



STAFF REPORT

DATE: May 11, 2020

TO: Sacramento Regional Transit Board of Directors

FROM: Brent Bernegger, VP, Finance/CFO

SUBJ: LOS RIOS COMMUNITY COLLEGE DISTRICT UNIVERSAL TRANSIT PASS CONTRACT AMENDMENT RATIFICATION

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the attached Resolution will ratify the action taken by the General Manager/CEO to approve an amendment to the Student Transit Pass Agreement to: (1) provide a 20% refund to Los Rios Community College District Students, for the Spring 2020 semester, due to the COVID-19 pandemic; and (2) allow the parties to temporarily approve an alternate form of transit pass to address the unavailability of new student identification cards.

FISCAL IMPACT

Refunding 20% of the spring semester student transit pass fee is estimated at \$275,000. Although this was not initially budgeted in FY 2020, there have been a combination of cost reductions and CARES funding that could offset this impact.

DISCUSSION OF PARTIAL REFUND OF SPRING SEMESTER TRANSIT FEES

On March 13, 2020, Los Rios Community College District (Los Rios) suspended all in-person classes for the Spring 2020 semester. Subsequently, on March 23, 2020, SacRT reduced service on both bus and rail to approximately 60% of normal service levels. Los Rios contacted SacRT to determine if SacRT would be willing to provide a partial refund to students for the student transit pass fees paid for the Spring semester due to the cancellation of on-campus classes and the reduction in SacRT service levels.

After these discussions, SacRT's General Manager/CEO executed a Sixth Amendment to the Transit Pass Program to provide a 20% reduction of the Spring 2020 transit fees, which was calculated based on 100% availability of SacRT services for the first half of the semester and approximately 60% of the standard service levels beginning March 23, 2020; these amounts will be refunded by Los Rios to the students that paid the respective fees.

DISCUSSION OF CHANGES TO THE FORM OF PASS FOR LOS RIOS SUMMER SESSION AND BEYOND

SacRT was recently made aware that, due to COVID-19 concerns, all campuses of the Los Rios Community College District will remain closed for the upcoming Summer session. Under the Student Transit Pass Agreement, the pass consists of a sticker for each session that they are required to affix to their Los Rios-issued ID card. The closure of school campuses will prohibit new students from obtaining Los Rios issued identification (ID) cards. Data provided by Los Rios shows that significant numbers of students in the summer sessions are new students. Given that students will not be able to obtain an ID card for the summer session, SacRT and Los Rios have come up with a temporary alternative solution to provide students with a different form of summer transit pass.

SacRT will make available to Los Rios students a Los Rios Summer session card valid during the 2020 summer session only. The card will not have a student name or photo but will clearly state that is valid only for the period of June 1 to August 15. Distribution of the card will be controlled through an online management system. All summer session students will be required to pay the \$11 transit fee as part of their registration, as currently required under the program. Students who wish to obtain a transit pass for the summer session will be sent an invitation to sign up for one online. SacRT will then mail the new 2020 Los Rios Summer session card directly to the student. Los Rios will reimburse SacRT for the cost of printing the new pass cards.

To provide flexibility to adapt to future changes to online-only learning due to COVID-19, the Sixth Amendment provides for the parties to agree to additional future temporary changes to the form of the pass.

Prior to reaching this solution, SacRT was approached by Los Rios regarding offering refunds or discounts for summer session students due to the campus closures and the current shelter-in-place order limiting travel. However, while campuses are closed, SacRT data supports the fact the Los Rios transit pass is frequently used for travel unrelated to school activities, which may include essential travel under the shelter-in-place order. During the negotiations of the agreement in 2015, Los Rios specifically requested that distance learning students be eligible for the pass to facilitate non-school activities such as employment and internships. In addition, the shelter-in-place order may be partially or totally lifted during the summer, increasing opportunities to use the pass. Staff is also concerned about setting a precedent regarding discounting the minimal transit fee based on unknown future circumstances.

Rather than simply offering a discount or refund to all students and potentially significantly reducing fare revenues further, Staff has offered to provide two full fare daily passes to all students who request the Los Rios summer session pass. The daily passes can be distributed under the General Manager/CEO's existing authority to issue complimentary tickets and passes for promotional purposes and will be mailed to students along with their summer session card described previously. Staff feels that the offering will promote ridership by allowing friends or family members of Los Rios students to use the passes. Alternatively, students can use these passes when no longer eligible for the Los Rios student transit pass. Staff feels that this is a creative solution to provide students with a benefit while promoting future ridership without

risking additional losses of fare revenue. Staff is requesting that the Board ratify the General Manager/CEO's action in executing the Sixth Amendment prior to this Board meeting.

RESOLUTION NO. 20-05-0025

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

May 11, 2020

**LOS RIOS COMMUNITY COLLEGE DISTRICT UNIVERSAL TRANSIT PASS
CONTRACT AMENDMENT RATIFICATION**

WHEREAS, SacRT and Los Rios Community College District (“Los Rios”) entered into 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 Student Transit Pass Agreement in 2015, which was extended in 2018 to continue until December 31, 2023 (the “Agreement”); and

WHEREAS, the Agreement sets out the terms and conditions for implementing a transit pass program for Los Rios students, requiring Los Rios to collect universal transit fees and issue a transit pass sticker to all eligible students to be affixed to their Los Rios-issued student identification card; and

WHEREAS, on March 13, 2020, Los Rios suspended all face-to-face classes for the Spring and Summer 2020 semesters due to the COVID-19 pandemic; and

WHEREAS, on March 23, 2020, SacRT reduced bus and rail service to approximately 60% of normal service levels due to the COVID-19 pandemic; and

WHEREAS, due to the need to quickly make changes to the program, the General Manager/CEO executed the Sixth Amendment to the Agreement prior to this Board meeting to: temporarily reduce Los Rios’s payment of transit fees to SacRT for Spring 2020 semester to permit a partial refund to students for transit fees paid by students due to the cancellation of on-campus classes and the reduction in SacRT service levels; and allow students newly-enrolled for Summer 2020 to obtain a transit pass without a photo identification card.

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

THAT, the General Manager/CEO’s action in executing the Sixth Amendment to the Student Transit Pass Agreement – 2015, by and between the Sacramento Regional Transit District (therein “RT”) and the Los Rios Community College District (therein “Los Rios”), whereby SacRT agreed to reduce the amount of transit fees owed by Los Rios by 20% to allow Los Rios to refund a portion of those fees to students to compensate for reduced transit access and needs for the Spring 2020 semester; and the parties agreed that an alternate form of transit pass may be issued and accepted during

periods in which Los Rios is operating in an online-only mode due to the COVID-19 pandemic, is hereby ratified.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary