



STAFF REPORT

DATE: October 26, 2020

TO: Sacramento Regional Transit Board of Directors

FROM: Brent Bernegger, VP, Finance/CFO

SUBJ: APPROVING THE FIRST AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT FOR CALIFORNIA STATE UNIVERSITY SACRAMENTO STUDENT AND EMPLOYEE TRANSIT PASS PROGRAM AND THE EIGHTH AMENDMENT TO THE STUDENT TRANSIT PASS PROGRAM WITH LOS RIOS COMMUNITY COLLEGE

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

Approval of the attached Resolutions will provide a direct transit fee discount of 50% to Los Rios Community College District (Los Rios) students for the Spring 2021 semester and will further reduce the Annual Fee that California State University, Sacramento is obligated to pay SacRT during the current Fiscal Year to a total of 50% of the amount that would otherwise be due (reflecting the previously-approved 25% discount and a new discount of 25% of the FY20 Annual Fee amount that would have been included in the agreement in the absence of the previously-approved discount) .

FISCAL IMPACT

The combined fiscal impact of the proposed Resolutions is estimated to be \$826,507 (approximately \$600,000 from Los Rios and \$226,507 from Sac State). This reduction in budgeted revenues will be offset, if necessary, by an increase in CARES Act funding allocated to FY21. This will be addressed in a future budget amendment.

DISCUSSION

On June 8, 2020, the SacRT Board approved a reduction of 25% of the Annual Fee amount that would be otherwise due from Sac State in Fiscal Year 2021 and a 50% discount off the Fall semester transit fees for Los Rios students, in response to campus closures and distance-based learning due to COVID-19. Although the percentages are different, the 25% discount applied to Sac State was based on an annualized amount, whereas the 50% for Los Rios was based solely on the fall semester (1 semester). The total discount, when annualized, will be equitable as it will provide a 50% discount for both schools. As explained in the June Staff Report, Sac State pays SacRT in arrears for the prior fiscal year and, unlike the Los Rios contract, Sac State does not directly pass through the entire transportation fee collected from students to SacRT. However,

SacRT expects the reduced payment obligation in the current fiscal year will allow Sac State to reduce the student transportation fee in the Spring 2021 semester.

Sac State and Los Rios both recently informed SacRT that both Sac State and Los Rios college campuses will remain closed in large part during the Spring 2021 semester. As a result, the students may expect a reduction in the transit fee (Los Rios) or transportation fee (Sac State).

Staff has worked hard to maintain positive relationships with both Sac State and Los Rios during this time. The primary purpose of the transit pass agreements are to provide transportation to and from the college campus. This need has been greatly reduced given the campus closures. At the same time, while ridership among Los Rios and Sac State students has been affected, there are still many students using these programs as a means to complete essential travel.

Staff recommends that the Board approve amendments to both the Los Rios and Sac State Transit Pass programs to offer an additional, annualized 25% discount to Sac State and a 50% discount to Los Rios for the Spring 2021 semester. These discounts are equitable and have been informally approved by the management teams at both Sac State and Los Rios.

RESOLUTION NO. 20-10-0112

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

October 26, 2020

APPROVING THE EIGHTH AMENDMENT TO THE STUDENT TRANSIT PASS AGREEMENT -- 2015 WITH LOS RIOS COMMUNITY COLLEGE DISTRICT

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

THAT, the Eighth 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 the parties agree to a reduction or refund of the mandatory transportation fees paid by eligible students for the Spring semester of 2021 to reflect the reduced benefits provided to students as a result of the cancellation of on-campus instruction due to COVID-19, is hereby approved.

THAT, the General Manager/CEO is hereby authorized to execute said Eighth Amendment.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 20-10-0113

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

October 26, 2020

APPROVING THE FIRST AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT FOR CALIFORNIA STATE UNIVERSITY, SACRAMENTO STUDENT AND EMPLOYEE TRANSIT PASS PROGRAM -- 2020

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

THAT, the First Amendment to the Amended and Restated Agreement for California State University, Sacramento Student And Employee Transit Pass Program -- 2020 to provide an additional discount of \$226,507 in the amount due for the FY2020 Annual Fees as a result of the cancellation of the majority of on-campus classes for Spring 2021 semester to allow for reduction of the student transportation fee, is hereby approved.

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

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary