

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
10	08/13/18	Open	Action	08/10/18

Subject: Los Rios Ridership Promotion

ISSUE

Whether or not to delegate authority to the General Manager/CEO to approve the Third Amendment to the Student Transit Pass Program Agreement – 2015 with Los Rios Community College District to: (1) permit Disabled Services and Programs Students enrolled in 3 or fewer units to ride for free in Fall Semester 2018; and (2) permit students enrolled in three or fewer units to purchase a Los Rios Monthly Pass for \$5 per month for Fall Semester 2018.

RECOMMENDED ACTION

Adopt Resolution No. 18-08-___, Delegating Authority to the General Manager/CEO to Approve a Third Amendment to the Student Transit Pass Program Agreement – 2015 with Los Rios Community College District to Reduce or Eliminate Fares for Fall Semester 2018 for Students Enrolled in 3 or Fewer Units

FISCAL IMPACT

The estimated fiscal impact of providing a free Fall 2018 semester pass to the participants of the Disabled Services and Program for Students (DSPS) is a loss in fare revenue of approximately \$3,360. However, if these riders elected fixed route service versus on-demand paratransit services there is a potential to reduce this estimated revenue loss to zero. There are approximately 400 students in the program and they can currently purchase the semester pass for \$8.40.

The estimated fiscal impact related to reducing the cost of the Los Rios Monthly Pass for students taking 3 units or less is minimal. Currently, SacRT collects approximately \$368 per month of fare revenue from pass sales to individuals taking 3 units or less at Los Rios. A generalized Sacramento Area Council of Governments (SACOG) survey found that approximately 2% of the population utilizes public transportation in some form. Applying that to the students taking 3 units or less suggests that in total SacRT may collect approximately \$20,442 in fare revenue per semester from these students. Additionally, the majority of the estimated fare revenue lost could be made back through increased Los Rios Monthly Pass sales as well as current riders choosing to ride with alternative products as they are doing today.

DISCUSSION

In Sacramento County, there are as many as 62,378 individuals that are within 15 units of completing a college program of study. Community colleges such as Los Rios are vital in assisting students of all ages in completing their education. SacRT's continued partnership with Los Rios enhances these individuals' opportunities for future employment and continued

Approved:

Presented:

Final 08/10/18

General Manager/CEO

VP, Finance/CFO

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ridership. Further, by partnering with Los Rios SacRT is able to offer mobility options to riders that otherwise may not be able to afford the service. SacRT is striving to build life-long riders and the foundation of that is forming habits at an early age. SacRT believes that providing riding incentives to students will help meet our region’s educational attainment goals and strengthen our workforce skills.

SacRT has had a transit pass program with the Los Rios Community College District since 2004. Under the agreement that was in place from 2007 to December 31, 2015, nearly 100% of enrolled Los Rios students paid a transportation fee as part of their registration that granted them access to unlimited rides on SacRT during the semester. Students interested in using SacRT could pick up a semester pass (sticker affixed to their Los Rios ID) after registering for their classes. For low-income students taking fewer than 6 units, the semester fee was \$2.77; for non-low-income students, the semester fee was \$5.54 per semester. The maximum fee (for those enrolled in 12 or more units) was \$8.31 per semester for low-income students and \$16.62 for non-low-income students. The fee was mandatory and applied regardless of whether students pick up the sticker.

In FY16, Staff negotiated a new agreement with Los Rios that focused on raising the average fare for Los Rios students. The methodology was changed so that the mandatory fee is based on the number of units taken (currently \$2.25 per unit, up to a maximum of 15 units or \$33.75), with no discount for low-income students. Students taking 3.0 units or fewer per semester were no longer eligible for the Los Rios transit pass. Those students can instead purchase a special Los Rios Monthly Pass at the applicable Student Discount Monthly Pass price (a 50% discount that is otherwise only available to Senior/Disabled and K-12 individuals). The decision to exclude students taking 3 units or less was made mutually by Los Rios and SacRT.

Now that some time has passed, SacRT has good data to analyze the impact of this methodology change. Table 1 below compares fare revenue and ridership information before and after the implementation of the new contract.

Table 1

Category	FY15	FY17	Absolute Change	% Change
System Wide Ridership	25,759,001	22,059,945	(3,699,056)	-14%
System Wide Revenue	\$28,396,102	\$30,487,098	\$2,090,996	7%
Los Rios Ridership	3,623,145	1,769,798	(1,853,347)	-51%
Los Rios Revenue	\$976,813	\$2,050,925	\$1,074,112	110%

After further review of the data, Staff has concluded that while the initial contract changes achieved the goal of increasing fare revenue and improving average fare (from \$0.24 to \$1.39), the change did not incentivize the majority of students (taking 3 units or less) to purchase the Discount Monthly Pass. For this group of riders, the increased cost of riding transit likely caused deflection. SacRT has since reevaluated the financial impact to the

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students taking 3 units or fewer and concluded that they are still students and should be eligible to participate in the Los Rios semester pass program.

Staff estimates that the inclusion of this student population could generate an additional 500,000 boardings per semester.

To achieve this objective, Staff proposes a three-part plan to partner with Los Rios to improve mobility for community college students regardless of the number of units taken:

1. Allow the participants of the DSPS to obtain the Fall 2018 semester pass for free if they are taking 3 or fewer units.
2. For the Fall 2018 Semester only, reduce the cost of the Los Rios Monthly Pass from \$20 to \$5 per month to enable students taking 3 units or fewer to obtain a semester pass for a price approximately equivalent to what a student taking 12 units would pay for the Transit Pass.
3. Work with Los Rios staff and student body to bring all students, regardless of the number of units enrolled, back into the per unit fee pricing model (target date Spring 2019). This action will require a student election and further discussions with Los Rios, as well as a Title VI analysis, and will be brought back to the Board in the future, after completion of the Title VI analysis and approval by Los Rios, in the form of a proposed Fourth Amendment.

Summary of Recommended Changes:

DSPS Fall 2018 Semester Pass

The DSPS program at Los Rios provides equal access to programs and facilities on campus, thereby ensuring that students with disabilities experience the opportunity to participate fully in campus activities. The philosophy of DSPS is to encourage maximum independence and personal empowerment through a successful educational experience. A significant portion of the DSPS students were unintentionally harmed by the changes made to the Los Rios contract in 2015. Many of these students are only able to take one course per semester (3 units) and were therefore disqualified from receiving a semester pass. In the Second Amendment to the Student Transit Pass Program Agreement – 2015 dated May 11, 2018 SacRT agreed to permit Los Rios to sell the semester pass to DSPS students for \$8.40, or the 4 unit fee. SacRT would like to ease the administrative burden for Los Rios and offer the Fall 2018 semester pass at no cost to the DSPS students. Should this change be made, there are approximately 400 students in the DSPS program that would receive the Fall 2018 semester pass at no cost.

Los Rios Monthly Pass Price Reduction

As mentioned earlier, Los Rios currently sells a monthly pass to students taking 3 units or fewer for \$20 a month, or \$100 for the entire semester, August through December. As a result, the cost for unlimited transit access for students taking 3 units is 4 times higher than a student taking 12 units. Therefore, for the Fall 2018 semester only, SacRT would like to reduce this

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burden on students and change the Los Rios Monthly Pass price to \$5 per month or \$25 for the semester. This would make the semester cost equivalent to the price that a student taking 12 units would pay.

These two actions can be taken now through a fairly simple Third Amendment to the Student Transit Pass Program Agreement – 2015.

Per Unit Pricing Model (Target Spring 2019)

As a longer-term objective, Staff will work with Los Rios staff to re-impose the transit fee on all students, regardless of the number of units taken. Because it would be a mandatory fee, under Education Code Section 76361, it can only be imposed after a student election. Staff will work with Los Rios to move towards this objective and will bring any further amendments back to the Board for consideration, along with any required Title VI analysis. If this effort is unsuccessful, Staff will return to the Board with alternative proposals for long-term mobility access for this group of students.

Staff estimates that the new average fare for the Los Rios pass would drop from \$1.39 to \$0.89, which is more in line with other discount fare categories. These figures assume that all 3 phases of the aforementioned mobility plan for Los Rios are implemented, including re-introducing all Students to the semester pass program and negotiated fee structure. It is likely that the growth in ridership will be less during the Fall semester of 2018 given that the program would be only partially implemented. Because SacRT has additional capacity on trains and buses, allowing for additional riders would not increase costs. Rather, this change would improve mobility for those working towards a degree and improving their personal situations.

A long term solution will be brought back to the Board this fall and a Title VI analysis will be performed to ensure compliance for any permanent change.

Recommendation:

In light of the foregoing, Staff is recommending that the Board delegate authority to the General Manager/CEO to approve a Third Amendment to the Student Transit Pass Program Agreement – 2015 to: (a) allow for Disabled Services and Programs Students to receive a Fall 2018 Semester Sticker at no cost; and (b) temporarily allow sale of the Los Rios Monthly Pass for \$5 for the Fall 2018 Semester.

RESOLUTION NO. 18-08-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

August 13, 2018

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE A THIRD AMENDMENT TO THE STUDENT TRANSIT PASS PROGRAM AGREEMENT – 2015 WITH LOS RIOS COMMUNITY COLLEGE DISTRICT TO REDUCE FARES FOR FALL SEMESTER 2018 FOR STUDENTS ENROLLED IN 3 OR FEWER UNITS

WHEREAS, by Resolution No. 09-10-0174, as subsequently amended including by Resolution 16-09-0104, the Board of Directors amended and restated the Fare Structure for fixed-route service, which includes provisions for Group Pass programs; and

WHEREAS, since 2004, the Sacramento Regional Transit District (“SacRT”) has had a Group Pass program with the Los Rios Community College Districts whereby students paying a transportation fee are entitled to unlimited rides on the SacRT system; and

WHEREAS, beginning January 1, 2016, access to the Transit Pass Program was limited to students taking more than 3 units; and

WHEREAS, students taking 3 or fewer units are eligible to purchase a Los Rios Monthly Pass for RT’s student discount rate; and

WHEREAS, since 2016 SacRT has experienced a decline in riders using the Transit Pass Program and limited sales of the Los Rios Monthly Pass; and

WHEREAS, SacRT desires to promote use of SacRT services by Los Rios Students taking 3 or fewer units a semester by offering a free transit pass sticker to Disabled Services and Programs students and an additional discount for the Los Rios Monthly Pass, both for the Fall 2018 Semester only.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, authority is hereby delegated to the General Manager/CEO to approve and execute a Third Amendment to the November 24, 2015 Student Transit Pass Program Agreement – 2015 with Los Rios Community College District to: (a) allow for Disabled Services and Programs Students to receive a Fall 2018 Semester transit pass sticker at no cost; and (b) temporarily allow sale of the Los Rios Monthly Pass for \$5 for the months of August, September, October, November and December 2018.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary