing new markets, and addressing capital needs to reduce ongoing operating costs were some of the highest priority needs. A summary of the unfunded service and capital needs is shown in slides 8 and 9 of the attached.

In the Board workshop and in staff presentations on the 2018-2027 SRTP, staff identified that a small amount of new revenue would be available from SB 1, the Road Repair and Accountability Act. Due to near term uncertainties with the costs of contracted service (new contracts to begin July 1, 2018), the tight labor market, the lack of a permanent operations and maintenance facility, and the future of Measure A, staff recommended no commitment of new SB 1 funds to new operating (ongoing) programs. Rather, staff suggested that one-time capital investments in facility expenditures and vehicle purchases be made in the near term and operating program expenditures of new funds be re-visited when an evaluation of the service is complete and some of the unknowns such as contract costs were better understood. The current challenges and opportunities are listed on slide 11 of the attached.

The results of service evaluation and resolution of other uncertainties will help shape direction for all of Marin Transit's priorities (school and non-school service). Below are brief status updates on the near-term issues that influence resource allocation.

Service Evaluation: Marin Transit monitors performance of all transit service at least monthly. In June 2016 we added 19 percent more fixed route service and in Fall 2017 we began an intensive data collection (ride check) to understand exactly how passengers use the fixed route

system. Staff has identified under-performing routes from the available data and a preliminary analysis is underway. A complete evaluation of potential service changes is scheduled for completion in the Spring of 2018.

Fixed Route Service Costs: A Request for Proposals for more than half of Marin Transit's fixed route service was issued in November 2017 and proposals were received on January 12, 2018. Pricing for the 5 year service contract(s) will be known in the next month or so.

Yellow School Bus Service Costs: A request for proposals was issued on January 16, 2018 for yellow bus services for Ross Valley School District and Mill Valley School District. Proposals are due on February 12, 2018 and costs for the 5 year contract will be understood then.

Operations and Maintenance Facility: Lack of an operations and maintenance facility (i.e., bus parking) in the county continues to pose the biggest barrier to attracting cost competitive service providers. The search for one or more sites for all of Marin Transit's services (fixed route, yellow bus, and paratransit) is ongoing. We expect to have more information on potential sites in the next 3 months.

Labor Market: Difficulty attracting drivers continues to plague all transit operators across the Bay Area. In November 2017 Marin Transit amended contracts with its service providers to increase wage rates. The results of the fixed route and yellow bus procurements will be available in the next few weeks and labor market trends will be reflected in the proposed rates.

SB 1 Potential Revenue Increase for Transit: SB 1 increased gas taxes and the vehicle registration fee making new revenue available for transit purposes. There are several categories of funding for transit, some of which are provided directly to transit operators from the State Controller by formula. While this source of funding cannot be used directly for yellow school bus service, it can be used for other public transit service Marin Transit operates. If SB 1 fund increases are available, it is possible that local funds such as Measure A and property tax can be freed up from public transit service and made available for yellow bus service.

Marin Transit is receiving about \$600,000 in new STA Revenue share formula funds in FY 2018/19. In December 2018, the Board approved using some of these funds for the purchase of two new 35-foot buses for use on overcrowded supplemental school routes and Muir Woods Shuttle services.

Two uncertainties remain for SB 1 funds. First, the other categories of funding are provided to the MTC region for the STA Population share and are subject to MTC's policies governing this funding. In the past, these funds were distributed on a formula basis directly to transit operators. MTC is proposing to change the policy to provide 70% of these new and existing STA population based funds to the Congestion Management Agencies (e.g., TAM) for a competitive block grant program and the remaining 30% to MTC for regional programs. Although this source of funds is eligible only for transit purposes and transit operators are the only eligible recipients, it is unclear how much of the new block grant funding to be provided to Marin Transit. It is critical that existing STA population based funding continues to be provided to Marin Transit for paratransit service and basic fixed route services.

