



# Fare Integration Task Force

May 16, 2022

<sup>1</sup> Agenda Item 4a





# Meeting Overview

## Institutional Pass Pilot

- ┆ Transit agency consent and approval process
- ┆ Job posted for a Project Manager for the pilot program

## No-cost and Reduced Cost Transfers in 2023

- ┆ How might this type of policy action work?
- ┆ Project team to begin work on developing a specific implementation plan

# Institutional Pass Pilot – Status Update



- 1** During April and May the project team focused on continuing to work with a partner institutions to prepare for the launch of the pilot in August.
- 2** Reviewed draft research and evaluation approach for Phase 1, developed by The Behaviouralist consultant team.
- 3** Key action for May/June/July is securing formal consent to participate in the pilot from all 24 transit operators on Clipper. Many operators are planning to take an item to their governing board to either seek approval for the pilot or to provide a briefing on the program.  
  
*June 30<sup>th</sup>: Deadline for operators to consent to participate; July 31<sup>st</sup>: Deadline for governing board approval, if needed*
- 4** First staff position funded by Blue Ribbon Task Force staffing funds will be the project manager for the pilot. Job posting is up now, interviews taking place soon.
- 5** June 8<sup>th</sup> MTC Programming and Allocations Committee will hear an item to formally program \$85 million in Blue Ribbon Transit Transformation Action Plan funds, including up to \$28 for the Policy Vision Statement

# Pilot Project

## Path to August 2022 Launch

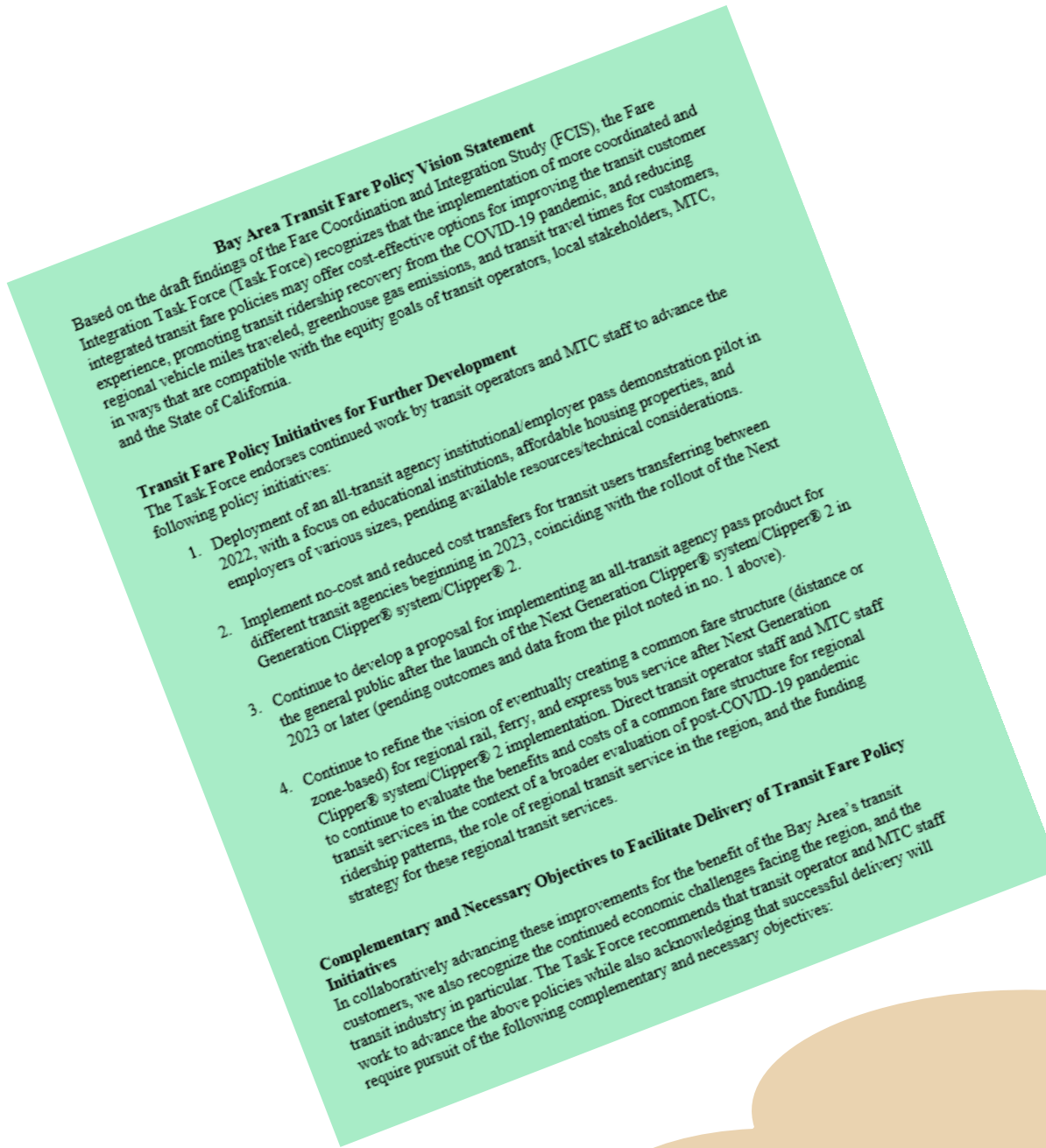


Task	2022 (by Month)
1. Finalize Management Structure	✓
2. Secure statements of interest from participants Institutions	✓
3. FITF reviews Phase 1 project budget/funding plan	✓
4. Finalize Title VI plan with FTA and agency civil rights staff	✓
<b>5. Board Approvals</b>	<b>Underway</b>
<b>6. Work with institutional partners on site-specific administrative requirements &amp; protocols (participant list, card distribution, etc.)</b>	<b>Underway</b>
7. Develop communications/collateral	May - June
8. Establish research & evaluation plan	May - July
9. Card distribution/launch	July - August

# “No-cost / Reduced Cost Transfers”

“Implement no-cost and reduced cost transfers for transit users transferring between different transit agencies beginning in 2023, coinciding with the rollout of the Next Generation Clipper® system/Clipper® 2.”

Bay Area Transit Fare Policy Vision Statement  
Adopted by Fare Integration Task Force, November 15, 2021



How would implementation of this policy work in practice?

What existing fare policies would change?

What is the possible financial impact of this action?



# Key Questions

**What existing fare policies would change?**

Most, but not all, transit operators have existing inter-agency transfer discount agreements with the operators whom they connect with. This proposed action would replace those existing agreements with a common standard across the Bay Area, however 100% agency participation is not a technical requirement.

**How would implementation of this policy work in practice?**

This will be the subject of the project team's work over the coming months, but operators would likely need to adopt a common MOU that set the parameters for inter-agency transfers as well as establishing a process for keeping transfer discount up-to-date as fares change. An MOU would also likely establish a financial framework to support the common transfer policy.

**What is the possible financial impact of this action?**

The FCIS project found that, based on pre-pandemic ridership the implementation of “No-cost / Reduced Cost Transfers” could cost up to \$22 million a year or \$2.25 per new trip generated. A key focus of the team's work will be how to address this possible cost.

# What existing fare policies would change?

Example Trips  
Under Current  
Inter-Agency  
Transfer Policies



<b>Example Trip 1</b> <i>Alum Rock, SJ to Redwood City</i>		<b>Example Trip 2</b> <i>Excelsior District, SF to San Bruno</i>	
<b>Local</b> Agency #1	→	<b>Regional</b> Agency #1	<b>Local</b> Agency #2
			
Fare = \$2.50		3 Zones Fare = \$7.70	 Fare = \$2.50
<b>Total Fare = \$10.20</b>		<b>Total Fare = \$4.55</b>	

Example Trips  
Under “No-cost /  
Reduced Cost  
Transfers” Policy



<b>Example Trip 1</b> <i>Alum Rock, SJ to Redwood City</i>		<b>Example Trip 2</b> <i>Excelsior District, SF to San Bruno</i>	
<b>Local</b> Agency #1	→	<b>Regional</b> Agency #1	<b>Local</b> Agency #2
			
Fare = \$2.50		3 Zones Fare = \$7.70 - <u>\$2.50</u>	 Fare = \$2.50
<b>Total Fare = \$7.70</b>		<b>Total Fare = \$2.50</b>	
<b>Customer savings = \$2.50</b>		<b>Customer savings = \$2.05</b>	

**Policy Question:**  
  
How are operator  
pass-holders  
treated if they  
make a transfer?

# How would implementation of this policy work in practice?



“No-cost / Reduced Cost Transfers”

## Hypothetical MOU

1. Common inter-agency transfer discount amounts
2. Process for keeping the transfers up-to-date based on fare price changes
3. Mechanism/process for financial settlement
4. Process for operators to join/leave the agreement
5. Process for Title VI analysis
6. Reference to Clipper MOU?



