



## STAFF REPORT

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**DATE:** September 14, 2020  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Brent Bernegger, VP, Finance/CFO  
**SUBJ:** RYDEFREE RT YEAR 2 MODIFICATIONS

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULTS OF RECOMMENDED ACTION

These actions, taken together, will allow SacRT to work with the City of Sacramento and the various school districts to implement a second year of the very successful Student RydeFree RT Program

- (1) The requirement to have a sticker affixed to a Student ID, School ID, or RydeFree RT card (for TK-6 students only) will be eliminated for Year 2 of the RydeFree RT program due to distribution concerns
- (2) Students living or attending school within SacRT's boundaries will be eligible to ride with a qualifying ID through November 30 without a sponsoring entity agreement in place with the City of Sacramento
- (3) New terms would be approved for the sponsoring entity agreement with the City of Sacramento.

### FISCAL IMPACT

The City of Sacramento has committed funding for the continuation of the pass program; however, because the agreement has not yet been approved, there is some risk of lost fare revenue if students are permitted to ride through October 31 and an agreement is not ultimately reached with the City of Sacramento.

### DISCUSSION OF AMENDED AND RESTATED STUDENT RIDERSHIP INITIATIVE STUDENT TRANSIT PASS AGREEMENT WITH THE CITY OF SACRAMENTO

At the August 24, Board meeting, by Resolution No. 20-08-0078, the Board delegated authority to the General Manager/CEO to execute an amended and restated Student Ridership Initiative Student Transit Pass Agreement. The Staff Report described the proposed parameters of the Agreement as: payment in advance quarterly based on anticipated ridership; a reconciliation at the end of each quarter for material changes in ridership and a Total Consideration amount of \$1,000,000.

In a subsequent City Council action, the City of Sacramento approved expenditures of up to \$750,000 in FY21 for RydeFree RT Year 2. Funding for next fiscal (July through September 30) has not been appropriated.

While the total dollar amount to be received in FY21 has not changed (up to \$750,000) the mechanism by which SacRT is paid is likely to change. Initially staff anticipated billing the City quarterly based on ridership projections. The City of Sacramento has asked that they be billed in arrears based on extrapolations from ridership data.

While the funding has been approved, the actual agreement with the City has not been signed yet. Staff is working to finalize an agreement with the City of Sacramento and anticipates that it will be taken to City Council for approval on October 7<sup>th</sup>. Staff is requesting a new delegation of authority to the General Manager to execute an agreement consistent with the revised terms

It is important to note that year 1 of the RydeFree RT program is set to end on September 30, 2020. Given that the amended agreement will not be signed prior to then, Staff is requesting that the Board waive the requirement that a funding agreement be in place prior to the beginning of year 2 (October 1, 2020) and authorize all Students living within or attending school within SacRT's boundaries to ride without a sponsoring entity agreement through November 30, 2020 to allow time for completion of the City agreement. Beginning December 1, 2020, Students would only be permitted to use the pass if an agreement is in place with the City of Sacramento, consistent with the Board's prior action in August; as stated in the prior Staff Report, Staff will continue negotiations with other jurisdictions to reach agreements with those entities as well.

Staff anticipates that the agreement signed by the City of Sacramento will require payment in arrears for rides taken by students beginning on October 1, 2020.

#### DISCUSSION ON MODIFICATIONS TO FARE STRUCTURE

Due to the COVID 19 pandemic Staff has found that it will be difficult to effectively distribute RydeFree RT Year 2 fare media to students. Staff is ready to begin the process of distributing fare media to schools, but distance learning has will decrease opportunities for students to obtain new stickers or new RydeFree RT cards (issued to TK-6 students only).

At this time Staff has believes that it would be prudent to temporarily modify the Fare Structure to allow students in grades TK-12, who live or attend school within SacRT's service boundary, to present their school or SacRT issued Student ID card or a RydeFree RT card (from either year 1 or year 2) as valid fare media for the current school year only.

RESOLUTION NO. 20-09-0106

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

**September 14, 2020**

**REPEALING RESOLUTION NO. 20-08-0078, DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE ~~AN AMENDED AND RESTATED STUDENT RIDERSHIP INITIATIVE~~ A STUDENT TRANSIT PASS AMENDMENT OR AGREEMENT WITH THE CITY OF SACRAMENTO**

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

THAT, Resolution No. 20-08-0078 is hereby repealed.

THAT, authority is hereby delegated to the General Manager/CEO to enter into an ~~Amended and Restated Student Ridership Initiative Student Transit Pass A~~ agreement by and between the City of Sacramento (therein “City”) and the Sacramento Regional Transit District (therein “SacRT”) whereby, the ~~term is extended to September 30, 2021 and~~ City agrees to pay an amount equal to \$0.84 per ride up to a total consideration of \$750,000, based on Student ridership data, as consideration for SacRT to permit Students who live in or attend school within the boundaries of the City or who are homeless or in foster care within the City to ride SacRT services at no cost for the period from October 1, 2020 until September 30, 2021 using an Annual Student (TK-12) Pass.

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STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

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

RESOLUTION NO. 20-09-0107

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

September 14, 2020

**TEMPORARILY MODIFYING THE FARE STRUCTURE (RESOLUTIONS 09-10-0174 AND 18-06-0061, AS AMENDED) TO CREATE A 2020-2021 ANNUAL STUDENT (TK-12) PASS PREPAID FARE**

WHEREAS, by Resolution No. 19-08-0093, the Board established an Annual Student (TK-12) prepaid fare type in the SacRT fare structure; and

WHEREAS, the definition of the Annual Student (TK-12) pass type requires the affixing of a sticker specifying the validity period of the pass; and

WHEREAS, due to continued school closures as a result of COVID-19, it will be difficult to distribute new stickers for the 2020-2021 school year; and

WHEREAS, to ensure continued access to this important pass for transit-dependent students, the Board desires to create a new pass type, for the 2020-2021 period only, allowing Students to present an ID card without a sticker as a valid prepaid fare.

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

THAT, the following definition is hereby added to Article J "Fare Structure Definitions" of the Fare Structure:

"2020-2021 Annual Student (TK-12) Pass means a: (a) School ID, (b) Student ID card or (c) for youth in grades TK-6 only, an RT-issued Sac RydeFree RT card. Eligibility for receipt and use of an Annual Student (TK-12) Pass will be as defined in Section V. Prepaid Fares, paragraph D of the Fare Structure."

THAT, the following provision is hereby added as paragraph E. of Section V, "Prepaid Fares" to define the validity requirements for a 2020-2021 Annual Student (TK-12 Pass).

"A valid 2020-2021 Annual Student (TK-12) Pass entitles the bearer to an unlimited number of Rides on Fixed Route or SmarT Ride Service until September 30, 2021 subject to the following limitations and conditions:

1. The Pass constitutes prepayment of the Applicable Fare for all SacRT service;
2. The Pass is issued to an eligible Student based either: (1) on an agreement between RT and another public entity or private School that has agreed to provide funding for the Annual Student (TK-12) Pass in an amount sufficient to compensate SacRT for the estimated average lost fare revenue from honoring the 2020-2021 Annual Student (TK-12) Pass

for the students defined to be eligible for the Pass as specified in the agreement; or (2) a Resolution adopted by the SacRT Board of Directors authorizing the Pass to be distributed to the student without payment of the required fee.

3. The Pass is issued by RT, an authorized public entity, or School pursuant to the terms of an agreement between RT and that entity.

4. As applicable, the image on the Student ID or School ID matches the bearer.

5. The Pass is non-transferable and non-exchangeable.”

THAT, this Resolution will sunset and this fare type will be removed from the Fare Structure as of September 30, 2021.

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STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

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

RESOLUTION NO. 20-09-0108

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

September 14, 2020

**AUTHORIZING STUDENTS (TK-12) RESIDING IN OR ATTENDING SCHOOL WITHIN SACRT'S SERVICE BOUNDARY TO OBTAIN AND USE A 2020-2021 ANNUAL STUDENT (TK-12) PASS THROUGH NOVEMBER 30, 2020 WITHOUT PAYMENT BY A SPONSORING ENTITY AND CONDITIONALLY AUTHORIZING STUDENTS RESIDING OR ATTENDING SCHOOL OUTSIDE THE CITY OF SACRAMENTO TO OBTAIN AND USE A 2020-2021 ANNUAL STUDENT (TK-12) PASS THROUGH SEPTEMBER 30, 2021 WITHOUT PAYMENT BY A SPONSORING ENTITY.**

WHEREAS, the Sacramento Regional Transit Board of Directors has established a new 2020-2021 Annual Student (TK-12) Pass Prepaid Fare type; and

WHEREAS, the intent of the 2020-2021 Annual Student (TK-12) Pass is to permit a municipal jurisdiction, school district, or private school to obtain an annual transit pass for all Students (as defined in the SacRT Fare Structure) residing in or attending school within the jurisdiction, district or school, subject to payment by the sponsoring entity of a fee to compensate SacRT for the estimated fare revenue that would otherwise be generated by fares that would have been paid by covered students; and

WHEREAS, the City of Sacramento has committed in its budget to provide funding for the Pass program for Students residing in or attending School within the City of Sacramento to compensate SacRT for fare revenue that would otherwise be paid by Students participating in the Pass program; and

WHEREAS, the Sacramento City Council has not yet approved the amended and restated Student Ridership Initiative Student Transit Pass Agreement; and

WHEREAS, the Board desires to ensure that there is no lapse in program eligibility for Students attending school or residing within the City of Sacramento while the parties proceed to execution of the subsidy agreement by temporarily allowing City Students to participate without a subsidy agreement until November 30, 2020; and

WHEREAS, to provide access to the program to all Students within SacRT's service area, SacRT desires to allow other students to ride for the 2020-2021 school year without a subsidy agreement.

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

THAT, effective upon adoption of this resolution and continuing until November 30, 2020, all Students residing or attending School within the district boundaries of SacRT may obtain and use a 2020-2021 Annual Student (TK-12) Pass valid from October 1, 2020 to November 30, 2020 without payment of the required fee by a sponsoring entity, as specified in the Fare Structure.

THAT, upon entering SacRT into an amended and restated Student Ridership Initiative Student Transit Pass Agreement with the City of Sacramento for the Annual TK-12 Pass and continuing until September 30, 2021, Students residing or attending school outside of the city limits of Sacramento, but within the district boundaries of SacRT, may obtain and use a 2020-2021 Annual Student (TK-12) Pass from December 1, 2020 to September 30, 2021 without payment of the required fee by a sponsoring entity, as specified in the Fare Structure.

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STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

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