

Clipper® Executive Board Fare Integration Task Force

August 28, 2023

Agenda Item 4a

Clipper® START Extended Pilot - Regional Fund Reimbursement

Subject:

Proposal for a "one-time" payment to Bay Area transit operators participating in the extended Clipper START means-based discount fare pilot program.

Background:

In May 2018, the MTC Commission adopted MTC Resolution No. 4320, establishing the Regional Means-Based Transit Fare Pilot Program framework. Branded as Clipper START, the regional means-based transit fare discount pilot program seeks to increase access to opportunity and improve transportation affordability for adult transit passengers who earn a lower income.

The Clipper START program was the first of its kind in the region.

The three-year pilot program was launched on July 15, 2020, with transit agencies offering a 20 or 50 percent discount on single-ride fares for eligible adults who earn at or under 200 percent of the federal poverty level (FPL). MTC sets aside funding annually to administer the program and defray some of operators' revenue losses. In June 2023, the MTC Commission approved an extended two-year Clipper START pilot program until June 30, 2025, to allow additional time for the program to grow and better serve customers.

As a part of the extended pilot program, MTC staff are proposing to simplify the process for meeting MTC's obligations to reimburse transit operators for a portion of the foregone revenue realized by participating in Clipper START. By offering an upfront one-time payment to transit operators in an amount that is estimated to sufficiently cover and address the anticipated foregone revenue over the extended pilot period. The proposed one-time payment approach is also structured to incentivize all transit operators that accept Clipper to participate and to offer a consistent 50% discount to users. This consistent Clipper START approach from transit operators (expected as of January 1, 2024) will significantly ease the marketing of Clipper START and is expected to support increased enrollment of eligible populations. MTC staff hope to ease the significant administrative burden on transit operators and MTC that the existing

reimbursement approach has created. Details of the proposed amounts of the one-time payment are described in Attachment B.

Next Steps:

MTC staff have already presented the proposed approach to transit operator staff through the Fare Programs Staff Working Group, and no concerns have been raised at the staff level regarding the proposal. The MTC Programming and Allocations Committee will consider the proposal at its September 13, 2023 meeting.

Issues:

None identified.

Recommendations:

Information

Attachments:

- Attachment A: PowerPoint
- Attachment B: Proposed "One-Time" Payment to Transit Operators for Extended Clipper START Pilot (through June 30, 2025)