



Metropolitan Transportation Commission

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Agenda

Policy Advisory Council Equity & Access Subcommittee

Wednesday, May 9, 2018

11:30 AM

Yerba Buena - 1st Floor

This meeting will be recorded. Copies of recordings may be requested at the Metropolitan Transportation Commissioner (MTC) at nominal charge, or recordings may be listened to at MTC offices by appointment.

The Policy Advisory Council advises the Metropolitan Transportation Commission on transportation policies in the San Francisco Bay Area, incorporating diverse perspectives relating to the environment, the economy and social equity.

1. Welcome

2. [18-0350](#) Regional Means-Based Fare Program Framework

Presentation on the revised program framework as presented to the Programming and Allocations Committee for consideration.

Action: Discussion

Presenter: Melanie Choy

Attachments: [02 Regional Means-Based Fare Program Framework.pdf](#)
[02 HANDOUT Means-Based Letters of Support.pdf](#)

3. New Business

Members of the subcommittee may bring up new business for discussion or addition to a future agenda.

4. Public Comments / Other Business

Note: The subcommittee will not take action on items not listed on today's agenda.

5. Adjournment / Next Meeting

The next meeting of the Policy Advisory Council Equity and Access Subcommittee will be held Wednesday, June 13, 2018 at 11:30 a.m. at the Bay Area Metro Center, 375 Beale Street, San Francisco, CA.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Título VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

MTC's Chair and Vice-Chair are ex-officio voting members of all standing Committees.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #:	18-0350	Version:	1	Name:	
Type:	Report	Status:		Informational	
File created:	4/24/2018	In control:		Policy Advisory Council Equity & Access Subcommittee	
On agenda:	5/9/2018	Final action:			
Title:	Regional Means-Based Fare Program Framework				
	Presentation on the revised program framework as presented to the Programming and Allocations Committee for consideration.				

Sponsors:

Indexes:

Code sections:

Attachments: [02_Regional Means-Based Fare Program Framework.pdf](#)
[02_HANDOUT_Means-Based_Letters of Support.pdf](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Subject:

Regional Means-Based Fare Program Framework

Presentation on the revised program framework as presented to the Programming and Allocations Committee for consideration.

Presenter:

Melanie Choy

Recommended Action:

Discussion

Attachments:



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 2

Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105
415.778.6700
www.mtc.ca.gov

TO: Policy Advisory Council
Equity and Access Subcommittee

DATE: May 2, 2018

FR: Melanie Choy, Programming and Allocations

RE: Regional Means-Based Fare Program Framework

The Subcommittee's agenda item on Regional Means-Based Fare Program Framework is attached as presented to this month's MTC Programming and Allocations Committee, which will meet on May 9, 2018. The item is being presented as an action item for the Commission's Programming and Allocations Committee. This subcommittee will receive an update of its own at your subcommittee meeting, also on May 9.

As noted in the attached materials, MTC has been involved in identifying transportation challenges for low-income residents and promoting solutions through various regional planning and policy initiatives for over a decade. Concerns about transit affordability are commonly raised by low-income residents during these efforts. In 2015, MTC initiated the Regional Means-Based Transit Fare Pricing Study to look comprehensively at this issue. The study provided high level data assessments, program structure ideas, and spurred conversations that have informed the proposed Regional Means-based fare program framework.

MTC staff will be at your May 9 meeting to discuss a revised framework for a Regional Means-Based Fare Program.

Attachment

J:\COMMITTEE\Policy Advisory Council\Subcommittees\Equity & Access Subcommittee\2018\05_2018-May\02a_Regional Means-Based Fare Program_CoverMemo.docx

Metropolitan Transportation Commission

Programming and Allocations Committee

May 9, 2018

Agenda Item 3b

MTC Resolution No. 4320

Subject: Regional Means-Based Transit Fare Pilot Program Framework

Background: In April, staff presented a Regional Means-Based Transit Fare Pilot Program framework proposal. Based on Committee direction, additional staff analysis, and consultation with the transit operators, staff has developed three options for Committee consideration.

Option 1: BART, Caltrain, GGBHTD, and SFMTA (as presented in April)

Option 2: High-Fare Regional Operators (BART, Caltrain, GGBHTD)

Option 3: BART Only

Staff proposes to launch the Regional Means-Based Transit Fare Program as a pilot program spanning 12 to 18 months, allowing for a period of learning and continual improvements. A program evaluation will be conducted and provide feedback on the continuation of the program. Additional information requested by Committee members is included in Appendix 1.

Issues:

1. Agency Participation. While there is conceptual agreement between MTC and agency staff, each agency's program participation is subject to governing board approval.
2. Financial Risk related to discount levels and participation rates. The extent of regional revenue loss is dependent on the rates of discount and participation (transit agencies and eligible riders). While participation rates can be estimated based on existing programs in the Bay Area and beyond, the actual participation rate is unknown. As the discount increases, program participation will likely increase as well and cost will exceed available revenues. A minimum discount of 20% per trip across all participating agencies is being proposed to help minimize the financial risk.
3. Implementation Challenges. Program implementation will require coordination between MTC, transit agencies, county social service agencies and other partners. While this proposal provides a high-level conceptual overview, program development and design, including a federal Title VI evaluation and transit operator board consideration and approvals, will take time to develop. Staff estimates program development to occur through early 2019 and program start-up in mid-2019. This schedule also allows MTC to confirm continuation of SB 1 post-November 2018 prior to program launch.

Recommendation: Refer Resolution No. 4320 to the Commission for approval. The resolution would be modified to reflect the option selected.

Attachments:

- Attachment 1 – Executive Director Memo
- Attachment 2 – MTC Resolution No. 4320
- Attachment 3 – Presentation Slides
- Attachment 4 – Policy Advisory Council Recommendation



METROPOLITAN
TRANSPORTATION
COMMISSION

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Programming and Allocations Committee

DATE: May 9, 2018

FR: Executive Director

RE: Regional Means-Based Transit Fare Pilot Program

Background

In April, MTC presented a proposed program framework focused on a few large transit operators. A number of transit agencies have expressed support for a means-based fare program for low-income adults, but due to financial risk concerns have indicated an inability to participate at this time. As a result, the proposed framework was based on the large transit operators that indicated staff-level interest in participating. These agencies are Bay Area Rapid Transit (BART), Caltrain, Golden Gate Bridge, Highway and Transportation District (GGBHTD), and the San Francisco Municipal Transportation Agency (SFMTA). Based on Committee direction at the April Programming and Allocations Committee meeting, additional staff analysis, and consultation with the transit operators, staff has developed two additional options for consideration.

Options

Three options are presented, with different mixes of transit operators. In all options, a 20% per trip/single ride fare discount would be offered. Additionally, in all options, participation rates and revenues are constrained (revenues roughly equal \$11 million (\$8 million for revenue loss and \$3 million for program administration) in regional contribution and \$8-10 million in operator contributions).

- Option 1 represents the framework that was presented to the Committee in April, and includes the large regional operators with relatively higher fares (BART, Caltrain, and Golden Gate Transit), plus SFMTA as the operator with the largest ridership in the region. At the staff level, all four of these operators have expressed preliminary willingness to participate in a regional program. This option affords a 50% participation rate, based on the revenue available.
- Option 2 includes only BART, Caltrain, and Golden Gate Transit, as the large regional operators with relatively higher fares. By leaving out SFMTA, this option would reduce both service coverage and revenue risk, compared to Option 1. The participation rate that could be afforded by this option is about 65%, based on the revenue constraint.
- Option 3 is BART-only. This option focuses on the regional rail operator with the highest ridership. The participation rate that could be afforded by this option is 75%, based on the revenue constraint.

All other elements presented in the April framework proposal (discount rate of 20% per trip, eligibility, implementation, and regional funding) remain the same.

Table 1: Options with Estimated Revenue Loss (constrained)

Option 1: BART, GGBHTD, Caltrain and SFMTA (as presented at April 2018 PAC)			
@ 20% discount @50% participation	Estimated Annual Revenue Loss (\$M)	Operator Proposed Distribution Formula, Adjusted for 50% reimb. cap	
		Regional Funding Distribution ^{3,5}	Operator Contribution
BART	\$10.6	\$4.9	\$5.7
Caltrain	\$0.9	\$0.4	\$0.4
Golden Gate Bus	\$0.4	\$0.2	\$0.3
Golden Gate Ferry	\$0.2	\$0.1	\$0.1
Muni	\$8.6	\$1.8	\$6.8
Totals	\$20.7	\$7.4	\$13.3

Option 2: High Fare Operators (BART, GGBHTD, Caltrain)			
@ 20% discount @65% participation	Estimated Annual Revenue Loss (\$M)	Funding Distribution Based on Estimated Loss	
		Regional Funding Distribution ^{3,4}	Operator Contribution
BART	\$13.7	\$6.9	\$6.9
Caltrain	\$1.1	\$0.6	\$0.6
Golden Gate Bus	\$0.6	\$0.3	\$0.3
Golden Gate Ferry	\$0.4	\$0.2	\$0.2
Totals	\$15.8	\$7.8	\$7.8

Option 3: BART Only			
@ 20% discount @75% participation	Estimated Annual Revenue Loss (\$M)	Funding Distribution Based on Estimated Loss	
		Regional Funding Distribution ^{3,4}	Operator Contribution
BART	\$15.8	\$7.9	\$7.9
Totals	\$15.8	\$7.9	\$7.9

Assumptions and Notes:

- 1) Amounts presented are in million dollars, annually. Based on current demographic and revenue data provided by operators; fiscal impact does not include any assumptions for elasticity, ridership changes, etc.; includes estimates for operators currently providing discounts.
- 2) Assumes participant eligibility threshold = below 200% Federal Poverty Level.
- 3) MTC to make an estimated \$11 million in funding available annually. The first \$3 million of this is being reserved for program administration costs, leaving a balance of \$8 million to defray operators' revenue losses from the regional program, up to 50% of the losses.
- 4) For Options 2 and 3, the funding distribution is based on the estimated revenue loss.
- 5) For Option 1, transit operators developed a preliminary distribution formula for splitting the regional funds amongst participating operators. The percentages (BART 61%, Caltrain 12%, GGB 2%, GGF 3%, SFMTA 22%) have been applied to the estimated revenue loss and capped at 50% for regional funds.

Recap of Framework Elements

The following elements of the proposed framework remain unchanged.

- **Program Eligibility**

Eligibility for participation is anticipated to be established at 200% of the federal poverty level for adults. Seniors, disabled, and youth currently receive transit fare discounts (that in most cases are greater than 20%) and would not be eligible for the Means-Based fare program. Further development of the eligibility requirements is needed and emphasis will be to build upon the experiences of other existing Means-based programs (PG&E Care, SFMTA Lifeline, ORCA LIFT, etc.).

- **Transit Operator Revenue Loss**

The extent of regional revenue loss is dependent on the rates of discount and participation (by transit agencies and eligible riders). While participation rates can be estimated based on existing programs in the Bay Area and beyond, the actual participation rate is unknown. Regional funds would be used for administrative costs first, currently estimated at \$3 million annually. The remainder would defray operators' revenue losses from the regional program, up to 50% of the losses. The operators are to cover any remaining costs or revenue losses (50% or more) from their augmented STA revenue-based funds or other sources. As shown in Table 1, for Option 1 gross revenue loss at the participating transit agencies is estimated at \$21 million. MTC's proposed annual subsidy of \$8 million would leave the operators covering a net loss of \$13 million with their own funds. It is anticipated that the distribution of regional funds to participating transit operators would be based on the actual trips and revenue loss, with proportional adjustments if the regional funds are not sufficient to cover all costs.

- **Regional Funding Availability**

The MTC contribution comes from the State Transit Assistance (STA) Population- Based funds through Senate Bill 1 (SB 1) and reserved for Regional Programs in MTC Resolution No. 4321, and from MTC's population-based share of the Low Carbon Transit Operations Program (LCTOP) reserved for Clipper®/ Fare policy investments in MTC Resolution No. 4130. Approximately \$8 million in STA funding is estimated to be available annually starting in Fiscal Year 2018-19 and, if needed, approximately \$3 million in LCTOP could be available annually starting in FY 2018-19. Actual funding levels would be subject to funding availability and to annual MTC allocation actions. If SB 1 is repealed, the Regional Means-Based fare program is subject to cancellation.

SFMTA can continue, expand, or eliminate its current Lifeline monthly program; however the regional funding will only be used to compensate for participation in the new regional program. Other operators with existing low-income rider discount programs, who are not participating in the regional program, would not be eligible for regional Means-Based Fare Program funding.

- **Fare Products and Clipper® Technical Feasibility**

The discount program would be implemented through Clipper® using a standardized discount on single trips called the "Clipper® Coupon." The Clipper® Coupon will allow an eligible Clipper® card holder to get a discount on any single trip taken on a participating transit operator. This approach is recommended (with concurrence from transit operators) based on flexibility, time needed to develop and test the Clipper® Coupon software, and cost-effectiveness. With this approach, only single trips paid with e-cash will receive the Means-Based Discount; discounts on passes will not be supported. However, existing transit operator pass programs like Muni Lifeline may continue in parallel to the Means Based Discount Program on Clipper® at the operators' discretion (and own funding).

Pilot Program

Staff proposes to launch the Regional Means-Based Transit Fare Program as a pilot program spanning 12 to 18 months, allowing for a period of learning and continual improvements. A program evaluation will be conducted and provide feedback on the continuation of the program. This will also be an opportunity to consider adding additional operators for participation, particularly other regional high-fare operators such as Water Emergency Transportation Authority (WETA) and Sonoma-Marín Area Rail Transit (SMART), if appropriate.

Program Design and Implementation

While this proposal provides a high-level conceptual overview, program development and design, including a federal Title VI evaluation and transit operator board consideration and approvals, will take time to complete. Program implementation will require coordination between MTC, transit agencies, county social service agencies and other partners. The Clipper® Regional Transit Connection (RTC) card administration will serve as the model for structuring a centrally administered program. User-based outreach (soliciting input from the targeted beneficiaries of the program) will be integrated into development of the program to ensure the program is designed with the end user in mind. A set of program evaluation metrics will also be outlined during this time, with periodic status updates to the Commission anticipated. The program is intended to be improved over time based on the evaluation and the learned experiences from the initial rollout of the program.

Additional Information

Additional information and analysis is presented in Appendix 1 in response to requests from the April Programming and Allocations Committee meeting, regarding household spending/discount impacts; youth fares currently in place in the region; BART passes; accumulator passes; small operator participation; and residency requirements for the SFMTA Lifeline program.

Next Steps

Should the Commission decide to move forward, staff estimates program development to occur through 2019 and program start-up in mid-2019. This schedule also will allow us to confirm continuation of SB 1 post-November 2018 prior to program launch.

May 2018	MTC considers approving framework
Summer 2018	Transit Agency Boards consider approval of Means-based Fare Discount program participation
Fall 2018 – Spring 2019	Program design and development
Summer 2019	Program start-up

Note that MTC Resolution No. 4320 is attached; should the Commission take action this month, Attachment A to the Resolution will be adjusted to reflect the option selected.



Steve Heminger

SH:mc
Attachment – Appendix 1

Regional Means-Based Transit Fare Program: Additional Information

1) Impact of a 20% Discount

In Plan Bay Area 2040, it was estimated that low-income residents spent 21% of their annual budget on transportation. Specific information on the transit breakdown is not readily available.

To estimate the potential impact a fare discount may have on overall monthly transportation costs, we provide three examples:

Example 1: A patron rides BART five days a week (to and from home), with a trip cost of \$4 each way. The monthly cost of these trips equals \$160. With a 20% fare discount, this patron would save \$32 per month, or \$384 per year.

Example 2: A patron rides BART two days a week (to and from home), with a trip cost of \$4 each way. The monthly cost of these trips equals \$64. With a 20% fare discount, this patron would save approximately \$13 per month, or \$156 per year.

Table 1: 2016 Clipper® Data Analysis

Example 3: According to MTC staff analysis of Clipper® 2016 data, an average individual living in a low-income zip code spends \$27 on transit via Clipper® in a month. A 20% discount on \$27 would be \$5.40 per month savings, or \$65 per year¹, which would potentially decrease the average amount of

	Low-Income Zip Code	Other Bay Area Zip Code
Average amount an average individual spends per month	\$27	\$24
Average number of rides an average individual takes per month	7	5

transit spending of an average individual of a Low-Income Zip Code relative to other Bay Area Zip Codes or potentially induce new transit trips. Although the regional average is \$27 per month, the averages for each county range from approximately \$20 per month to \$55 per month.

A few notes about this example's analysis: only transit trips using e-cash and BART High Value Discount tickets were included. Due to the limitations of the Clipper® data set, staff was not able to incorporate the average individual's expenditure on transit fare products (such as monthly passes). However, only about 25% of unique Clipper® cardholders purchase transit fare products directly from Clipper®. Furthermore, as the analysis was based on Clipper® data, it does not

¹ To create the Low-Income Zip Codes designation, staff identified Bay Area census tracts with concentrations of individuals with income up to 200% of the Federal Poverty Line (FPL) according to the 2016 ACS, and then rolled up those census tracts into the appropriate zip codes according to a weighted distribution of the individuals earning up to 200% of FPL. Of those zip codes, staff identified zip codes whose population concentrations were comprised of at least 40% of people who make up to 200% of FPL and flagged those as Low-Income Zip Codes.

include information about riders paying with cash; about 50% of all transit trips are still paid for with cash.

As noted in Table 1, Clipper[®] data suggests slightly higher ridership in low income zip codes compared to other zip codes. Additionally, most transit trips are not paid for using passes, so the means-based alternatives under consideration target the majority of trips. Finally, signing up users for the means-based pilot program would likely transfer some trips from cash to Clipper[®], which would allow users to take advantage of the means-based discount and any other Clipper[®]-based discounts.

These examples are illustrative and may not be representative of the current travel patterns of any one low-income transit rider, but provide a sense of the potential benefit from the Means Based Fare Discount.

2) BART Pass Products

The Committee inquired about the possibilities of offering a BART pass. BART staff has studied offering passes in 2006 and 2011 and found that doing so would raise several issues. BART's automated fare collection technology allowed distance-based fares to be charged since service began in 1972, which is unusual in transit; most other transit agencies have a zone-based or a flat fare structure often because the technology to charge distance-based fares did not exist when these older systems started service.

There are two potential ways BART could offer passes. The first is for the existing fine-grained system to be combined into multiple zones with corresponding multiple passes, for example, 14 zones and eight passes. This option would result in some BART riders benefiting from using a pass, while others would not. For example a short trip that crossed a zone boundary would cost more than a longer trip that did not, so the short trip-taker would not buy a pass. In the second method, the rider would select their fare of the trip most often taken, and the pass would be priced based on, for example, the rider taking BART roundtrip at that price 20 days per month. After passing this benchmark, trips taken within that price range during the rest of the month would be free—for trips outside the price range, the rider would pay the difference. As BART has 185 unique fares, this option could be technically complex to implement as well as increase the complexity of BART's fare structure for riders.

The revenue lost by offering passes, which many riders would likely buy to achieve a cost savings as Clipper[®] already offers the pass-like convenience of a multi-use card, would have to be made up from another source. BART covers approximately two-thirds of its operating expenses from fare revenue, which is one of the highest percentages in the nation. Currently, as BART must make extensive reinvestments in an aging system with constrained resources, it is difficult to find a replacement source for lost fare revenue. Offering a BART pass would require BART Board approval, including a Title VI review beforehand.

It is technically possible to modify the current Clipper® system to accommodate a BART pass on Clipper® at BART faregates (depending on pass implementation, TVMs might not be necessary). However, integrating BART's distance-based fares as a pass product in the Clipper® system is likely to be complex, resulting in more development costs and time to implement.

3) Universal Period Pass Accumulators

In 2010, Clipper® staff requested pricing from Cubic to build a Universal Period Pass Accumulator (“accumulator”) for each transit operator in the Clipper® system. At the time, the Clipper® operators included AC Transit, BART, Caltrain, Golden Gate Transit and Ferry, SamTrans, Muni, and VTA. As conceived in 2010, the requested system enhancements would include two types of accumulators available to each individual operator: a day pass accumulator and a 31-day or month-long accumulator. Due to the significant challenges and costs included in Cubic's proposal, MTC and the operators decided not to pursue the development of these accumulators in 2010.

• Universal Period Pass Accumulator Background

The universal period pass accumulators were conceptually designed to replace passes, if individual transit operators chose to adopt them. Cubic's price proposal for the accumulators included both day- and extended-period accumulators, nevertheless it also contained the following significant technical challenges as well as policy and customer service issues for transit operators and MTC:

1. Accumulators would only apply to transit operators with flat-fare structures, i.e. BART or Caltrain would not be eligible.
2. Transit operators would need to simplify fare policies to implement accumulators.
3. The accumulators would require significant development to change the way the card memory was used.
4. Transaction times would likely increase or even double for Clipper® cards with accumulators.
5. Customer service representatives may have trouble seeing a customer's transaction history due to network communications delays.

Cubic initially priced the work at \$2.3 million with a development timeframe of at least a year. The cost drivers consisted of the work required to change how card memory was used to support the accumulators and the testing required to ensure that the accumulators could manage the complexity of the system's business rules. Due to these challenges, MTC and the agencies decided not to pursue the creation of the period pass accumulators in 2010. Instead, Cubic designed a day pass accumulator product for VTA only. Based on the work done for VTA, AC Transit, the East Bay Transit Operator group (LAVTA, County Connection, Tri-Delta, WestCAT), and SMART have subsequently adopted day pass accumulators.

Since 2010, Clipper® business rules and system complexity has increased significantly due to adding more transit operators, transfer policies, and fare products. Similar work today would easily require significant effort due to the increased degree of system complexity. However,

if transit operators simplified fare policy, it could be possible to leverage the VTA model for the Means Based Fare Program. Staff advises that it could cost more than the original price proposal and take until early 2020 to accomplish the policy work and technical development to implement something similar to the VTA day pass accumulator for the Means Based Fare Program.

- **The Next Generation of Clipper® (C2)**

Foreseeing the appeal of accumulators, the C2 System Integrator Request for Proposal includes the following requirements in its scope of work:

[C2 System] is designed to accommodate new policies such as future regional or multi-agency fare initiatives along with new and innovative pricing strategies such as price capping ... (Master Page 174)

Given this price capping, i.e. “accumulator,” requirement for the C2 System Integrator, it’s likely that the transit operators will have the technical ability to implement accumulators from the start of C2.

Staff projects that the C2 System Integrator will be ready for a pilot in 2020 with a full roll-out by the end of 2022. In the interest of expeditiously implementing a Means Based Fare Program, staff recommends choosing a simpler fare policy discount approach for the Means Based Fare Program to implement in the current Clipper® system. However, the Means Based Fare Pilot Program Evaluation should result in recommended fare policy strategies, potentially including an accumulator, for implementation in C2.

4) Youth Programs

All of the seven large transit agencies offer a youth single trip discount of at least 50% through Clipper®. Among small operators, the youth discount vary more widely, from 0% to 54% for a single trip discount through Clipper®. Youth discounts generally apply to ages 5-18; the youth maximum age, 18, was recently standardized for all Bay Area operators. Children under 5 years old are generally free on transit. See the attached table summarizing youth fare discounts across the region. In addition to the youth discounts available through the Clipper® card, many of the small transit operators offer cash or paper ticket/ pass discounts that are not shown on the attached table.

Some universities throughout the region offer students a local bus pass, e.g. UC Berkeley provides students the AC Transit Class Pass. