

**Metropolitan Transportation Commission  
Programming and Allocations Committee**

June 14, 2023

Agenda Item 3a - 23-0580

**MTC Resolution No. 4320, Revised  
Clipper® START Pilot Update and Extension**

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**Subject:**

Results of the evaluation for the Clipper® START means-based transit fare discount program pilot and recommended extension of the pilot program until June 30, 2025.

**Background:**

MTC together with transit operators and community partners are working to build a simpler regional transit fare system that supports the financially burdened rider, by removing fare-related barriers to using public transit experienced by people earning lower incomes. These barriers were assessed in MTC's 2016 Regional Means-Based Transit Fare Pricing Study that led to the 2018 Regional Means-Based Transit Fare Pilot Program Framework (MTC Resolution 4320). The Framework defined the policy and operational parameters of the Pilot (later branded as Clipper® START) to address affordability for residents earning a lower income. The Framework includes the following key elements:

- The program is open to Bay Area transit operators participating in the Clipper® system.
  - Participation is voluntary for any eligible operator.
  - Operators agree to offer a minimum discount of 20% per trip off the adult fare (in addition to any existing Clipper® discounts).
- MTC will contribute a portion of the full undiscounted fare to operators to subsidize any discounts offered, and make available funding from State Transit Assistance, the Low Carbon Transit Operations Program, and a one-time commitment through the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- Eligible individuals include all adults earning at or less than 200% of the Federal Poverty Level (FPL).
- An evaluation of the Pilot is to be conducted.

Participating transit agencies in 2018 included four operators: Bay Area Rapid Transit, Caltrain, Golden Gate Bridge, Highway and Transportation District, and the San Francisco Municipal

Transportation Agency. Clipper<sup>®</sup> START was launched in July 2020 at the start of the COVID-19 pandemic in the midst of public health lockdowns. MTC leadership remained committed to continuing the Pilot to serve essential workers/riders and to learn who was benefiting from the program through this lifeline service. An additional 17 transit operators joined the program in August 2020, bringing the number of Clipper<sup>®</sup> START operators to 21 (out of 22 Clipper<sup>®</sup> system transit agencies). For the extension of the pilot program being proposed today, the Santa Clara Valley Transportation Authority (SCVTA) has also agreed to join the program (discount to be activated January 2024). The activation of SCVTA into the program results in all Clipper<sup>®</sup> system transit agencies participating and moves us towards a more comprehensive and cohesive regional means-based fare discount program.

### **Measuring Success during the Covid-19 Pandemic**

Findings and key lessons from the first two years of the Pilot are provided in the “Summary Brief” in Attachment C. Details of the results by transit operator are available through the Draft Technical Report which can be found on MTC’s website at: <http://www.mtc.ca.gov>.

- The four project implementation outcomes are: awareness and marketing, customer experience, financial viability, administrative feasibility; and the two rider impact outcomes are affordability and access/mobility. Defining a target metric for each outcome proved to be challenging, because of the unprecedented impacts of COVID-19. Additionally, understanding where the barriers persist and where they were alleviated became more valuable in revealing how and where best to design/re-design, and course-correct to become more impactful.
- The evaluation revealed that the Pilot met its original goals of making transit more affordable for transit-reliant individuals earning a lower income, developing implementation options that are financially viable and administratively feasible, and moving towards a more consistent regional standard fare discount.
- Findings also illuminated that to achieve optimal success, multiple policy and operational strategies need to be assessed and potentially piloted concurrently to substantially increase the program participation rate and improve customer experience with easier application requirements. A sample of potential strategies include assessing auto-

enrollment, fare capping, and an increase of the eligibility threshold to a level above 200% of FPL. Immediate actions include examining and redesigning the marketing and outreach strategy based on customer communication preferences.

### **Request to Extend Pilot**

The Pilot is set to end on June 30, 2023. Staff are requesting to extend the pilot to increase program uptake, address persistent barriers identified in the evaluation, and implement new policies based on feedback from stakeholders before a move to permanency. Extending the pilot based on the experience of the last three years would:

- Allow time to grow program uptake, test strategies identified in the evaluation, and work with transit operators in defining uptake targets within their service area.
- Coincide with the timing of the next-generation Clipper® system, scheduled for rollout in 2025, which increases the policy and design options for implementing program changes (i.e., fare cap/accumulator strategy).
- Allow time for SCVTA to join the program to achieve 100% regional participation.
- Engage with operators to address risks associated with offering a 50% discount across all participating transit systems, thereby providing a greater and consistent discount to program participants.

The following modifications are proposed to the current Pilot Framework (MTC Reso. 4320):

- Extend the pilot to June 30, 2025
- Update the subsidy approach for the remaining term of the pilot, providing operating assistance payments as a one-time lump sum payment at the beginning of the pilot term, rather than as ongoing reimbursements.

Staff projects that there are sufficient funds for a 24-month extension of subsidies and program administration expenditures. Staff from all participating transit agencies support this extension.

### **Next Steps:**

Staff recommends extending the Clipper® START pilot for an additional 24 months, with the proposed modifications to the current framework, to June 30, 2025. If approved, staff will need

to extend the contracts of the eligibility verifier in the near term, as well as refine and enhance the marketing and outreach strategy. Staff will further develop strategies from the evaluation (i.e., auto-enrollment, increasing the income eligibility threshold above 200% FPL) and return to the Commission at a future date with proposed recommendations for implementation based on engagement and alignment with the Pilot's goals. Staff will also work with participating transit agencies to secure Board approvals to extend their participation in the pilot, as well as comply with Title VI requirements, if applicable.

**Issues:**

While there is conceptual agreement between MTC and agency staff to extend the pilot by an additional 24-months, each agency's participation is subject to their respective government board approval and other formal actions, such as any required federal Title VI evaluation.

**Recommendation:**

Staff recommends referral of MTC Resolution 4320, Revised, to the Commission for approval. Staff will return to this Committee at a future date with proposed recommendations to advance strategies to increase program uptake, improve customer experience, and decrease program costs.

**Attachments:**

- Attachment A: PowerPoint Presentation
- Attachment B: MTC Resolution No. 4320, Revised
- Attachment C: Summary Brief of "Clipper® START Pilot: Key Findings and Lessons (July 2020 – July 2022)"



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