# What is the possible financial impact of this action?

**Up to \$22 million  
per year Bay Area-wide**

based on pre-pandemic ridership levels



Implementation of “No-cost / Reduced Cost Transfers” was forecast to increase daily ridership by **25,000+ new trips**, the majority of which would be from low-income households



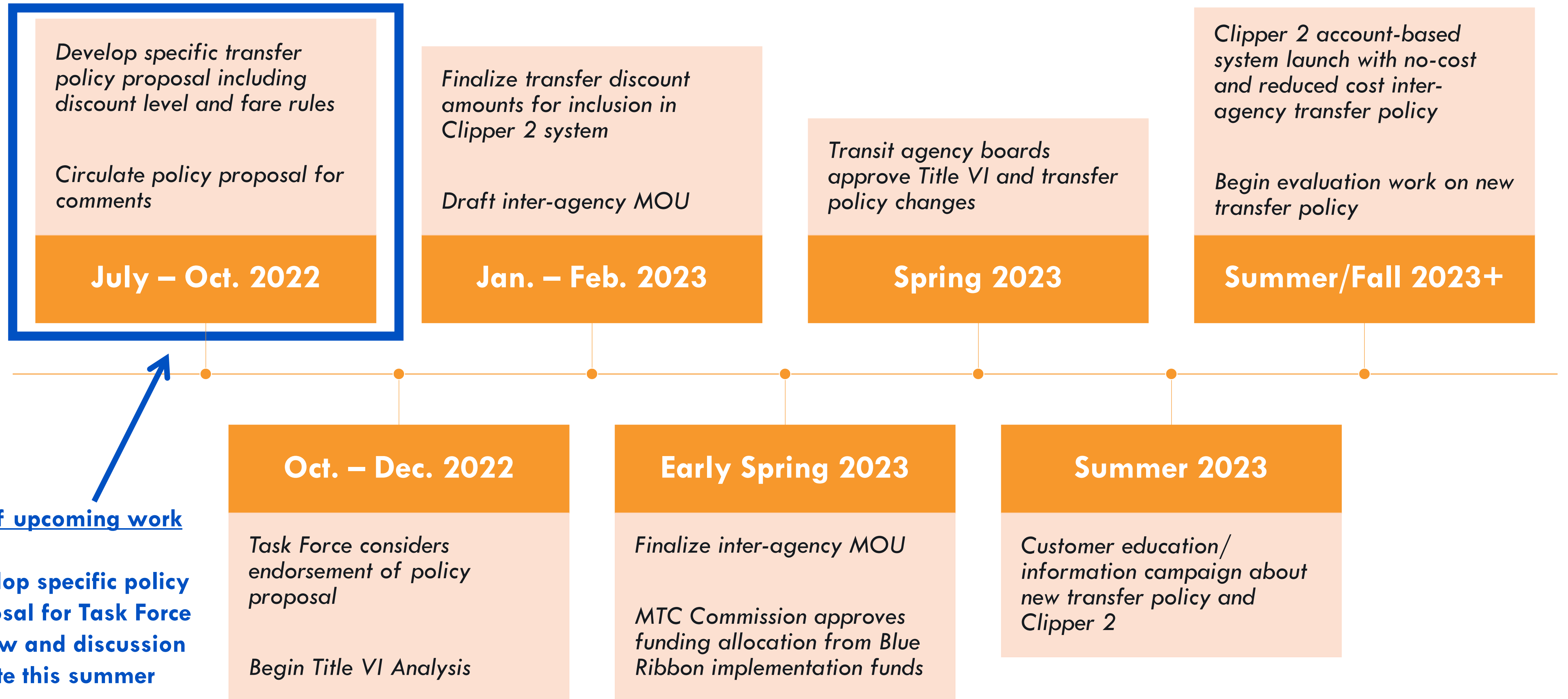
**Key Question: How do we develop a sustainable funding model for “No-cost / Reduced Cost Transfers” which encourages ridership recovery, improves the customer experience, enhances the utility of the transit network, and is financially sustainable for the long term?**

***\$22 million in funding is currently identified from the Blue Ribbon funds for this action***



# Steps to Deliver “No-cost / Reduced Cost Transfers”

## Path to Summer 2023



**Focus of upcoming work**

- **Develop specific policy proposal for Task Force review and discussion late this summer**