SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 7.1

Meeting Date: June 6, 2024

Subject: Participation in SacRT Student Program

- ☐ Information Item Only
- ☐ Approval on Consent Agenda
- ☐ Conference (for discussion only)
- ☐ Conference/First Reading (Action Anticipated: _____)
- ☒ Conference/Action
- ☐ Action
- ☐ Public Hearing

Department: Facilities Support Services

Recommendation:

The Superintendent is recommending the Board receive an update on the district's Transportation Services and have a discussion on student services regarding transportation and the RydeFreeRT program.

Background/Rationale:

The City of Sacramento is experiencing a budget shortfall and costs for the RydeFreeRT program serving students is under review. The City is recommending that the $1m needed is divided between the City and a combination of school districts. It has been proposed that SCUSD contribute $250,000 as the district's share of maintaining this program based upon ridership data. Staff will provide an update on the district's transportation services and seek board direction on the proposed contribution to SacRT.

Financial Considerations: Potential Increase of $250,000.00 General Fund

LCAP Goal (s): Safe, Emotionally Healthy, Engaged Students; Family and Community Empowerment; Operational Excellence

Documents Attached:

1. Letter from SacRT regarding the program to the City of Sacramento
2. City of Sacramento Mayor Budget Memo (RydeFreeRT begins on page 6)

Estimated Time of Presentation: 10 minutes	
Submitted by:	Chris Ralston, Assistant Superintendent, Facilities Support Services
	Ronald Hill, Director, Transportation
Approved by:	Janea Marking, Chief Business & Operations Officer
	Lisa Allen, Superintendent

SACRAMENTO REGIONAL TRANSIT
EST. 1973

May 16, 2024

The Honorable Darrell Steinberg
Mayor, City of Sacramento
915 I Street, 5th Floor
Sacramento, CA 95814

Dear Mayor Steinberg,

The Sacramento Regional Transit District (SacRT) appreciates your efforts to identify a sustainable source of funding for the RydeFreeRT program, which provides free rides for all students, TK-12 in the SacRT service territory. Since its inception in 2019 the program has grown to become an integral part of the service we provide.

When the pandemic subsided, we began expanding our outreach efforts to all public school districts. We have enlisted young people themselves to help get the word out, by sponsoring a video contest. These efforts are paying off. Pre-pandemic youth accounted for approximately 1.6 million rides annually on our system. Today that number has grown to more than 4.2 million, over two and a half times the growth.

We know that the program has increased attendance in many schools. This alone is a strong incentive to keep this vital program rolling. However, anecdotally, we also know that students are using the free rides to get to and from afterschool activities, sporting events, jobs, internships, and recreational activities.

In addition, the student rider of today becomes the transit rider of tomorrow, and a resident who does not rely on a single-occupancy vehicle to get to and from destinations. In the long term, this program is helping reduce vehicle miles travelled, and thus is helping the Sacramento region meet looming state requirements to reduce greenhouse gas emissions.

This first-of-its kind program is now a model that other transit agencies are beginning to copy. It is imperative that we work together to provide a sustainable revenue stream that allows us to continue the RydeFreeRT program. To that end, I plan to strongly recommend that the SacRT Board allocate $250,000 to continue to support the program and bridge the current funding gap with a three-year agreement with the City of Sacramento and local partners.

We appreciate your effort to identify other sources that can help defray the cost of this program, and we look forward to continuing to work with you and other partners to achieve that goal.

Sincerely,

Henry Li
General Manager/CEO

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City of SACRAMENTO

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SUPPLEMENTAL MATERIAL

Description: Attached is supplemental material received after publishing the agenda which includes Attachment 3 Mayor's Budget Memo.

For the Meeting of: Tuesday, May 21, 2024 at 5:00 p.m.

Agenda Item: **Discussion Item 16**

16. Fiscal Year (FY) 2024/25 Proposed Budget Deliberation and Council Direction

File ID: 2024-00822

Location: Citywide

Recommendation: Deliberate and pass a **Motion** to provide Council direction regarding the FY2024/25 Proposed Budget (Budget).

Contact: Peter Coletto, Director of Finance, (916) 808-5416, pcoletto@cityofsacramento.org; Mirthala Santizo, Budget Manager, (916) 808-5078, msantizo@cityofsacramento.org, Department of Finance

Presenter: Peter Coletto, Director of Finance, (916) 808-5416, pcoletto@cityofsacramento.org; Mirthala Santizo, Budget Manager, (916) 808-5078, msantizo@cityofsacramento.org, Department of Finance

Attachments:
1-Description/Analysis
2-FY2024/25 Supplemental Budget Information
3-Mayor's Budget Memo

File ID: 2024-00822 5/21/2024 **Discussion Item 16.**

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Description/Analysis
Issue Detail: The City Charter, Article IX Section II, requires the City Manager to deliver budget recommendations no later than 60 days prior to the start of the new fiscal year. The City Manager's Budget was released on April 30, 2024. Over the course of four special meetings in January and February 2024, Council received detailed presentations from every department under the purview of the City Manager regarding services, accomplishments, and challenges. Council was also informed that current service levels would be unsustainable as the City was projecting budget deficits beginning in FY2024/25. On February 27, 2024, Council received the mid-year financial update for FY2023/24 and an updated 5-year forecast projecting a $66 million budget deficit for FY2024/25 with deficits increasing annually thereafter. On April 30, 2024, the City Manager released the FY2024/25 Proposed Budget which closed the $66 million budget deficit without eliminating any filled positions.

On May 7, 2024, staff presented the Budget and the 2024-2029 Capital Improvement Program (CIP), which includes the FY2023/24 CIP Budget, to Council (File No. 2024-00819) detailing the service impacts of budget balancing strategies in the Proposed Budget. On May 14, 2024, Council received

an analysis of the CIP, City fees and charges, and the pilot equity analysis. With Council having received the information listed above from staff, Council shall now deliberate and provide direction to staff regarding the Budget.

Policy Considerations: The Budget maintains the direction provided by Council and prioritizes maintaining core City services and advancing Council priorities while closing the budget gap in FY2024/25. The Budget includes continued resources for Council priorities related to inclusive economic development, youth, public safety, homelessness and essential core services. The strategic approach to choose specific revenue enhancements and expenditure reductions instead of simply pursuing across-the-board cuts minimizes program and service impacts to the community to the extent possible.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities and government fiscal activities that do not constitute a “project” as defined by the CEQA Guidelines sections 15378 and California Public Resources Code section 21080 and are not subject to the provisions of CEQA (CEQA Guidelines section 15060(c)(3)). CEQA review for any project, which utilizes funds allocated under the FY2024/25 CIP Budget, has been or will be performed in conjunction with planning, design, and approval of each specific project as appropriate.

Sustainability: None.

Commission/Committee Action:

Budget and Audit Commission: The Budget and Audit Committee reviewed the report on May 7, 2024.

Planning and Design Commission: Sacramento City Code Section 17.912.010 requires the Planning and Design Commission to review the City’s five-year CIP for consistency with the City’s General Plan and to report its findings to the City Council. The 2024-2029 Proposed CIP was presented to the Commission on May 23, 2024, and the Commission’s determination will be provided to Council during the budget hearings. The General Plan Consistency Memo will be included in the Adopted Budget staff report.

Measure U Commission: The Budget and CIP will be presented to the Commission on May 20, 2024.

Rationale for Recommendation: The actions recommended in this report would allow staff to make modifications to the Budget and/or CIP.

Financial Considerations: The Budget is balanced and reflects adopted Council policies, goals, and planning/programming guides. Any direction Council provides would need to ensure that the Budget remains balanced.

Local Business Enterprise (LBE): Not applicable.

OFFICE OF THE MAYOR

Darrell Steinberg
Mayor

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CITY OF SACRAMENTO
CALIFORNIA

May 17, 2024

Dear City Council Colleagues,

As you all know, this will be my eighth and final budget as the Mayor of our great city. We have accomplished quite a lot over that time, even with all of the unprecedented challenges that have come our way.

In recent years, between the American Rescue Plan Act (ARPA), the CARES Act, and Measure U, we have made an unprecedented amount of investment in our communities with a purposeful focus on equity. For the first time in our city's history, tens of millions of dollars have been allocated for affordable housing, youth, workforce development, climate action, arts and the creative economy, and our inclusive economic development priorities throughout the city. Additionally, we have set-aside dedicated funding for our priority neighborhoods such as Del Paso Boulevard, Northgate Boulevard, and Marina Vista/Alder Grove.

While a deficit budget does not allow us to add more at this time, we must do our very best to protect these investments. Otherwise, the impacts of cuts and fee increases will be felt disproportionately and unfairly by people in communities who too often have been left behind.

Unfortunately, this budget is a particularly difficult one for us, as it is for most other big cities, as well as the State of California. However, I remain confident that we will step up to solve this together just as we have time and time again over these past years.

I would like to thank all of you for your leadership throughout this process, a strategic approach that started earlier than ever with informative department-level presentations beginning this past January.

I would especially like to thank our City Manager Howard Chan and his executive team, the entire finance team, and all our tremendous department heads for their thorough, detailed, and excellent work throughout this tough process.

Additionally, I'd like to highlight the pilot use of the Budget Equity Resource Guide and Tool (BERG/T) that was applied for the first time to parts of the Office of Innovation and Economic Development, Fire Department, and the Convention and Cultural Services Department budgets. This data-driven equity lens was developed by our Office of Diversity & Equity at the direction of the Racial Equity Committee. I sincerely hope that this new tool will be utilized and expanded in future budget years.

As has been well reported, we learned early this year that we have a $66 million deficit and that difficult budgetary exercises and decisions were going to be needed to ensure we could fulfill our important obligation to approve a balanced city budget.

I believe the City Manager's proposed budget and overall approach, with valuable input from this Council over the past few months, is a strong starting place for not only eliminating our $66 million deficit, but also a proposal we can build from to address the city's longer-term deficit.

As has been discussed publicly in previous meetings, the City Manager did not propose suspending the $3.8 million Economic Uncertainty Reserve (EUR) contribution from the current FY 23/24 Budget.

I propose suspending the EUR contribution for FY 23/24. This will free up resources, without dipping into the existing EUR balance, to restore some of the proposed budget cuts and make crucial investments back into our city.

Utilizing this funding, I propose spending approximately $3.3 million of available resources in the following three key focus areas:

1) <u>Investment in Local Youth Programming ($1.59M)</u>

A continued commitment to our city's youth programs is critical to the future of our city, even in tough budgets like this. I'm proud of our track record over the past several years of prioritizing funding for our youth, with a strong emphasis on our underserved communities. I believe that we must stay committed to these efforts.

<u>Information Technology Department Student Internship Training Program ($120K)</u>

The Information Technology (IT) Department Student Internship Program has established itself as a successful youth initiative in our city. Currently, the program operates with 12 interns per year who predominately perform customer service tasks, help with security issues, and work on new web design projects. It has not only served the department well, but it also has led to the hiring of 19 former interns into permanent positions in recent years. Additionally, the program has benefitted students that go to our local universities, such as California State University, Sacramento.

<u>RT Fare-Free Youth Transit Program ($250K)</u>

I wholeheartedly support full funding for this vital and life-changing investment in our city's youth. I believe it is a core city responsibility. I also recognize that while everyone in city government recognizes the value of free public transit to our young people, not everyone believes that it is core to the city's budget, especially when we face a large deficit.

I am concerned about the fiscal and political viability of the city fully funding "RydeFreeRT" both this year and as the Council composition changes next year and into the future. The most sustainable way to assure the long-term future of this service is to broaden its funding base beyond the city.

The city currently pays about $1 million a year to fully RydeFreeRT. I propose that this sum be divided $250,000 each between the city, RT, the Sacramento City Unified School District, and a combination of Natomas, Elk Grove and Twin Rivers school districts.

I have been meeting over the last week with leaders of Regional Transit (RT) and each of the school districts that educate our city's youth.

RT General Manager Henry Li has committed to strongly supporting a contribution of $250,000 and will bring the matter to the RT board (see Li letter). Officials from the four largest school districts served by RydeFreeRT are actively considering making similar contributions.

I'm confident we will agree on a funding formula by June 11 when the city passes its final budget. If an agreement cannot be finalized by that date, I will present an updated recommendation to the Council.

Supplemental Funding for the Youth, Parks and Community Enrichment Department ($1.22M)

The proposed budget includes many fee increases and cuts in the Youth, Parks and Community Enrichment (YPCE) Department. I believe we need to make sure these cuts and fee increases do not negatively affect our youth, underserved communities, and seniors.

I propose the following four items to accomplish that:

- YPCE Youth Program Scholarship Fund ($370K)- I support restructuring the current Youth Sports Field Usage program to expand eligibility to youth-serving facilities and programs to create the YPCE Youth Program Scholarship Fund. YPCE provides core services and programs citywide, including in our priority neighborhoods for under-resourced youth and families. Currently, $200,000 has been allocated to waive or reduce fees for youth sports field use and select other youth enrichment programs. Supplemental resources (in addition to the $200,000 in the proposed budget) for this fund will ensure youth and families in ALL of our neighborhoods continue to have access to city facilities and programs. A $370,000 increase in dedicated funding and an expansion of eligible core service programs will allow YPCE to increase the number of participants served through this fund from an average of 750 youth annually to over 7,000 this upcoming fiscal year.

  The Fund would be available to 30 youth-serving organizations using community center space and over 7,000 youth ages 0-24 in the following programs:
  - Summer camps (Summer Oasis, Kids Camp, Teen Scene, etc.)
  - REC Preschool Program
  - Youth sports programs (Jr. NBA, NFL Flag Football)
  - Water safety programs (Swim Lesson, Swim Team, Junior Lifeguard, etc.)
  - Lifeguard training
  - Summer Reading Swim Pass Program
  - Youth special events (Kids Night Out, etc.)
  - Youth sports field reservations

  The city is committed to ensuring that all eligible youth and families have access to the scholarship program and will increase marketing and outreach efforts. This includes in-person application support across all community centers and pools, language

translation services, and collaboration with community partners including libraries and schools.

- Community Center/Clubhouse Rental Fee Waiver & Reduction Program Relief ($300K)- Several years ago, Council adopted a resolution that authorizes fee waivers and reductions for qualifying organizations and uses, including but not limited to, community-based organizations and non-profits and activities that demonstrate a community benefit. Examples include neighborhood association meetings, health and wellness resources and programs, social service referrals, etc. This waiver program is currently not funded in the Proposed Budget due to the budget shortfall, and associated rental costs are absorbed in YPCE's operating budget, which has historically been offset with vacancy savings. This relief funding will allow the program to continue while YPCE reviews and updates the fee waiver and reduction guidelines with the application of the equity resource guide and tool.

- Youth Sports Field Maintenance and Rehabilitation Fund ($300K)- YPCE is responsible for over 100 sports fields and is committed to ensuring youth have safe and equitable access to recreation amenities. A one-time allocation of funds to address sports field rehabilitation with a focus in priority neighborhoods and underserved areas that do not currently receive supplemental funding, will allow Park Maintenance to address equitable access to safe and quality playing fields. Field improvements may include irrigation upgrades, repairs, and turf renovations across 8-10 city parks.

- Sac Northern Bike Trail Maintenance and Safety Restoration ($250K)- There is a demonstrated need to increase park maintenance services, including irrigation repairs, tree planting, addressing overgrowth of undeveloped areas and overall clean-up efforts along the trail. This funding will go to implement strategies for bike and pedestrian safety improvements including installation of signage and other safety barriers. I am proposing $250,000 to address this time sensitive need for an underserved area of our city.

2) Inclusive Economic Development Initiatives ($702K GF, $174K TOT)

Achieving inclusive economic development that benefits all of our communities has been one of my highest priorities as mayor. To that end, we have made so much progress with funding from Measure U, CARES Act, and ARPA. However, there is still much more work to be done to make all of our neighborhoods economically prosperous and equitable.

Neighborhood Development Action Team ($600K)

The Neighborhood Development Action Team (NDAT) advances Sacramento's commitment to racial equity by revitalizing commercial corridors through active engagement and collaboration with communities that have historically been overlooked. As a multidisciplinary team, NDAT ensures consistent lines of communication and coordination across departments, promoting a unified and holistic response to the needs of the community. NDAT has been transformative both within the city's structure and in external engagements, fostering strong community partnerships that drive investment in underinvested areas. A great recent example of this work is the Marysville-Del Paso Boulevard Plan (called "Forward Together")

that was recently approved by the Council, as well as the Stockton Boulevard Plan that will be coming forward for approval later this summer. I propose fully funding this initiative and restoring the $600,000 to the NDAT budget.

Arts Stabilization Budget ($102K)

I am proud of how Sacramento has been a leader in cultivating our local arts and cultural economy, with bold investments from Measure U, CARES Act, and ARPA. This has been intentional, and because of that focus, our city has seen tremendous growth and momentum in the arts sector over the past several years. With that in mind, I recommend restoring the $102,000 Arts Stabilization Fund for the FY 24/25 budget. This money supports the community in creating public art, funds the poet laureate, and pays for research and analysis activities, including making sure arts funding is equitably distributed.

SMUD Museum of Science and Curiosity ($87K TOT)

The SMUD Museum of Science and Curiosity (MOSAC) is one of the crown jewels of Sacramento. A riverfront museum that opened just a few years ago after decades of hard work, including from us as one of the major partners, has become a dynamic local and regional attraction for students and people of all ages built around science, technology, engineering, arts and math (STEAM). Fortunately, because of the passage of Measure N by the voters in November 2022, we can now use our Transient Occupancy Tax (TOT) to fund this tourism related expenditure. I propose we utilize $87,000 of TOT resources to restore funding to MOSAC.

Sacramento History Alliance ($87K TOT)

As with MOSAC, we can now use our TOT to fund this expenditure. I recommend we utilize $87,000 of TOT resources to restore funding to the Sacramento History Alliance. This money is used to run the Visitor's Center in Old Sacramento, the only such center serving our most significant historic district and tourist attraction. This funding also supports the Sacramento History Museum's public programs such as living history days in the district.

3) Other Key Community Investments Consistent with our Values ($1M)

We must always prioritize investment in our disadvantaged communities and neighborhoods. I feel strongly that we can still do that even in our current budget context. These programs help our city's most vulnerable people and fully deserve to continue this upcoming fiscal year.

Digital Equity Response Program ($200K)

The Digital Equity Response Program was established during the beginning of the pandemic to ensure digital inclusion in our city's most underserved communities. This program has helped to narrow the digital divide and reduce disparities. Digital resources and training are essential for healthy and vibrant communities. I recommend we continue to fund this successful equity program.

FUEL Network ($500K)

As we have proudly done throughout my entire tenure as Mayor, I recommend setting aside $500,000 for the FY 24/25 City Budget for the Sacramento Family Unity, Education, and Legal (FUEL) Network to continue providing critical services to our immigrant and refugee populations through the form of legal representation, social services, mental health services, education, and continued coordination of the 50+ local organizations that now form the coalition created by the FUEL Network. Without this funding, these vital services would not be provided to our city's large and diverse immigrant and refugee population.

Fine and Fee Justice Initiative ($100K)

In April 2020, the City of Sacramento and Sacramento County were jointly selected to participate in PolicyLink's "Cities and Counties for Fine and Fee Justice" initiative, a national effort aimed at eliminating or reforming fines and fees that result in a disproportionate burden on people of color and low-income households. Through one-time ARPA funding and a collaborative process with our community, the tow administrative fee waiver was selected as the most impactful starting point for the initiative in Sacramento. In the context of this Proposed budget, I strongly recommend that we allocate $100,000 to this important work.

Recent Council Action on the "Parking Violation- No Parking Certain Hours" Fee ($200K)

This past Tuesday, while reviewing the FY 24/25 Citywide Fee Schedule Updates, the Council approved moving forward with one minor modification. The Council directed that the "Parking Violation- No Parking Certain Hours" fee be set at $50 instead of the proposed $60. This change necessitates an approximately $200,000 budgetary adjustment.

Language Access Coordinator Position (1 FTE)

Led by Councilmember Vang, Councilmember Guerra, and city staff, we have embarked on efforts to improve and enhance our city's language access and translation services. These efforts are crucial for our city to better serve Sacramento's diverse population. I recommend maintaining the FTE to oversee the Language Access Program and utilizing a portion of the $250,000 that is already within the City Manager's Proposed FY 24/25 Budget.

Council Direction on the Home Occupation Permit and Sidewalk Admin Fee Increase

The Proposed budget currently recommends increasing the Home Occupation Permit Fee, as well as the Sidewalk Repair Admin Fee. After hearing from the community these past few weeks, I propose the Council give direction to the City Manager to modernize the Home Occupation Permit policy to account for the overall shift to virtual work post-pandemic, particularly when they do not have an impact on the surrounding community.

Secondly, regarding the Sidwalk Repair Admin Fee policy, I recommend we direct the City Manager to ensure this fee increase does not financially impact low-income seniors who are on fixed incomes.

I am excited to work on these initiatives with all of you and to finalize a budget that we all can stand behind. I would like to thank all of our city employees for their valuable and dedicated public service. Though this has and will continue to be a challenging financial time for our city, I know we can find the appropriate balance of making financially responsible budget cuts, while also still investing in the future of Sacramento.

Thank you for your time and your consideration.

Sincerely,

Darrell Steinberg
Mayor, City of Sacramento