

Date: December 2, 2022	Originator's files:
To: Chair and Members of General Committee	
From: Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works	Meeting date: January 11, 2023

Subject

2023-2025 Universal Transit Pass Program Agreement with the University of Toronto at Mississauga

Recommendation

1. That the Commissioner of Transportation and Works and the City Clerk be authorized to negotiate and execute a new Universal Transit Pass Agreement between the City, the Governing Council of the University of Toronto, and Erindale College Student Union, including such ancillary documents, amendments and renewal agreements as may be required to give further effect to the intended relationships of the parties.
2. That all necessary by-laws be enacted.

Executive Summary

- The Universal Transit Pass (U-Pass) program provides eligible full time and part time students with unlimited travel each semester on all MiWay routes.
- The City (via MiWay) in partnership with University of Toronto's Mississauga Campus ("UTM"), and the Erindale College Student Union ("UTMSU"), currently has in place a Universal Transit Pass ("U-Pass Agreement") which expires on August 31, 2023.
- Building on the success of the U-Pass program over the last sixteen years, MiWay seeks Council approval for a new two year agreement with UTM and UTMSU effective September 01, 2023.
- All parties have agreed on terms to move from paper based U-Pass student card to digital U-Pass on mobile phones and on PRESTO fare card. The digital U-Pass will begin with pilot in the summer of 2023 and go live for all students in the fall 2023.
- The life of the new agreement will be two years from September 01, 2023 to August 31, 2025.

- A U-Pass price increase of 5% was agreed upon by UTM, UTMSU and MiWay for both the fall/winter student terms, and the summer student terms, effective September 01, 2023 to August 31, 2025.
- The U-Pass program encourages transit ridership leading to improvements in transportation, the environment and the health of the community.

Background

The current Universal Transit Pass (U-Pass) Agreement between the City, the Governing Council of the University of Toronto (the “UTM”) and Erindale College Student Union (the “UTMSU”) was approved by the City under City By-law 0215-2019 and executed by Mississauga in January 2020 and valid 3 years until August 31, 2023.

This contract includes full-time and part-time undergraduates and full-time graduates who attend UTM for the 8-month term (September to April), and full-time and part-time undergraduates who attend the summer 4-month term (May to August).

U-Pass programs, being universal by nature, require mandatory participation by all enrolled students and therefore 15,805 students are part of the eight month U-Pass program for the 2022/2023 academic year and 7,960 students were part of the summer program in 2022. The U-Pass price for the current year is set at \$283.65 per student for the fall/winter term and \$169.94 for the 2023 summer term. The existing U-Pass agreement provided for an incremental price increase during each year of the agreement.

Comments

The MiWay U-Pass program with UTM has been successful for sixteen years and has proven to be of great benefit for students and the community. For students, it reduces transportation costs, creates new and convenient travel options and makes it cheaper and easier to use transit more often for school, social outings and work. Our goal is to encourage students to continue to use transit after they graduate as the City benefits from reduced automobile traffic which leads to a healthier community for all.

Building on the success of the U-Pass program, staff worked closely with UTM and UTMSU representatives to discuss continuing the relationship and to provide students with both a fall/winter and summer U-Pass for the next two years (September 1, 2023 to August 30, 2025). The following outlines updates to the new contract:

PRESTO Digital U-Pass:

As the PRESTO fare program develops, new digital options have become available for use, removing the need for paper tickets, passes and cash products. Several Regions and Cities have evolved the U-Pass payment method from a paper pass to a digital U-Pass. Table 1

below outlines the current post-secondary colleges and universities utilizing the PRESTO digital U-Pass.

Table 1 - Post-Secondary Education Institutions using digital U-Pass on PRESTO:

Transit Agency	Post-Secondary Education Institution	Effective date of Digital U-Pass
Hamilton Street Railway (HSR)	McMaster University	September 2018
Hamilton Street Railway (HSR)	Mohawk College	September 2018
Hamilton Street Railway (HSR)	Redeemer University	September 2018
Hamilton Street Railway (HSR)	Columbia College	September 2022
Durham Region Transit	Ontario Tech University	May 2020
Durham Region Transit	Durham College of Applied Arts and Technology	May 2020
Durham Region Transit	Trent University	May 2020

The PRESTO digital U-pass called the U-Pass eTicket is available to students through their mobile phones. Students who do not have a cell phone or whose cell phones cannot download the U-Pass eTicket, shall be issued a U-Pass voucher on a PRESTO card. Based on transit systems data that are currently utilizing the digital U-Pass program, over 90% of students download the U-Pass eTicket with less the 10% using the U-Pass voucher. The U-Pass eTicket is issued directly by UTM to a registered student mobile device during each term of the school year.

The U-Pass eTicket program provides a convenient means for students to carry their U-Pass in their mobile phone and tap the PRESTO device when boarding the bus. This new digital method will enable the collection of more reliable U-Pass usage rates since it eliminates the need for Bus Operators to manually press a button for each student with a paper U-Pass payment.

The more accurate data collection will help inform accurate pricing decisions for U-Pass in the future. In addition, the eTicket will reduce fare fraud from students selling the paper U-Pass to non-student riders.

MiWay will pilot the new PRESTO eTicket program in the summer 2023 term with a small portion of UTM students to ensure successful functionality prior to a full launch in September 2023 with a much larger number of students.

U-Pass Price:

Based on discussions with UTMSU student representatives, MiWay is recommending a new two year U-Pass agreement beginning September 1, 2023 until August 30, 2025 that includes both fall/winter and summer school terms. The U-Pass pricing will increase five percent each fall/winter and summer term. This pricing strategy is similar to other U-Pass programs in Ontario in that it strives to maintain a balance between affordable transit for students and a reasonable cost recovery for Mississauga taxpayers. MiWay's UTM U-Pass currently achieves an average price compared to other transit U-Pass programs in Ontario. Comparative U-Pass pricing in Ontario is provided in Appendix 1.

The tables below show the breakdown of the new U-Pass pricing:

The U-Pass Fee for the Fall/Winter Term(s) will be:

Fall/Winter	Fee
September 2023 to April 2024	\$309.29
September 2024 to April 2025	\$324.76

The U-Pass Fee for the Summer Term(s) will be:

Summer	Fee
May 2024 to August 2024	\$154.65
May 2025 to August 2025	\$162.38

Equal term pricing:

As part of the pricing discussions, UTMSU student leaders requested that MiWay adjust the upcoming price of the U-Pass such that the each academic term is equal (fall, winter and summer terms). In the previous agreement, the summer price was higher per month compared to fall and winter term due to higher transit usage by summer students. To achieve the equal term pricing effective during year one of the new agreement, the fall/winter term price will increase by 9% and summer term price will be reduced by 9% which balances the overall year one increase to a 5% price increase overall.

Elimination of Replacement Fee:

An additional benefit for students with the introduction of the new PRESTO digital U-Pass program is the elimination of the cost for replacement U-Pass cards (currently at \$125 fall/winter and \$70 summer). The occurrence of a lost U-Pass is expected to drop significantly as the new U-Pass eTicket will be stored on the student mobile phones. Should a student purchase a new phone or unintentionally delete the eTicket application, they will receive a replacement U-Pass eTicket on their new phone for free. Those students using a U-Pass vouchers will be limited to one replacement PRESTO U-Pass voucher per term to minimize potential fraud.

Strategic Plan

The U-Pass program encourages transit ridership leading to improvements in transportation, the environment and the health of the community. This program achieves several of the City's strategic goals by contributing to the following:

- Ensuring Youth, Older Adults and New Immigrants Thrive by providing a means of transportation to students to go school, work, errands and social events.
- Ensuring Affordability and Accessibility by providing transit service at a discounted U-Pass price to thousands of students.
- Attract and Retain Youth by providing a safe and reliable transit service that most students will continue to use even after graduation from UTM.
- Promoting a green culture by moving paper U-Pass to digital U-Pass on mobile phones ensuring less paper and plastics are used resulting to less environmental pollution.

Financial Impact

The UTM U-Pass fee is increasing by a total of 5% for each academic year as indicated on tables below:

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As per the PRESTO service level agreement, the U-Pass eTicket will be charged a PRESTO commission of 6% plus HST on the U-Pass price for each student enrolled in the U-Pass eTicket program and a 9% commission plus HST for each U-Pass voucher. These PRESTO commission costs shall be funded through the MiWay budget. MiWay anticipates that additional revenue from continued student enrolment growth will offset the impact of this commission costs over a two year period.

Table below shows the fiscal year U-Pass revenue, commission costs and budget impacts.

Budget Impacts				
Description	2022	2023	2024	2025
U-Pass Revenues	\$5.77 M	\$6.05 M	\$6.47 M	\$7.01 M
Incremental Revenues		\$0.28 M	\$0.42 M	\$0.54 M
PRESTO Commission Cost		\$0.16 M	\$0.39 M	\$0.43 M
Net Budget Surplus / (Shortfall)		\$.11 M	\$.02 M	\$.11 M

In 2023 U-Pass revenue budget will increase by \$0.28M from \$5.77M to \$6.05M and PRESTO commission cost for U-Pass will be \$0.16M.

Conclusion

MiWay, in partnership with UTM and UTMSU, has delivered a successful U-Pass program over the past sixteen years. The U-Pass experience provides significant benefits to all groups by providing an affordable travel option for UTM students and supports community transportation goals by reducing the need for a car.

The new U-Pass agreement between UTM, UTMSU and the City will extend the program for another two year beginning September 1, 2023 and expiring August 30, 2025.

Attachments

Appendix 1 – U-Pass Pricing_Ontario Transit Systems_2022



Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works

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