A second uncertainty lies in the possible repeal of SB 1. An effort to gather signatures for a November 2018 ballot initiative is underway to repeal the new gas taxes and vehicle registration fees. If that initiative is successful, only the first year of collections of SB 1 funds (i.e., FY 2017/18) would be available.

In light of these uncertainties, and using moderately conservative assumptions, Marin Transit's Short Range Transit Plan estimates that it is able to maintain current and planned service levels until Measure A expires in 2024.

Measure A Renewal

TAM's Expenditure Plan Advisory Committee (EPAC) met several times over the past six months to review needs for renewing and increasing the countywide sales tax for transportation. Marin Transit was invited twice to present its current use of Measure A funds and unfunded needs. The EPAC made recommendations to the TAM Board for expenditure amounts and TAM authorized taking steps to further consider a renewal of Measure A. Slide xx of the attachment compares the existing Marin Transit Measure A allocations to the EPAC recommended amounts.

The EPAC recommends retaining the 55 percent allocation to transit under a Measure A renewal. There is no new funding for transit or yellow bus service in the proposed renewal measure. The proposal establishes new subcategories within the 55 percent for transit. Most notably a new category commits 5 percent of the new measure to school transportation, while reducing the amount for local transit and reducing the amount for transit capital.

Five percent of the sales tax is estimated to be \$1.35 million annually. As shown in slide 7 of the attached, Marin Transit currently uses \$1.0 million of Measure A local transit funds annually on school transportation. If Marin Transit maintains its existing allocation of \$1.0 million annually, an increase of \$350,000 is needed. There are several possible options for achieving the required commitment of 5 percent of a renewed sales tax to school transportation. One option is for Marin Transit to reduce local fixed route transit service. This could be a recommendation as a part of our ongoing service evaluation to be presented to the Board this spring. A decision to reallocate any savings made from reducing existing local transit service would need to consider all unfunded needs identified in the SRTP. For example, we will propose a new on-demand service pilot this spring and if successful, it would meet several of the unfunded needs in the SRTP. Funding for making the pilot permanent or expanding the pilot to other areas could be a high priority for any new funds. High priority capital projects such as an operations and maintenance facility and purchase of yellow buses could also be considered for any available funding.

Depending on the outcomes of the uncertainties described above, there may be other options for increasing funding for school transportation. If SB 1 is not repealed, and if MTC/TAM continue to provide STA population based revenues to Marin Transit on the formula currently used by GGT and Marin Transit, an increase of approximately \$400,000 may be available annually. Again, this source of funds cannot be used directly for yellow bus programs, but other local transit funds may be freed up for use on yellow bus service. The evaluation of uses of this revenue would consider all of Marin Transit's unfunded priority needs, including implementation of expanded school service as recommended in the school transportation study.

Options for Evaluating Uses New Funding

If new funding is available for transit, and if some or all of this funding is deemed to be best spent on yellow bus service, one of the key issues will be how the funds are distributed. The

Coordinated School Transportation Study recommendations plan for expanding school transportation services if new funding becomes available. That plan assumes that existing sources of funding including local contributions are maintained and that future expansion will be funded in part by similar contributions.

Contributions by cities and towns, the County, and school districts to the existing yellow bus services managed by Marin Transit were made on a pilot basis and some jurisdictions expect new funding to replace their current contributions. Conversely, voters may expect yellow bus and supplemental school services to expand with a sales tax renewal. These expectations will need to be addressed directly as the plans for Measure A renewal are presented to local jurisdictions across the county.

Staff will seek the Ad Hoc School Transportation Committee's input and direction on how to incorporate these expectations into an evaluation of existing and new transit resources available. Staff has prepared a separate memo outlining an approach for distributing potential new revenues for school transportation, should the Board determine that school service is a high priority use for these funds. This memo is included in the Ad Hoc Committee agenda packet.

Respectfully submitted,

A handwritten signature in black ink that reads "Nancy E. Whelan". The signature is written in a cursive, flowing style.

Nancy Whelan
General Manager

Attachment: Powerpoint presentation for Ad Hoc School Transportation Committee, January 19, 2018



Marin Transit School Transportation Ad Hoc Meeting

January 19, 2018

- Review:
 - Existing programs
 - Outstanding needs and plans
 - Funding for school bus service
- Examine:
 - Uncertainties that impact funding
 - Barriers to plan implementation
- Explore:
 - Potential funding opportunities
 - Marin Transit Priorities

Status of Short & Long Term Study Recommendations



FY 2016/17

Status	Item
●	Establish Marin Transit's role in admin and funding support for RVSD, RUSD, and MVSD
●	Secure temporary parking for 17 vehicles
◐	Work with other high needs districts (Kentfield and LCMSD) to start yellow bus planning
◐	Work with TAM on developing a new Countywide funding measure

Phase 1

Status	Item
◐	Implement Kentfield and LCMSD programs
○	Secure parking for at least 25 vehicles
○	Work with SRCS and Dixie to discuss participation in a countywide programs
●	Repurpose supplemental transit buses from LCMSD service to Redwood HS

Status of Short & Long Term Home-to-School Recommendations



Phase 2 (post new measure)

Status	Item
<input type="radio"/>	Secure permanent parking and maintenance for at least 75 yellow bus vehicles
<input type="radio"/>	Purchase new fleet of 75 yellow buses and 18 transit buses
<input type="radio"/>	Issue master operations and maintenance contract for Countywide yellow bus program
<input type="radio"/>	Transition San Rafael and Dixie operations into the program (if desired)
<input type="radio"/>	Continue expansion at all other high needs schools

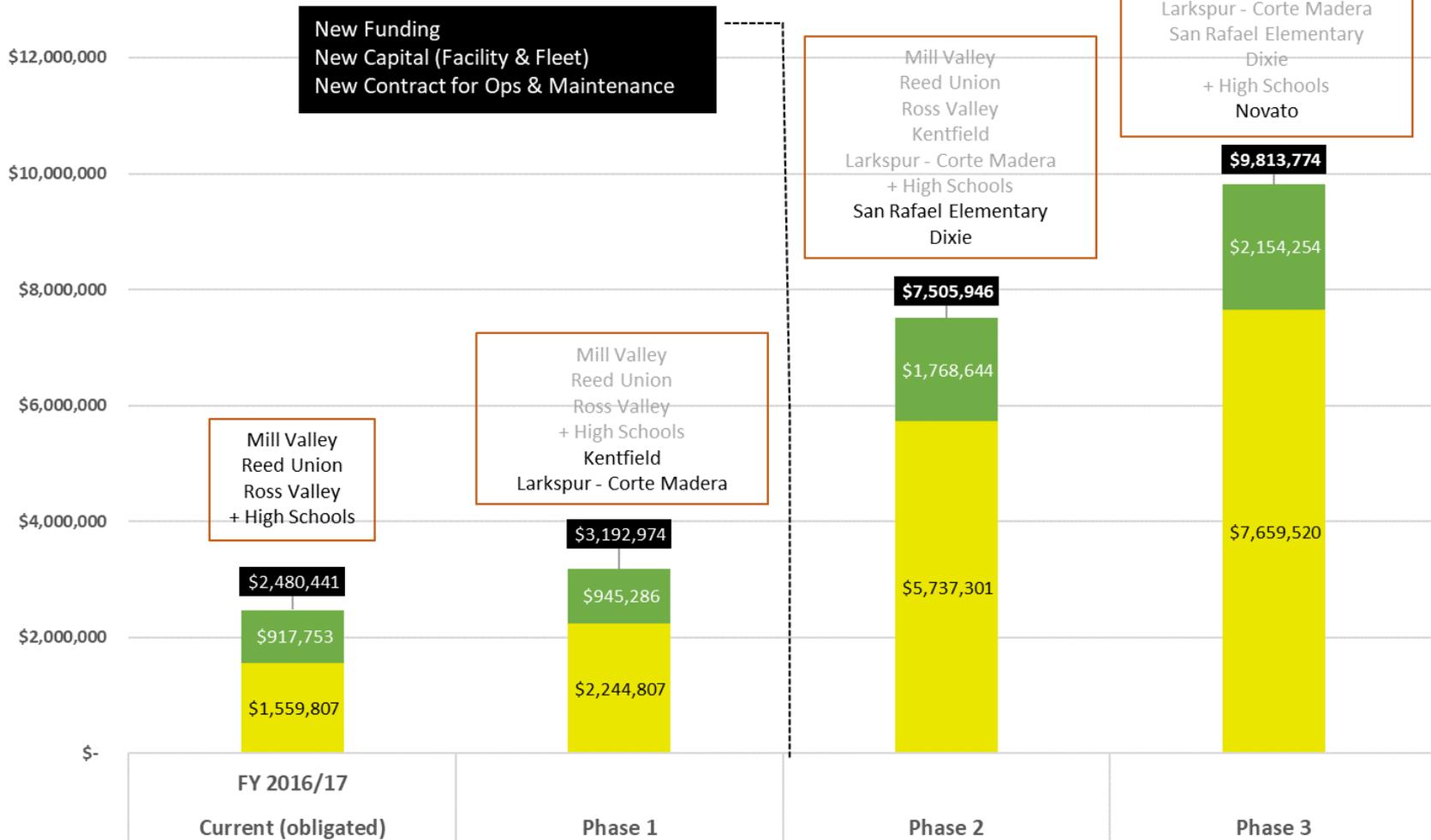
Phase 3 (post new measure)

Status	Item
<input type="radio"/>	Expand yellow bus to all medium schools including Novato USD
<input type="radio"/>	Continue supplemental expansion at all high schools

Phased Implementation: Annualized Expenses



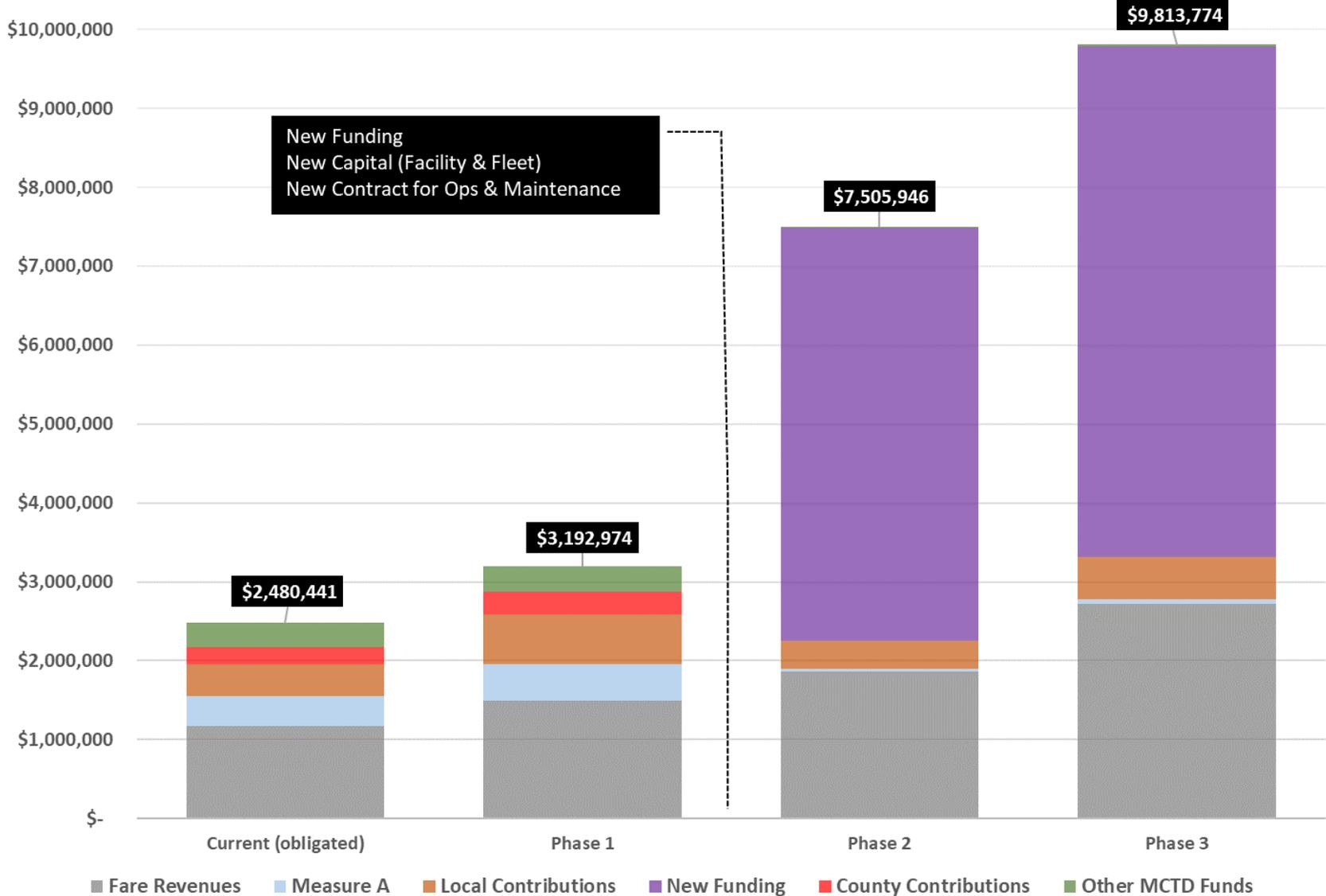
ANNUALIZED EXPENSES HOME TO SCHOOL BUS TRANSPORTATION



Phased Implementation: School Bus Funding



SCHOOL BUS FUNDING



Summary of FY 17/18 Budgeted Revenue



Summary of Budgeted Revenue by Program

Mill Valley	\$ 245,753
Reed Union	\$ 752,501
Ross Valley	\$ 696,000
Supplemental	\$ 674,071
Youth Transit Pass	\$ 640,000
Total Revenue	\$ 3,008,325

Summary of Contributions

Total County Contribution	\$ 230,000
Total City/Town Contribution	\$ 363,551
Total School Contributions	\$ 38,720
Measure A	\$ 1,056,485
Other Transit	\$ 182,586
Fares	\$ 1,136,983
Total	\$ 3,008,325

10-Year Service Plan (Unfunded Needs)



- Expand and Enhance Shuttle Services
- Expand and Enhance K-12 School Bus Services
- Enhance Service Frequency in Transit Corridors
- Provide Limited Stop or Express Services
- Restore Ferry Feeder Services (WAVE)
- Expand Rural and Recreational Services
- Provide and Support Flexible First and Last Mile Services
- Expand Services for Those with Special Needs



- **Yellow Bus Parking and Vehicles**
 - Only local funds can be used for this purpose
- **Construction of Operations and Maintenance Facility**
 - A federal grant and local match will fund \$5.5 million Phase 1
 - Additional funding of \$15-20 million is needed for Phase 2
- **Other Pilot Service Projects**
 - Purchase of vehicles and parking facilities needed for service expansion

Recommended Options for SRTP



- Maintain a balance of resources over the first five years of the plan
- Provide direction on how to allocate any additional resources

Staff recommendations:

1. Monitor recent fixed route changes and adjust /reallocate accordingly
2. Address capital needs that are constraining expansion
3. Focus any available expansion on
 - » School service
 - » Testing new markets



Uncertainties and Opportunities

-  SB1 provides some new funding for transit
-  Preliminary service evaluation shows that some unproductive fixed route service can be eliminated
-  Contract costs for FY 18/19 fixed route and yellow bus are unknown until March 2018
-  No permanent operations and maintenance facility (bus parking) is on the horizon
-  Voter approval for Measure A renewal (40% of Marin Transit's operating budget)
-  Labor market is tight

Measure A: EPAC Recommendation for Renewal v. Current



Strategy 4: Maintain and expand local transit services in Marin County	Current	Proposed Renewal	Change
Maintain and improve existing levels of fixed route bus transit	37%	33%	-4%
Maintain and expand the rural and recreational bus services (West Marin Stagecoach and Muir Woods shuttle)	3%	3%	0%
Maintain and expand transit services and programs for seniors, persons with disabilities and low-income residents	9%	9.5%	+0.5%
Provide transit services to schools in Marin County	0%	5%	+5%
Invest in bus transit facilities for a clean and efficient system	6%	4%	-2%
Expand access to ferries and regional transit	0%	0.5%	+0.5%
Total	55%	55%	0%



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January 19, 2018

Student Transportation Ad Hoc Committee
Marin County Transit District
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Discussion on methodology for distributing funds for school transportation programs

board of directors

Dear Board Members:

katie rice
president
supervisor district 2

stephanie moulton-peters
vice president
city of mill valley

damon connolly
2nd vice president
supervisor district 1

judy arnold
director
supervisor district 5

kate colin
director
city of san rafael

dennis rodoni
director
supervisor district 4

kathrin sears
director
supervisor district 3

BACKGROUND:

Marin Transit may experience new or surplus revenue to use on high priority transit programs and projects in the next year or two. Currently, Marin Transit supports school transportation through a variety of programs including subsidizing fares for the Youth Transit Program, deploying Supplemental Transit Routes, and contributing to the yellow bus program serving schools in the Ross Valley. The following discussion provides methods for distributing funds dedicated to student transportation should new funding become available.

DISCUSSION:

For the purposes of this discussion, the Youth Transit Pass program fare subsidy will not be included. This program provides free transportation to students in Marin County who are income qualified. It is assumed that the lost revenue from this program will continue to be funded on an annual basis through Measure A. The value of the program remains relatively stable year over year.

The remaining two programs, Supplemental Transit and Yellow Bus, serve different populations of students and priorities for both must be taken into consideration when distributing funding. The Countywide Coordinated School Transportation Study (CCSTS) provides guidance on the breakdown of Supplemental versus Yellow Bus by type of school and student served. In general, the study recommends that elementary and middle schools be served by yellow bus and that high schools be served by supplemental transit routes.

Marin Transit currently serves all ten high schools in Marin County with Supplemental or Fixed Route service. The District has already

invested in expanding Supplemental Transit service to better accommodate demand at these schools. Marin Transit's involvement in yellow bus serving K – 8 schools, however, is not consistent across programs in Marin County. Due to the varied nature of Marin Transit's involvement with these programs, further guidance is need to provide staff with direction for fund re-allocation and/or program expansion.

Any new funding for yellow bus programs could be distributed in various ways but should incentivize program efficiency such as separated bell times which allows for the re-use of buses thereby reducing the cost of the program. For example, funding could be distributed based on the number of routes per program or number of one-way pass sales. The number of routes or one-way pass sales can be used as a proxy for efficiency.

Alternatively, the new funding could be provided as a funding match to encourage local entities (towns and school districts) to participate in the funding scheme. For example, portions of the new money could be distributed based on the total funds contributed from local entities per program.

Funding allocations will also need to consider the needs of expansion (new programs) versus sustaining existing programs where success has already been demonstrated.

In summary, any funding formula for new or existing programs to subsidize yellow bus should take into consideration the efficiency of the program which is aimed at keeping costs low and encouraging other local agencies to participate financially in the programs.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kelly Zalewski".

Kelly Zalewski
School Operations Analyst