



STAFF REPORT

DATE: February 26, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Jason Johnson, VP, Finance/CFO
SUBJ: TEMPORARILY AUTHORIZING A FARE EQUIVALENT AND APPROVING AGREEMENT WITH HIGHLANDS COMMUNITY CHARTER SCHOOL FOR PILOT FARE EQUIVALENT FOR ADULT STUDENTS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval of the Fare Equivalent and the associated reimbursement agreement will allow for a pilot program with Highlands Community Charter School (Highlands) enabling its adult students to use a school-issued mobile ticket as valid fare media.

FISCAL IMPACT

There is no anticipated fiscal impact from the proposed agreement. The agreement with Highlands will require reimbursement based on the fare revenue that SacRT is currently receiving from Highlands.

DISCUSSION

Highlands is an adult education program with a population of over 10,000 students and 47 sites across the state, most of which are located in SacRT's service area.

Highlands currently purchases and distributes paper single ride tickets and daily passes from SacRT for its students. Distribution of paper tickets is quite cumbersome on a large scale. Tickets are given to students each day by teachers or administrators two at a time, one ticket for the ride home and a second ticket for the trip back to school the next day. Highlands distributes over 10,000 tickets and passes per month, which accounted for approximately \$30,000 monthly in fare revenue for SacRT.

Due to the burden of processing the volume of tickets ordered by Highlands, in late 2023, SacRT staff approached Highlands to discuss alternative distribution methods, including ZipPass and Connect Card. There were challenges with each and potentially significant costs to SacRT due to development work that might be needed to meet the needs of Highlands.

As an alternative, Highlands proposed using a mobile application called the “Brain”, an in-house application built by Highlands staff that students already use for school activities. There are significant advantages to using the Highlands application, including high adoption rates among students (over 97%) and zero development costs for SacRT.

In January 2024, Highlands staff provided a demonstration of the mobile application and a proposed fare equivalent. The ticket will be accessible to active students only within the Brain application. Students will be required to electronically activate a ticket prior to boarding the bus or train in a manner similar to ZipPass. The Highlands ticket will display, at minimum, the student’s name and photo, the SacRT logo and the current date and time with the seconds actively scrolling.

The proposed agreement will require Highlands staff to track activity within the application, including ticket activations, and provide information to SacRT on a monthly basis in a manner that protects student privacy. Students will be allowed to use the fare equivalent at any time on SacRT’s fixed route bus, light rail or demand-response services. While there is no provision for use on SacRT GO Paratransit Services during the pilot period, it is possible that this may be an option for a permanent program in the future. Highlands will reimburse SacRT \$30,000 per month during the pilot program. This amount reflects current revenues generated from Highlands’ students and therefore will not result in a reduction in fare revenue from Highlands.

Staff is proposing that SacRT limit the pilot program to 6 months, ending August 31, 2024 at the latest. During the pilot program, Highlands and SacRT will monitor student ridership, app usage, customer satisfaction and operator interactions with students to evaluate the program moving forward. If successful, the Highlands demonstration could become a model for SacRT to replicate in the future within its own mobile fare application

RESOLUTION NO. 2024-02-011

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

February 26, 2024

TEMPORARILY AUTHORIZING A FARE EQUIVALENT AND APPROVING AGREEMENT WITH HIGHLANDS COMMUNITY CHARTER SCHOOL FOR PILOT FARE EQUIVALENT FOR ADULT STUDENTS

WHEREAS, SacRT provides public transportation services within Sacramento County, including bus and light rail service; and

WHEREAS, Highlands Commuter Charter School is an adult school providing services to individuals who do not meet the definition of “Student” under SacRT’s adopted Fare Structure; and

WHEREAS, under SacRT’s adopted Fare Structure (Resolution No. 09-10-0174, as previously amended), all riders must present a valid Fare to access SacRT’s service; and

WHEREAS, Highlands purchases fare media from SacRT for distribution to its adult students; and

WHEREAS, SacRT incurs administrative and printing costs for the distribution of paper fare media and Highlands encounters logistical issues with fare media distribution; and

WHEREAS, Highlands has communicated to SacRT that many of its students are unable to use SacRT’s ZipPass Mobile Fare application due to intellectual disabilities, language difficulties, or other limitations; and

WHEREAS, Highlands has proposed the use of a different form of fare media that makes use of existing capabilities within the Highlands charter school mobile application; and

WHEREAS, the parties desire to engage in a pilot program to test a new form of fare media; and

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

THAT, in addition to the enumerated list contained in Resolution No. 20-03-0013, the definition of “Fare Equivalent” as set out in that Resolution, in Resolution 21-02-0011 and in Resolution No. 2022-12-19 will also include a SacRT-approved ticket displayed by

an eligible adult student from within the Highlands charter school mobile application that contains, at minimum, the following:

- (1) Student's name and photo
- (2) SacRT Logo
- (3) Highlands Charter School name
- (4) Live date/time with seconds counting so that operators are confident the ticket is not a copy.

THAT, this Fare Equivalent will be recognized as payment of the Applicable Fare for SacRT's fixed-route and demand-response bus and light rail service when visually validated by an Operator or Inspector as being used by the eligible student but will not be valid for complementary paratransit service or service operated by SacRT's transfer partners.

THAT, recognition of this Fare Equivalent is dependent upon the execution and continuing in force of an agreement with Highlands to compensate SacRT in the amount of \$30,000 per month.

THAT, the Fare Equivalent designation will expire as of the earlier of: (a) termination of the agreement between SacRT and Highlands or (b) August 31, 2024.

THAT, the Agreement with Highlands Community Charter School for Pilot Fare Equivalent for Adult Students by and between the Sacramento Regional Transit District (therein "SacRT") and Highlands Community Charter School (therein "Highlands") whereby the parties agree to develop a Fare Equivalent in the Highlands Brain app for use by eligible adult students that will be recognized for SacRT services and Highlands agrees to compensate SacRT for recognition of the Fare Equivalent at a rate of \$30,000 per month based on anticipated ridership, is hereby approved.

THAT, the Board Chair and General Manager are hereby authorized and directed to execute the foregoing Agreement.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary