

HF3252 - 0 - Light Rail Passes for U of MN; Healthy Food Study

Chief Author: **Frank Hornstein**
 Committee: **Higher Education Policy & Finance Division**
 Date Completed: **2/24/2020 7:54:18 AM**
 Lead Agency: **Metropolitan Council**
 Other Agencies:
 University Of Minnesota

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
Metropolitan Council						
General Fund	-	-	153	153	153	
University Of Minnesota						
General Fund	-	-	52	(13)	(13)	
State Total						
General Fund	-	-	205	140	140	
Total	-	-	205	140	140	
Biennial Total			205			280

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
Metropolitan Council					
General Fund	-	-	-	-	-
University Of Minnesota					
General Fund	-	-	.5	-	-
Total	-	-	.5	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2019	FY2020	FY2021	FY2022	FY2023
Metropolitan Council						
General Fund		-	-	153	153	153
University Of Minnesota						
General Fund		-	-	52	(13)	(13)
Total		-	-	205	140	140
Biennial Total				205		280
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Metropolitan Council						
General Fund		-	-	153	153	153
University Of Minnesota						
General Fund		-	-	52	(13)	(13)
Total		-	-	205	140	140
Biennial Total				205		280
2 - Revenues, Transfers In*						
Metropolitan Council						
General Fund		-	-	-	-	-
University Of Minnesota						
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

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 Agency: **Metropolitan Council**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	153	153	153	153
Total	-	-	153	153	153	153
Biennial Total			153			306

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	-	153	153	153
Total		-	-	153	153	153
Biennial Total				153		306
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	-	153	153	153
Total		-	-	153	153	153
Biennial Total				153		306
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

CAMPUS ZONE PASS:

- Subject to an agreement on costs:

- o The Council must implement passes for light rail transit in the University of Minnesota Campus.

- o The ZONE for the passes must include:

- §Each station located within the campus

- §At least one additional contiguous station.

- o Cost to implement the requirements must be divided 50% to the Council and 50% to the University of Minnesota.

- Effective August 1, 2020 in counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

CAMPUS ZONE PASS COST ASSESSMENT:

- By February 1, 2021:

- o Metropolitan Council must submit a report to the chairs, ranking minority leaders, and staff of the legislature committees with jurisdiction over transportation policy and finance

- o Report includes costs and foregone revenue due to implementing an expanded campus zone pass program

- o Effective the day following final enactment in counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

Assumptions

The Campus Zone Pass ridership program began in August 2014 in partnership between Metro Transit and the Regents of the University of Minnesota. The University offers this pass to all students, faculty and staff. The program provides unlimited rides on Metro Green Line between West Bank, East Bank and Stadium Village stations

The Campus Zone Pass was negotiated by both Metro Transit and the University. The University pays Metro Transit \$16

for passes issued before or during fall semester and \$8 per pass if issued during spring or summer semester. For the academic year 2018-2019, there were 7,068 (82%) passes issued to students and 1,547 (18%) issued to faculty and staff.

The program provides approximately \$165,000 in annual revenues for Metro Transit. There were approximately 115,000 rides taken in 2018 as part of this program.

Based on the proposed legislation in HF 3252, the Campus Zone could be extended to either U.S. Bank Stadium station (USBSS) or Prospect Park station to meet the “one additional stop” requirement included in the legislation. Metro Transit staff focused their analysis on Prospect Park station for the following reasons:

1. Fresh Thyme grocery store is about a one-minute walk from Prospect Park station. Trader Joes, the closest identified grocery store to USBSS, is about a five-minute walk.
2. Prospect Park station is generally a lower-use station and isn't subject to the large crowds at USBSS during Vikings games and other large U.S. Bank Stadium events.

Expenditure and/or Revenue Formula

Metro Transit staff performed the following analysis to determine the estimated financial impact of lost U-Pass sales if the Campus Zone were extended to Prospect Park or U.S. Bank Stadium station:

1. Identifying all the U-Pass cards used at these two stations (independently) between January 1st and May 31st, 2019. Our research indicated that ~ 1,217 semester passes were scanned at Prospect Park, indicating an entrance onto the transit system, then scanned again at one of the three existing University stations indicating a return to the transit system.
2. U-Pass cards are \$115 per semester
3. Analyzing total system ridership of those cards to determine anticipated changes in U-Pass purchases as a result of the adding Prospect Park Station OR U.S. Bank within the Campus Zone at no additional cost to the student or the University. (Note the analysis did not consider adding both to the Campus Zone.)
4. Calculating the number of lost semester U-Pass sales for those students who would spend less than \$115 per semester in cash-equivalent transit fares during the academic year as a result savings achieved from riding between Prospect Park OR U.S. Bank Stadium station and current light rail stations on the University campus.

Based on this analysis, it was estimated Metro Transit could see U-Pass revenue reduction as follows:

- Adding Prospect Park to the Campus Zone: Estimated lost U-Pass sales of \$140K annually
- Adding U.S. Bank Stadium station to the Campus Zone: Estimated lost U-Pass sales \$110K annually

This figure does not include or estimate the number of fares that would be purchased by students in lieu of purchasing a U-Pass for using transit outside of the Campus Zone if they discontinued purchasing U-Pass.

If the Campus Zone were extended to Prospect Park, approximately 1,217 semester U-Pass sales could be lost over the academic year. The U-Pass provides unlimited regular route transit use throughout the Twin Cities area, both on regional fixed route bus as well as light rail. As mentioned previously, the Campus Zone Pass is accepted only at the three stations located on the University campus.

ESTIMATED COST OF HF 3252.

The Estimated cost of HF 3252 is as follows:

- Current Cost of the Campus Zone Pass \$165,000
- Estimated Loss in U-Pass Sales with the Campus Zone Extension: \$140,000
- Total Estimated Cost of HF 3252 is \$305,000
- Per HF 3252 Metropolitan Council share is 50% or \$152,500

·Per HF 3252 the University of Minnesota share is 50% or \$152,500

Long-Term Fiscal Considerations

The Campus Pass station extension under HF 3252 would have ongoing Revenue Impacts for Metro Transit of approximately \$153,000 per year with requested State Appropriations for \$153,000 per year.

Local Fiscal Impact

References/Sources

Ed Petrie, Metro Transit Finance 612 349 7624

Agency Contact: Ed Petrie 612 349 7624

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 Agency: **University Of Minnesota**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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General Fund	-	-	52	(13)	(13)	
Total	-	-	52	(13)	(13)	
Biennial Total			52		(26)	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	.5	-	-
Total	-	-	.5	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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State Cost (Savings) Calculation Details

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General Fund	-	-	-	52	(13)	(13)
Total		-	-	52	(13)	(13)
Biennial Total				52		(26)
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	-	52	(13)	(13)
Total		-	-	52	(13)	(13)
Biennial Total				52		(26)
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

Section 1: The Met Council must implement passes for light rail transit in the University of Minnesota campus. The zone for the passes must include (1) each station located within the campus, and (2) at least one additional contiguous station. The Costs to implement the requirements of this subdivision must be divided 50 percent to the council and 50 percent to the University of Minnesota. This section is effective August 1, 2020 in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Section 3: Provides a blank appropriation in fiscal year 2021 to the University of Minnesota for an evaluation of healthy food availability on and near the University of Minnesota Twin Cities campus. At a minimum, the study must: identify availability of unprocessed or minimally processed food throughout the year; examine options to expand healthy food availability, including but not limited to evaluation of costs, feasibility, and barriers to implementation; and make recommendations for actions by the University of Minnesota and for legislative changes.

Assumptions

Section 1 - Campus Zone Pass:

- The University currently has an agreement with the Met Council for a Campus Zone Pass including all three light rail stations located within the Twin Cities campus for students, faculty, and staff. The University currently pays \$165,000 annually for the Campus Zone Pass.
- HF 3252-0 requires the Campus Zone Pass to include either the U.S. Bank Stadium station or Prospect Park station to meet the one additional contiguous station requirement. HF 3252-0 does not restrict the users of the Campus Zone Pass to students, faculty, and staff.
- The Met Council estimates the University of Minnesota's share of the new campus zone pass, including the Prospect Park station, is \$152,500 annually

Section 3 - Healthy Food Availability Study:

- The Healthy Food Availability Study would be completed in FY2021.
- The study would include a Nutrition Environment Measures Survey and food basket price analysis at a sample of the food retail establishments at three times of the year and a survey of Twin Cities campus students, faculty, and staff.

Expenditure and/or Revenue Formula

Section 1 - Campus Zone Pass:

Current campus zone pass annual cost: \$165,000

HF3252 campus zone pass annual cost: \$152,500

Annual net gain: \$12,500

Section 3 - Healthy Food Availability Study:

Graduate research assistant (12 months, 50% appointment) salary and fringe: \$49,000

Supervising professor (5% or 78 hours) salary and fringe: \$9,124

Technology and survey materials expenses: \$6,000

Total cost of Healthy Food Availability Study: \$64,124

Total cost of HF3252: \$51,624

Long-Term Fiscal Considerations

The campus zone pass cost is ongoing. The Healthy Food Availability Study is a one-time cost in FY2021.

Local Fiscal Impact

None.

References/Sources

Ross Allanson, University of Minnesota Director of Parking & Transportation Services

Hikaru Peterson, Professor, Department of Applied Economics, University of Minnesota

Agency Contact:

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