

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	10/22/18	Open	Action	10/11/18

Subject: Amend Los Rios Contract to Increase Ridership

## ISSUE

Whether or not to approve the Fourth Amendment to Student Transit Pass Agreement - 2015 with Los Rios Community College District to remove the minimum unit requirement for receipt of the Los Rios Community College District Transit Pass for Spring 2019 and potentially beyond and extend the agreement expiration date to December 31, 2023.

## RECOMMENDED ACTION

Adopt Resolution No. 18-10-\_\_\_\_, Approving the Fourth Amendment to the Student Transit Pass Agreement – 2015 with Los Rios Community College District to Remove the Minimum Unit Requirement for Spring 2019, Conditionally Remove the Minimum Unit Requirement for Future Semesters and Extend the Contract Expiration Date to December 31, 2023.

## FISCAL IMPACT

By removing the minimum unit requirement SacRT anticipates an increase to budgeted fare revenues of approximately \$70,000 for Fiscal Year (FY) 2019 (January through June 2019). The anticipated increase for a full fiscal year is \$140,000. There will be no changes to the students taking 4 or more units.

The potential ridership gain by approving this contract amendment could be 420,000 for six months and 840,000 annually thereafter.

## DISCUSSION

As discussed at the August 13, 2018 Board meeting, SacRT has seen a decline in ridership from Los Rios Community College District (Los Rios) over the past three years. To combat the decline, SacRT has worked with Los Rios to restructure the Transit Pass program to allow all students, regardless of the number of units enrolled, to obtain the semester pass.

Los Rios students held a special election on September 25, 2018 in which they passed the initiative to allow students to be assessed the \$2.25 per unit fee, regardless of number of units enrolled, enabling eligible students to obtain the semester pass and extending the agreement expiration date to December 31, 2023. There is a price escalation feature built into the original agreement with Los Rios, which will protect SacRT from inflationary increases of costs in future years.

On average there are approximately 15,000 students per semester that are enrolled in three units or fewer with Los Rios. Historically, Los Rios students take 56 rides per semester sticker issued. If half of the 15,000 students received their sticker and rode the system 56 times during

Approved:

Presented:

Final 10/17/18

General Manager/CEO

Treasury Controller

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the school year, SacRT could see an increase of 840,000 rides per year. The changes being requested to the contract benefit both the ridership and financial health of SacRT. Further, we continue to build a strong partnership with Los Rios and develop transit habits in college students that may become lifelong riders.

Prior to the conclusion of the Spring Semester 2019, RT will conduct a Title VI fare equity analysis to determine whether expanding the transit pass program to all enrolled students, regardless of the number of units taken, has a disparate impact on minority populations and also determine whether the fare change would create a disproportionate burden on low-income populations. If the Board determines that there is no disparate impact or disproportionate burden, the minimum unit requirement would be eliminated for the remainder of the Agreement term. If, however, the Board cannot make that finding, the minimum unit requirement will be reinstated while the parties evaluate alternatives to mitigate the negative impact.

Staff recommends that the Board approve the Fourth Amendment to Student Transit Pass Agreement – 2015 with Los Rios Community College District to remove the minimum unit requirement for Spring 2019, conditionally remove the requirement for future semesters beyond Spring 2019 and extend the contract expiration date to December 31, 2023.

RESOLUTION NO. 18-10-\_\_\_\_\_

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

October 22, 2018

**APPROVING THE FOURTH AMENDMENT TO THE STUDENT TRANSIT PASS AGREEMENT – 2015 WITH LOS RIOS COMMUNITY COLLEGE DISTRICT TO REMOVE THE MINIMUM UNIT REQUIREMENT FOR SPRING 2019, CONDITIONALLY REMOVE THE MINIMUM UNIT REQUIREMENT FOR FUTURE SEMESTERS AND EXTEND THE CONTRACT EXPIRATION DATE TO DECEMBER 31, 2023.**

WHEREAS, SacRT and Los Rios Community College District (“Los Rios”) entered in a three-year demonstration project for discount fares for college students in 2005; and

WHEREAS, the Board authorized a ten-year agreement in 2007, ending November 14, 2016; and

WHEREAS, the Board authorized a five-year agreement in 2015, ending December 31, 2020 which imposed a minimum unit requirement to be eligible to receive a transit pass; and

WHEREAS, SacRT and Los Rios desire to remove the minimum unit requirement and extend the term of the Agreement by 3 years.

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

THAT, the Fourth Amendment to Student Transit Pass Agreement – 2015 with Los Rios Community College District whereby the minimum unit requirement for receipt of the Los Rios Community College District Transit Pass is removed for Spring 2019 and conditionally removed for semesters beyond Spring 2019 and the term is extended to December 31, 2023, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute said Fourth Amendment.

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PATRICK KENNEDY, Chair

ATTEST:  
HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary