

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
15	05/14/18	Open	Action	05/09/18

Subject: Temporary Fare Reduction for Students

## ISSUE

Whether or not to temporarily modify the Fare Structure (Resolutions 09-09-0174, 16-03-0024, as amended) to provide a new promotional two-month Summer Student pass for \$30 valid for July and August 2018 and only available on Connect Card and ZipPass.

## RECOMMENDED ACTION

Adopt Resolution No. 18-05-\_\_\_, Temporarily Modifying the Fare Structure (Resolutions 09-09-0174 and 16-03-0024, as Amended, Including by Resolutions 17-03-0027 and 18-01-0008) to Authorize a Two-Month Summer Student Pass Valid for July and August 2018 and Only Available on Connect Card and ZipPass.

## FISCAL IMPACT

Staff performed the analysis below to determine the fiscal impact of a two-month pass for Students priced at \$30. This pass will be valid only during the months of July and August of 2018.

**Table 1**

	<u>Pass Sales</u>	<u>Single Rides &amp; Daily Passes</u>	<u>Total Revenue</u>
Jul-Aug 2017 Student Sales	\$ 50,316	\$ 150,949	\$ 201,265
Jul-Aug 2018 Projected Sales	\$ 72,336	\$ 100,632	\$ 172,969
Fare Revenue Difference			<u>\$ (28,296)</u>

## DISCUSSION

In December 2017, the Board adopted a temporary fare reduction for Students (as defined in the Fare Structure), lowering the semi-monthly pass price from \$27.50 to \$10. In addition to the temporary fare reduction, in January the Board approved the introduction of a monthly pass for Students priced at \$20; previously SacRT only offered a semi-monthly pass for Students. These offerings resulted in higher than anticipated increases in ridership and an overwhelming level of support and appreciation from the public.

Currently the monthly fare option is only available on Connect Card and ZipPass. Students have flocked to SacRT's electronic fare offerings and in particular have preferred the monthly pass over the semi-monthly pass. As was presented in the General Manager's Report at the April Board meeting, electronic fare sales of Student passes are up 400% compared to prior year and nearly 90% of Students prefer the monthly pass to the semi-monthly pass.

Approved:

Presented:

Final 05/09/18

General Manager/CEO

Electronic Fare Collection Systems Administrator

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SacRT staff would like to continue this momentum into the summer months by offering a two-month pass valid for July and August 2018 only at a price of \$30, available only on Connect Card and ZipPass. Staff believes that offering this fare to Students will build on the positive press and feedback that SacRT has been receiving for the initial temporary fare reduction given to Students. A summer pass will help student get to and from internships or extracurricular activities when school is no longer in session.

Staff did consider a similar offer for Students who purchase stickers (traditional fare media), but operational concerns and the Students' clear preference for electronic fares drove Staff to the decision that this is unnecessary. Currently Student stickers are sold as semi-month passes and Students are limited to purchasing no more than two stickers at a time. In addition to this, SacRT makes one calendar month of stickers available at a time to enhance internal controls and limit fraud. Connect Card and ZipPass are now widely available and, given the fact that Students can't buy stickers from their local schools when they are closed over the summer, Staff feels that Students will find it easier and more convenient to purchase this pass on electronic forms of fare media.

Fare reductions for Students over the summer, including offering multi-month passes, are quite common among other transit agencies in the four-county region. For example, the cities of Roseville, Auburn and Placer County offer a program whereby Students can purchase a multi-month summer pass for June, July and August for \$10. The same three-month offering is available on YoloBus for \$30. El Dorado Transit will be offering a summer Student discount for the first time this year. Their Students can purchase a two-month pass for July and August at a price of \$5.

Staff reached out to each of these agencies to discuss the success of their programs and draw comparisons among the agencies. Staff found these programs to be successful at generating ridership among Students over the summer. However, there is one significant difference between SacRT and the regional partners: many of these agencies reported virtually no Student ridership prior to introducing the summer fare reduction. Therefore, the risk of fare revenue loss was minimal. SacRT maintains a healthy Student ridership level through the summer months, so the fiscal impact will be more significant for SacRT. Staff believes that a summer Student pass program can continue to foster ridership growth amongst our Student population.

Even though some of neighboring transit agencies provide a deeper discount to Students over the summer than SacRT would under this proposal, on an annual basis SacRT's Student fares will compare very favorably to other transit providers in the region if the current temporary fare reduction is adopted permanently. Table 2 below shows the annual cost of Student fares at each of the listed agencies.

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**Table 2**

Agency	Monthly Pass		Annual Cost
	Price	Summer Deal	
Placer Cty	\$ 18.75	\$10 for Jun-Aug	\$ 178.75
<b>SacRT*</b>	<b>20.00</b>	<b>\$30 for Jul-Aug</b>	<b>230.00</b>
Roseville	29.00	\$10 for Jun-Aug	271.00
El Dorado	30.00	\$5 for Jun-Jul	305.00
Yolobus	46.75	\$30 for Jun-Aug	450.75
E-Tran	40.00	None	480.00
SCT Link	45.00	None	540.00
Folsom	50.00	None	600.00

\*Assumes approval of Summer Pass Program for students and permanent adoption of \$20 monthly pass

SacRT Student monthly fares are lower than each of the neighboring transit agencies with one exception. Prior to the temporary fare reduction approved by the Board in December, SacRT Students paid the highest fares in the region.

### Conclusion

Based on the research and discussion above as well as the relative success of similar programs in the area, Staff recommends that the Board approve the Resolution and adopt a temporary promotional summer pass for Students allowing to them purchase a two-month pass valid for the months of July and August 2018 at a price of \$30, available only on Connect Card and ZipPass.

RESOLUTION NO. 18-05-\_\_\_\_\_

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

May 14, 2018

**TEMPORARILY MODIFYING THE FARE STRUCTURE (RESOLUTIONS 09-09-0174 AND 16-03-0024, AS AMENDED, INCLUDING BY RESOLUTIONS 17-03-0027 and 18-01-0008) TO AUTHORIZE A TWO-MONTH SUMMER STUDENT PASS VALID FOR JULY AND AUGUST 2018 AND ONLY AVAILABLE ON CONNECT CARD AND ZIPPASS.**

WHEREAS, pursuant to the adopted Fare Structure (Resolution No. 09-10-0174, as amended, including by Resolutions 16-03-0024 and 18-01-0008), SacRT provides discount fares for Students, as defined in Resolution No. 17-03-0027.

WHEREAS, SacRT desires to implement, on a temporary basis, an additional promotional fare reduction for Students to increase ridership.

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

THAT, , Resolution 09-09-1074, as previously amended, is hereby modified to add a new Prepaid Fare type entitled "Summer Student Pass" defined as "electronic Prepaid Fare purchased for or by a Student, stored on a Connect Card or mobile fare application and accompanied by the required proof of discount eligibility (School ID or Discount Connect Card ID Card)";

THAT, the price and validity of the Summer Student Pass is defined as follows:

Student Summer Pass

A valid Student Summer Pass entitles the bearer whose picture is on the Discount Connect Card ID Card or School ID Card to an unlimited number of Rides on Fixed Route Service for July and August 2018, subject to the following limitations and conditions:

- A. This Pass constitutes prepayment of the Discount Fare or any Fare established in an amount lower than the Discount Fare;
- B. This Pass may be used only by the Student whose image is shown on the School ID or Discount Connect Card ID Card;
- C. This Pass is valid for the period beginning July 1, 2018 and expires August 31, 2018; and
- D. This Pass shall be sold for \$30.

THAT, all other provisions of the Fare Structure not modified by this Resolution remain in full force and effect.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

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