



STAFF REPORT

DATE: May 9, 2022

TO: Sacramento Regional Transit Board of Directors

FROM: Jamie Adelman, Acting VP, Finance/CFO

SUBJ: APPROVING THE STUDENT TRANSIT PASS AGREEMENT – 2022-2025 WITH THE CITY OF SACRAMENTO AND CONDITIONALLY APPROVING THE ISSUANCE OF AN ANNUAL STUDENT (TK-12) PASS TO STUDENTS WITHOUT A FULL FARE SUBSIDY

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.

FISCAL IMPACT

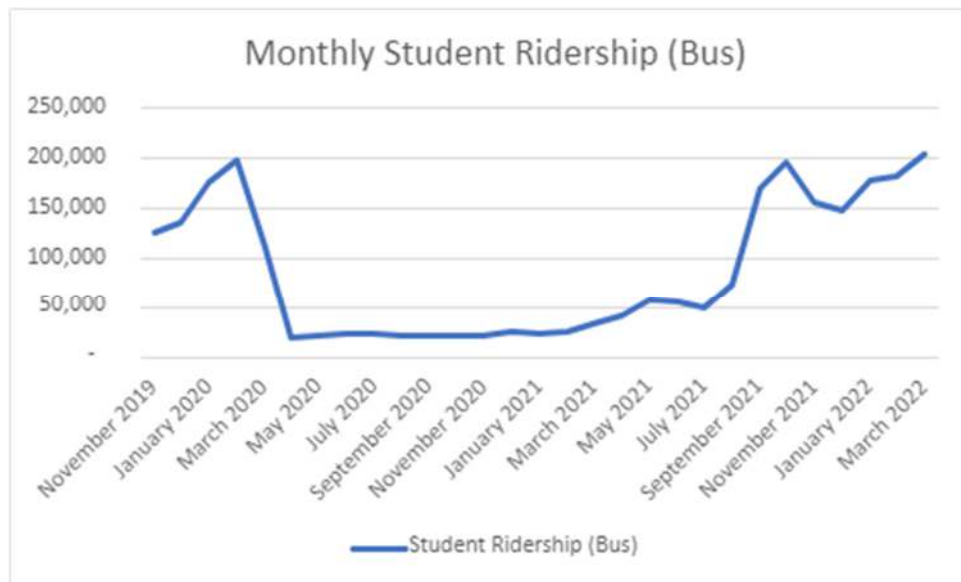
SacRT's FY23 Operating Budget includes \$1,000,000 in fare revenue contributions from the City of Sacramento. At this time, the draft City of Sacramento budget has only \$750,000 allocated to the Student Transit Pass program. If this budgeted amount is not increased when the City adopts the final Fiscal Year 2023 budget in June, execution of the Student Transit Pass Agreement would create a budget shortfall of \$250,000 from the amount included in SacRT's draft budget (which assumes a \$1,000,000 contribution from the City of Sacramento).

SacRT Staff has ongoing discussions with the City of Sacramento and is also in the process of pursuing new continued contributions for the program from entities outside of the City of Sacramento that would offset potential lost fare revenue from the program for those Students.

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, parents and community stakeholders.

The COVID-19 pandemic drastically reduced student ridership while most school campuses remained closed from March 2020 through August 2021. However, as school campuses reopened to in-person education, student participation in the program grew exponentially as the chart below demonstrates:



Student ridership has returned to over 90% of the ridership level from the time RydeFreeRT was introduced. SacRT carried over 200,000 students on bus alone during the month of March, with total student ridership at approximately 250,000. Prior to the introduction of RydeFreeRT, SacRT was carrying just over 125,000 students per month system-wide or approximately half of the present student ridership.

In August 2021, the Board approved an extension of the program through June 30, 2022. The bulk of the financial support for the program has come through the City of Sacramento, with partnerships in place with other local jurisdictions and school districts for additional funding.

SacRT staff has been working with the City of Sacramento on a multi-year agreement that would become effective on July 1, 2022 and continue until June 30, 2025. The multi-year agreement is an important step in ensuring the longevity of the RydeFreeRT program into the future. The draft agreement provides for the City of Sacramento to continue supporting the program with an annual contribution of \$0.84 per ride up to \$1,000,000.

While the program has run in past years from fall to fall, both SacRT and the City are in favor of aligning the program to the fiscal year for two reasons: (1) to allow distribution of new fare media to students prior to the end of each school year or over the summer through the library and other outlets, so that all students have a valid RydeFreeRT card in hand by the start of the next school; and (2) to allow for the full budget for each program year to be contained within a single fiscal year budget to avoid uncertainty regarding whether the July-October period will be funded. While this cycle is preferable for many

reasons, it also creates some minor logistical challenges with the timing of budget and agreement approvals for both agencies.

At this time, the City's initial budget proposal for Fiscal Year 2023 only includes \$750,000 in FY23 for RydeFreeRT. SacRT staff has been in conversation with City staff and is hopeful that this amount will be adjusted to reflect the full \$1,000,000 contribution (consistent with the pre-pandemic contribution for the program) prior to the City's budget adoption in June. If the City of Sacramento does not amend the initial budget proposal and the proposed resolutions are adopted, SacRT would recognize a budget shortfall of \$250,000 in FY23.

While budget adoption and formal agreements are not yet in place, Staff does anticipate receiving financial contributions to the program from 5 other jurisdictions: the County of Sacramento, City of Elk Grove, City of Folsom, City of Rancho Cordova and City of Citrus Heights. Assuming Staff is able to secure funding from each jurisdiction as expected, it would mark the greatest number of partners and highest level of financial contribution that SacRT has received for the program to date and ensure continuity of this successful program.SV

Therefore, Staff is recommending that the Board adopt the attached resolutions approving the Student Transit Pass Agreement – 2022-2025 if at least \$750,000 in funding is provided by the City of Sacramento and conditionally approving the issuance of a pass to all Students living or attending school within SacRT's boundaries without a full fare subsidy.

RESOLUTION NO. 2022-05-049

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

May 9, 2022

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE THE STUDENT TRANSIT PASS AGREEMENT – 2022-2025 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 – 2022-2025 by and between the City of Sacramento (therein “City”) and the Sacramento Regional Transit District (therein “SacRT”) the City agrees to pay \$0.84 per ride, up to an amount of at least \$750,000 annually 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 July 1, 2022 until June 30, 2025, using an Annual Student (TK-12) Pass, is hereby approved.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 2022-05-050

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

May 9, 2022

CONDITIONALLY AUTHORIZING STUDENTS (TK-12) RESIDING IN OR ATTENDING SCHOOL WITHIN SACRT'S SERVICE BOUNDARY TO OBTAIN AN ANNUAL STUDENT (TK-12) PASS PREPAID FARE VALID FROM JULY 1, 2022 THROUGH JUNE 30, 2023 WITHOUT FULL PAYMENT BY A SPONSORING ENTITY

WHEREAS, the intent of the Annual Student (TK-12) Pass, as set out in the SacRT Fare Structure, 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, 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 within the district boundaries of SacRT without payment of the full subsidy amount by a sponsoring entity, for the period of July 1, 2022 to June 30, 2023, conditioned upon execution of an agreement with the City of Sacramento to provide at least \$750,000 in 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, conditioned upon the City of Sacramento executing an agreement with SacRT to provide a fare subsidy in the amount of \$.84 per ride for Students living within or attending school within the City of Sacramento, up to an amount of at least \$750,000 for the period from July 1, 2022 to June 30, 2023, all Students residing or attending school

within the district boundaries of SacRT may obtain and use an Annual Student (TK-12) Pass valid from July 1, 2022 to June 30, 2023 without full payment of the required fee by a sponsoring entity, as specified in the Fare Structure.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary