



# STAFF REPORT

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**DATE:** August 23, 2021

**TO:** Sacramento Regional Transit Board of Directors

**FROM:** Brent Bernegger, VP, Finance/CFO

**SUBJ:** APPROVING THE STUDENT TRANSIT PASS AGREEMENT -- 2021-2022 WITH THE CITY OF SACRAMENTO, MODIFYING THE FARE STRUCTURE TO REVISE THE DEFINITION AND VALIDITY FOR THE ANNUAL STUDENT (TK-12) PASS, AND CONDITIONALLY APPROVING ISSUANCE OF A PASS TO STUDENTS OUTSIDE THE CITY OF SACRAMENTO

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

The attached Resolutions will provide a path forward for continuing the RydeFreeRT program for all Students within SacRT’s jurisdiction and modify the Fare Structure to permanently allow all TK-12 students (rather than TK-6 students) to use the RydeFreeRT (Sac YOUTH Go) card as the Annual Student (TK-12) Pass without the need for photo identification or a sticker.

FISCAL IMPACT

The approved FY22 Operating Budget includes the anticipated fare revenue from the City’s continued support for the RydeFreeRT program.

DISCUSSION

The RydeFreeRT program was launched in October 2019 and instantly led to increased ridership from students in grades TK-12th. By February 2020 (pre-Covid-19) student ridership had more than doubled compared to prior years. The program was extremely successful and has received extensive positive feedback from students and parents, as well as staff at SacRT.

The parameters of the Annual Student (TK-12) Pass, as established by the Board in 2019, required: (1) that a sticker be affixed to either a Student ID or School ID with a photograph/name or, for TK-6 students only, an RT-issued card without any identifying information; and (2) that either an agreement is in place with a subsidizing entity in amount sufficient to compensate SacRT for the estimated average lost fare revenue or that the Board approves issuance of the Pass without a subsidy.

The City of Sacramento has provided the bulk of the funding for the program through the Student Ridership Initiative Student Transit Pass Agreement (“Agreement”), which was amended and restated last year to reflect temporary changes due to the pandemic, in both the form of the pass and the funding mechanism, with funding provided on a per ride rather than flat-rate basis.

The Amended and Restated Agreement is set to expire on Thursday, September 30, 2021.

In its Fiscal Year 2022 budget, the City approved funding to continue the RydeFreeRT program for students living in or attending school within the City of Sacramento. A further agreement between the City and SacRT is required to continue issuance of the Annual Student (TK-12) Pass program. Due to the proposed changes in the parameters of the program set out below, it makes most sense to start with a fresh agreement with the City, rather than further revising the 2019 agreement.

Staff is recommending two changes to the parameters of the Annual Student (TK-12) Pass, one of which requires a change to the Fare Structure concurrent with inclusion in the new agreement with the City.

First, Staff is recommending that the RydeFreeRT card (originally designed for TK-6<sup>th</sup> grade students only and called the Sac YOUth Go card in Resolution No. 19-08-0093) be permanently expanded in its use and be recognized as valid SacRT fare media for all qualifying Students. Originally, SacRT required students/youth in grades 7<sup>th</sup>-12<sup>th</sup> to place a sticker on either their School-issued or SacRT-issued Student ID card. The Board temporarily approved a change, in October 2020, by Resolution 20-10-0114, as a result of the pandemic and the switch to distance learning to allow all students TK-12 to use an ID without a sticker as a valid Pass.

From experience in the first year the Pass was available, Staff found that the distribution of School ID cards to students varied among the many participating schools (depending on photo days, etc.). As a result, there was some confusion with students that may have resulted in less than optimal ridership. By allowing all Students to use the RydeFreeRT card as the Annual Student (TK-12) Pass, this will eliminate the previous timing issues associated with School ID and Student ID distributions and also promote greater distribution to all students. If this use is approved, the need for a sticker will be eliminated and the validity dates will be printed directly on the RydeFreeRT card.

Second, due to the timing of the initial launch of the Pass and the plan to rely primarily on School IDs, the stickers issued for the first year were valid for a 12-month period beginning in October and ending in September, which does not align with the school year or with the fiscal year for SacRT or the City. If the Board chooses to approve expanded use of the RydeFreeRT card, the need to wait to start the program in October (after most students have their ID) is diminished. While the pass is denominated an “Annual” pass in the Fare Structure, there is nothing in the existing Fare Structure specifying that the pass must be for a particular period.

Staff is recommending that, in future years, the validity period for the Annual Student (TK-12) Pass be for a period from July through June. To facilitate this shift, the next “Annual Student (TK-12) Pass” issued by SacRT would have a validity period from October 1, 2021 to June 30, 2022, which will better align with the school calendar, the fiscal year, and other annually-renewable programs at SacRT. Staff has discussed this option with City staff and has received support from them on this topic. If fare subsidies will be provided beyond June 30, 2022, the expectation is that the Pass in future years will be valid from July 1 to June 30.

Because the fare subsidy for Fiscal Year 2022 will only be for the period of October to June, the City’s contribution would be only \$750,000, rather than the annualized amount of \$1 million that was provided for the first year of the Agreement.

As discussed above, the Fare Structure requires that the Pass only be issued to Students covered by a subsidy agreement, unless the Board expressly adopts a Resolution authorizing distribution without a subsidy agreement. Staff intends to continue pursuing subsidy agreements with other jurisdictions that may be able to provide financial support for the program (e.g., cities and school districts), but the funds provided by the City of Sacramento cover the vast majority of the lost fare revenue from providing the Pass to all Students within SacRT’s jurisdiction. As a result of the City of Elk Grove’s annexation to SacRT effective July 1, 2021, Students within the City of Elk Grove are newly-eligible for the program. Staff is currently working with the City of Elk Grove to finalize a financial support agreement for these Students. To maximize Student benefits from the Pass, Staff is recommending that Students living in or attending school outside the City of Sacramento be authorized to receive the Pass without a subsidy agreement for an additional 9-month period, conditioned on an agreement being in place for the City of Sacramento to subsidize Students living in or attending school within the City of Sacramento.

Therefore, Staff is recommending that the Board (1) modify the Fare Structure to expand the use of the RydeFreeRT card to all TK-12 students and eliminate the requirement to affix a sticker; (2) approve a new agreement with the City regarding the RydeFreeRT program for the period of October 1, 2021 to June 30, 2022 and (3) conditionally authorize Students outside the City of Sacramento to receive a Pass without a subsidy agreement in place for the same period.

RESOLUTION NO. 21-08-0103

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

August 23, 2021

**APPROVING THE STUDENT TRANSIT PASS AGREEMENT – 2021-2022 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, Student Transit Pass Agreement – 2021-2022 by and between the City of Sacramento (therein “City”) and the Sacramento Regional Transit District (therein “SacRT”) the City agrees to pay \$750,000 (billed quarterly) 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, 2021 until June 30, 2022, using an Annual Student (TK-12) Pass is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing agreement.

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STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 21-08-0104

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

August 23, 2021

**MODIFYING THE DEFINITION AND VALIDITY REQUIREMENTS OF THE ANNUAL STUDENT  
(TK-12) PASS**

WHEREAS, by Resolution Nos. 09-10-0174 and 18-06-0061, as amended, the Board of Directors amended and restated the Fare Structure for fixed-route (bus and light rail) and SmarT Ride microtransit service; and

WHEREAS, by Resolution 19-08-0093, the Board created a new Annual Student (TK-12) Pass prepaid fare type in the Fare Structure and established the parameters for its use; and

WHEREAS, the Board desires to modify the required criteria for the Annual Student (TK-12) Pass.

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

THAT, the definition of Annual Student (TK-12) Pass, added to the Fare Structure by Resolution 19-08-0093, is hereby amended to read in its entirety as follows:

“Annual Student (TK-12) Pass means a: an RT-issued RydeFreeRT card; or (2) an Annual Student (TK-12) Pass stored on the Connect Card or RT-approved mobile fare application. Eligibility for receipt of an Annual Student (TK-12) Pass will be as defined in Section V. Prepaid Fares, paragraph D of the Fare Structure.

THAT, paragraph D of Section V, “Prepaid Fares,” of the Fare Structure, added by Resolution 19-08-0093, which defines the validity requirements for an Annual Student (TK-12)\_Pass, is hereby amended to read in its entirety as follows:.

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

1. The Pass constitutes prepayment of the Applicable Fare for all SacRT fixed-route and demand-response 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 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. The Pass is valid for the validity period specified on the RydeFreeRT card or on the Connect Card or RT-approved mobile fare application.

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

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STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: 

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Tabetha Smith, Assistant Secretary

RESOLUTION NO. 21-08-0105

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

August 23, 2021

**CONDITIONALLY AUTHORIZING STUDENTS (TK-12) RESIDING IN OR ATTENDING SCHOOL OUTSIDE THE CITY LIMITS OF SACRAMENTO AND WITHIN SACRT'S SERVICE BOUNDARY TO OBTAIN AN ANNUAL STUDENT (TK-12) PASS PREPAID FARE VALID FROM OCTOBER 1, 2021 THROUGH JUNE 30, 2022 WITHOUT PAYMENT BY A SPONSORING ENTITY**

WHEREAS, the intent of the 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, staff has reached agreement in principle with the City of Sacramento but has yet to negotiate agreements with other jurisdictions; and

WHEREAS, to provide an opportunity to maximize access to public transit services for the Student population within the boundaries of SacRT, the Board of Directors desires to provide the Annual Student (TK-12) Pass to otherwise ineligible Students residing or attending school outside the City of Sacramento and within the district boundaries of SacRT without payment of the corresponding fee by a sponsoring entity, for the period of October 1 2021 to June 30, 2022, conditioned upon execution of an agreement with the City of Sacramento to provide funding for Students residing within or attending school within the boundaries of the City of Sacramento.

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

THAT, effective upon entering SacRT into an Student Transit Pass Agreement with the City of Sacramento for the Annual TK-12 Pass and continuing until June 30, 2022, Students residing or attending school outside of the city limits of Sacramento, but within the district boundaries of SacRT, may obtain and use an Annual Student (TK-12) Pass valid from October 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 MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Tabetha Smith, Assistant Secretary