

## **CEBC/ASA Recommendations to Transportation Services**

**\*\*DRAFT\*\*November 8, 2010\*DRAFT\*\***

Based on a directive from the Academic Staff Assembly, the Compensation and Economic Benefits Committee was charged with "study(ing) how the transportation funding and plans for making up their deficit impacts staff and report their findings to the Assembly."

### **Background**

Transportation Services, an auxiliary of the University, is facing a budget deficit of nearly \$1 million. Most of their costs are rising, and revenues are falling due to lost parking spaces and other costs. Additionally, there are substantial numbers of new parking areas being built which is contributing to their debt problem. After several consultations with all of campus, as well as extensive work on the part of Transportation Services staff to identify all possible avenues for new revenue - they came up with several options as listed in the document "Transportation Services Draft 2011-2012 Program Changes September 2, 2010". There are two we deem most likely to affect academic staff: bus passes and evening permits. The remaining suggestions have been found to be outside of the charge of this committee.

### **Bus Pass Program**

Since 2003, bus passes have been provided to all University employees as an annual benefit at no charge to the employee. Last year Transportation Services paid Madison Metro \$0.95 per ride taken on a UW/Hospital Employee bus pass, for a total annual cost of \$1.4 million in FY10. In FY11, this rate has increased to \$1.00 per ride. In order to offset these costs, a proposal has been made to charge for bus passes.

There are 10,819 active bus passes on campus, however only 6,036 of those are used more than 50 times per year. With a proposed charge of \$50 for a bus pass and a Madison Metro charge of \$1.50 per ride, a person would have to ride the bus 34 times to make the pass worth paying for. If we assume that that all of 6,036 people who ride more than 50 times per year would buy a pass, the additional revenue provided by charging for bus passes is approximately \$300,000. This would be used to offset the \$1.5 million cost of the bus pass program.

### **Recommendations**

Transportation Services should not implement a charge for bus passes. First there is the issue of the financial cost of the pass, which is a direct loss to academic staff. Secondly, while difficult to quantify, loss of economic benefits in an era where all employees are experiencing lower incomes due to state furloughs and the loss of yearly increases (creating effective decreases in pay) is an important concern. Taking away the utility and convenience of the free bus pass will further damage morale. Finally, it will potentially decrease bus use which hurts Madison Metro and University sustainability goals if employees opt for private transportation.

Most of the university community is probably unaware that Transportation Services pays each time they ride the bus. A public education campaign on this fact could help save money, as riders might think twice about riding the bus very short distances, or considering the use of free bus routes would help decrease costs. Transportation Services might also be able to encourage the number of bus riders (and pass purchasers) by informing employees about the emergency ride home or other programs that can make bus use more feasible.

If it is determined that the budget situation no longer allows for free bus passes, we recommend Transportation Services charge staff and the cost should be on a sliding scale determined by income. The standard pass price should be set at \$50/year, which makes a subsidized pass cheaper than paying regular bus fare for any rider who rides more than 33 times per month.

Unfortunately we were not able to get official data on the income levels of pass holders and their usage. However, we did have access to the results of a survey collected by Transportation Services. While we fully acknowledge that it is not likely that this is a representative sample, we have used this information to draw some basic conclusions which can certainly be revised given access to more information.

Of those responding to the survey, approximately 24% of those who reported using the bus every day in good weather (people we can assume use it as their primary means of transportation to and from work, and therefore very likely to purchase passes) make less than \$35,000/year. In order to avoid incurring financial burden on those least able to pay, we recommend those making less than \$35,000/year be offered passes at a rate of \$25/year.

While it could also be argued that those making more money should be charged a higher rate for their pass, usage data indicates this may not be a wise strategy. While individuals making more than \$75,000 comprised 25% of the bus pass holders responding to the survey, 80% of the respondents in this salary range reported never riding the bus in good weather. Since they do not appear to be regular riders, some of these individuals may purchase a pass as a convenience at the \$50/rate, but fail to see value at a higher cost.

Transportation Services should offer options for different types of passes. This could include winter passes, limited ride passes, and other alternatives that could capture revenue from staff unwilling to pay the cost of a full pass if they are not a regular rider. This would allow employees to maintain the convenience of the pass without incurring unnecessarily high cost.

Transportation Services should work with payroll to allow bus pass costs to be paid via pre-tax payroll deduction. Since this is offered to those who have annual parking permits, it seems fair that these tax advantages should be extended to bus pass users.

### **Evening Permits**

Currently most gated lots sell permits only until 4:30pm. Transportation Services has correctly realized that additional revenue can be gained by selling evening permits. Overall, we think this is a good idea with solid revenue potential. However, we would like to caution that it be done in a way that does not adversely affect academic staff who may need to park on campus on evenings or weekends as part of their job. This could include laboratory staff or others who work off hours.

While staff who elect to drive to campus and park at night obviously have to purchase parking, at night staff have many fewer options as bus service is extremely limited and walking or biking is not as safe. Since they are therefore more likely to need to drive to campus, we feel the evening permit sales should make concessions to staff that can prove that they need to drive to campus at night as part of their job.

### **Recommendations**

Academic Staff who work night or weekend hours and are currently parking on campus for free after hours should be offered access to permits at reasonable rates since their transportation options are limited. This should apply only to those whose evening or weekend working hours are not optional.

While most 2nd and 3rd shift workers are not academic staff and therefore outside the scope of this document, it is worth noting that many of them are at lower income levels and would be adversely affected by having to purchase a permit. These workers should be given access to free parking via application if their primary working hours are outside Madison Metro service hours.