



STAFF REPORT

DATE: May 13, 2024

TO: Sacramento Regional Transit Board of Directors

FROM: Jason Johnson, VP, Finance/CFO

SUBJ: APPROVING THE FIRST AMENDMENT TO STUDENT TRANSIT PASS AGREEMENT – 2023 WITH LOS RIOS COMMUNITY COLLEGE DISTRICT AND AMENDING THE FARE STRUCTURE (RESOLUTION NO. 10-09-0174, AS PREVIOUSLY AMENDED) TO REDEFINE THE TERM “GROUP PASS”

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

Approval of the attached Resolutions will:

1. Approve the First Amendment to Student Transit Pass Agreement – 2023 to eliminate the transportation fee for high school students that are concurrently enrolled at Los Rios Community College District (Los Rios).
2. Amend the Fare Structure (Resolution No. 10-09-0174, as previously amended) to redefine the term Group Pass to provide more flexibility.

FISCAL IMPACT

Based on estimates from recent enrollments at Los Rios, a Student Transit Fee exemption for high school students could result in a reduction in fare revenue of up to \$36,000 annually.

DISCUSSION ON STUDENT TRANSIT PASS AGREEMENT

On October 23, 2023, the Board delegated authority to the General Manager/CEO to enter into a Student Transit Pass Agreement with Los Rios. The agreement was executed on November 17, 2023, and is expected to secure approximately \$2.5M in annual revenue through December 2028.

Post-COVID, Los Rios has seen an increase in student participation in online courses and has expanded its online offerings. The increased emphasis on remote learning has attracted new students to Los Rios, including students currently enrolled in high school. Many of these high school students are already eligible for subsidized transit passes through SacRT’s RydeFreeRT program and therefore have no need for the Los Rios

Student Transit Pass. Los Rios has requested that SacRT create an exemption for high school students attending Los Rios through dual-enrollment/concurrent enrollment. Los Rios staff has estimated (based on current enrollment) that up to 2,000 students per semester may be exempt from the fee and that these students take an average of 3 units per semester.

At the contract rate of \$3.00 per unit, SacRT could forego as much as \$36,000 in fare revenue annually due to the exemption. However, Los Rios has indicated that most of these students do not actually pay the Transit Fee at the time of registration because many, if not all, fees are already waived for these students. Given that the Transit Fee is a direct passthrough to SacRT (Los Rios pays SacRT actual transit fees collected), the actual fiscal impact to SacRT will be less than the estimated \$36,000. In addition, Staff was quite conservative in its enrollment estimates for FY 2025 and therefore believes that Los Rios revenues will likely still reach budgeted amounts even if the exemption is approved.

DISCUSSION ON DEFINITION OF GROUP PASS

As noted when the current Student Transit Pass Agreement was approved last year, the vast majority of Los Rios students now access the group pass in an electronic form, with only 3% of students opting to receive a physical pass. In December 2023 the Board was asked to temporarily approve a modification to the definition of “Group Pass” to eliminate the requirement of a photo ID for the physical form of Los Rios group pass, as the campus had just begun printing photo IDs.

While students are now able to receive a photo ID to which they can affix a sticker (the historic form of the Los Rios transit pass), there is still a subset of students enrolled only in online classes who: (1) do not want to come to campus solely to obtain a photo ID; and (2) do not want to access the pass electronically.

To accommodate this subset of students, as well as provide future flexibility for other potential group pass arrangement, Staff is recommending that the Board make a permanent modification to the definition of Group Pass in the Fare Structure. Group Pass is currently defined as:

“Group Pass means either: 1) an ID Card to which an RT sticker or an RT-approved sticker, logo or insignia is affixed, or 2) an ID Card that is inserted inside a sleeve with a clear plastic window through which the information on the ID card is visible and the window side of the sleeve contains an affixed sticker, printed or other information as required by the applicable Group Pass Agreement.”

The first part of the definition dates to at least 1993 and the second part to 2007. The definition was based on the group pass agreements in effect during those periods. As noted in the December 2023 Staff Report, the definition of ID Card is very rigid in specifying particular dimensions for the ID card, as well as the requirement of a picture and full name.

The proposed new definition is:

"Group Pass means a physical card or sticker in a format set out in a Board-approved Group Pass Agreement, as well as the electronic equivalent issued by SacRT or the other party to the Group Pass Agreement."

This more flexible definition will accommodate group pass programs for entities that do not issue photo identification cards with names. Because the Board approves all Group Pass agreements, the Board will have the opportunity, at the time each Group Pass agreement is approved, to evaluate and approve the form of pass that will be issued under each agreement. That will allow the Board to review the potential for fraudulent use and determine if, under the particular circumstances, a photo or name should be required for use of a specific form of Group Pass. In the case of Los Rios, given the small subset of students that may opt for this form of pass, Staff believes the risk of approving a form of Group Pass without a photo or name is low. SacRT has controls in place to prevent students from obtaining the pass in both forms – students who request a physical pass have their electronic pass revoked.

RESOLUTION NO. 2024-05-049

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

May 13, 2024

APPROVING THE FIRST AMENDMENT TO STUDENT TRANSIT PASS AGREEMENT – 2023 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 First Amendment to Student Transit Pass -2023 by and between the Sacramento Regional Transit District (therein “SacRT”) and Los Rios Community College District (therein “Los Rios”) whereby the parties agree to exempt dual-enrolled/concurrently enrolled high school students from payment of the transit fee and eligibility for receipt of the Student Transit Pass, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 2024-05-050

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

May 13, 2024

AMENDING THE FARE STRUCTURE (RESOLUTION NO. 10-09-0174, AS PREVIOUSLY NAMED) TO REDEFINE THE TERM "GROUP PASS"

WHEREAS, by Resolution No. 09-10-0174, the Board of Directors amended and restated the Fare Structure for fixed-route service; and

WHEREAS, the Fare Structure has been subsequently modified by multiple Resolutions, including temporary adoption of new fare types; and

WHEREAS, the Board desires to establish a more flexible definition of "Group Pass" under the Fare Structure to accommodate a broader range of Group Pass agreements.

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

THAT, the definition of "Group Pass" as set out in Article II, Fare Structure Definitions of the Fare Structure Resolution No. 09-10-0174 is hereby amended to read in its entirety as follows:

"Group Pass means a physical card or sticker in a format set out in a Board-approved Group Pass Agreement, as well as the electronic equivalent issued by SacRT or the other party to the Group Pass Agreement."

THAT, in the event of a conflict between this Resolution and Resolution No. 09-10-0174, as previously amended, this Resolution will govern as to the terms of use of the On-Board Light Rail Single Ride Fare.

THAT, in all other respects, Resolution No. 09-10-0174, as previously amended, remains in full force and effect.

PATRICK KENNEDY, Chair

A T T E S T:
HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary