

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
13	06/10/19	Open	Action	06/03/19

Subject: Student Pass Program for Students Living or Attending School in the City of Sacramento

ISSUE

Whether or not to delegate authority to the General Manager/CEO to approve the Student Ridership Initiative Student Transit Pass Agreement with the City of Sacramento.

RECOMMENDED ACTION

Adopt Resolution No. 19-06-____, Delegating Authority to the General Manager/CEO to Approve the Student Ridership Initiative Student Transit Pass Agreement with the City of Sacramento

FISCAL IMPACT

Table 1 below highlights the estimated fiscal impact of the proposed fare offering.

Student Transit Pass Program FY20 Fiscal Impact	Amount
FY20 funding request from City of Sacramento	\$1,000,000
Estimated FY20 fare revenue collected Jul-Sep	(\$194,444)
FY20 City Funding revenue allocation	(\$805,556)
Estimated cost of research study	(\$80,000)
Estimated FY20 fiscal impact	(\$80,000)

The table above assumes an October 1, 2019 start date. The City of Sacramento (City) is actively pursuing additional funding to cover the cost of the research study component (details below). Given that the annual Student Transit Pass would be valid from 10/1/2019-9/30/2020, SacRT will defer \$194,444 of the funding received from the City to offset revenue losses in Fiscal Year (FY) 21.

DISCUSSION

BACKGROUND

As discussed at the May 13 SacRT Board meeting, SacRT and Councilmember Schenirer's Staff have been working on a new initiative, intended to be revenue neutral for SacRT and funded primarily by the City, that would allow all grade TK-12 students who either go to school within the City limits of Sacramento or reside within the City limits but attend a school outside the City's boundaries, as well as students who are homeless or in foster care to ride SacRT's services for free with a School ID and special sticker. This exciting opportunity could provide

Approved:

Presented:

Final 06/05/19

General Manager/CEO

VP, Finance/CFO

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over 100,000 students the opportunity to ride any of SacRT’s fixed route or SmaRT Ride services at any time free of charge for an initial period of approximately one year. The Student Ridership Initiative proposed today is contingent upon SacRT and the City reaching a funding agreement for the estimated loss of fare revenue and Board approval of a Title VI analysis.

The Student Ridership Initiative being considered by the City falls under the umbrella of the Citywide Youth Development Campaign Plan unanimously adopted by the Sacramento City Council. The City’s vision is to ensure all Sacramento youth are valued and reach their fullest potential. Transportation is viewed as a key element to reaching this vision and currently represents a significant barrier for many Sacramento youth traveling to school or internships/jobs, especially those in lower income households.

SacRT researched four comparable programs to the Student Ridership Initiative that have been in place for multiple years. Each of these has proven to be a great success with student participation ranging from 35%-57%. SacRT estimates that 7.5% of the eligible students currently ride SacRT and Staff anticipates this number growing dramatically (up to 25%) in year one should the program be approved. Table 2 below displays the potential ridership impact of the Student Ridership Initiative.

Table 2

Eligible students (Grades 6-12 only)	53,846
Average rides/student annually*	39.52
Estimated ridership	2,128,185
Current ridership (eligible students)	1,025,079
Estimated ridership gain	1,103,106
Percentage ridership gain	108%

For more details regarding the Staff research into comparable programs and ridership estimates, please review the Issue Paper discussed at the May 13, 2019 Board meeting.

DISCUSSION ON PROGRAM ADMINISTRATION

If the program is implemented, initial passes would be made available in the form of a sticker to be placed directly on the student’s school identification (ID) card. Using the student’s school-issued ID card will help to reduce costs for SacRT and barriers to entry for students that would be necessary if SacRT produced Student IDs for this purpose.

Given the desire to place the annual Student Transit Pass sticker directly onto a School ID card, the program must be implemented after the School ID cards are printed. Based on

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discussions with local school districts, Staff has determined that the best date to begin the Student Ridership Initiative is October 1, 2019. This will allow schools to print and issue ID cards to students with the transit pass already affixed to them. Assuming the implementation model as proposed above is approved, the Student Transit Pass would be valid from October 1, 2019 through September 30, 2020.

As previously mentioned, SacRT and the City are partnering with local school districts to assist with the administration of the Student Ridership Initiative. Agreements would be put in place with each interested school district to specify the distribution requirements and process. Schools located within City boundaries would be asked to distribute the free ride passes/stickers to all students. Staff anticipates obtaining enrollment information from eligible schools to determine the number of stickers to distribute each school. Schools that are outside the City limits could also obtain stickers from SacRT, but control procedures would need to be put in place by these schools to ensure that only City of Sacramento residents would be able to obtain a sticker.

Additionally, it is likely that SacRT and the City would partner to issue the stickers to eligible students in other public locations as well (libraries, City Hall, community centers, etc.). It is also important to note that students who are experiencing homelessness and/or a part of foster programs will also be allowed to participate in the Student Ridership Initiative regardless of current residence address or school address.

DISCUSSION ON FUNDING AGREEMENT

SacRT is anticipating the Sacramento City Council will vote on June 11, 2019 to approve funds to be expended in the amount of \$1,000,000 to support the Student Ridership Initiative at SacRT. If funding is approved, SacRT and City Staff will finalize an agreement that would transfer City funds to SacRT as payment for lost fare revenue associated with the Student Ridership Initiative. A draft agreement has been provided to the City for consideration.

In addition to compensating SacRT for lost fare revenue, the \$1,000,000 would be used to reimburse SacRT for an estimated \$80,000 in costs associated with a research study to analyze the impacts of the Student Ridership Initiative. The study will provide valuable feedback regarding the true impact of the proposal on the lives of students that goes beyond ridership at SacRT. It is expected that the study will also provide data on this such as: potential increases in school attendance and student performance, and effects on participation in extra-curricular activities such as sports, internships, hobbies, etc.

DISCUSSION OF TITLE VI ANALYSIS

SacRT policy requires a 30-day public review and Board approval of a Title VI equity analysis before enacting any permanent fare changes or any major service changes. Temporary or promotional fare reductions lasting no more than six months and designed to increase ridership do not require a Title VI analysis.

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Given that the proposed Student Ridership Initiative is not a temporary or promotional fare reduction as defined above, Board approval of a completed Title VI analysis is required prior to implementation. Staff has prepared a Title VI analysis regarding the Student Ridership Initiative and released it to the public on June 5, 2019. Staff anticipates returning to the Board on August 12, 2019 for approval of the Title VI analysis and approval of a School ID with the Student Ridership Initiative Sticker as a valid Group Pass under the terms of the Fare Structure. The action being taken today would merely provide the General Manager/CEO authorization to enter into the funding agreement, which would be subject to termination if the Board does not approve the Title VI analysis and Group Pass recognition.

CONCLUSION

SacRT has been searching for ways to improve ridership and bring benefits to the community over the past few years and is very excited about partnering with the City and multiple school districts. SacRT and the City see this program as an excellent way to introduce youth to public transportation and develop them into lifetime riders. Staff recommends providing delegating authority to the General Manager/CEO to enter into an agreement with the City to offer fare free rides to TK-12 students living in the City of Sacramento or attending a school in the city of Sacramento, as well as students who are homeless or in foster care, which could be terminated if the Board does not approve the Title VI analysis and creation of a new Group Pass type.

RESOLUTION NO. 19-06-_____

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

June 10, 2019

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE THE STUDENT RIDERSHIP INITIATIVE STUDENT TRANSIT PASS AGREEMENT WITH THE CITY OF SACRAMENTO

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 enter into a Student Ridership Initiative Student Transit Pass Agreement by and between the City of Sacramento (therein "City") and the Sacramento Regional Transit District (therein "SacRT"), whereby City agrees to pay a fixed amount of \$1,000,000 as consideration for SacRT (1) establishing a new Group Pass that would permit Students who live in or attend school within the boundaries of the City or who are homeless or in foster care to ride SacRT services at no cost for the period from October 1, 2019 until September 30, 2020; and (2) conducting a research study for an amount not to exceed \$80,000 regarding the success of the Student Ridership Initiative, which agreement would be subject to termination if the SacRT Board does not approve the Title VI fare equity analysis for the new Group Pass.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary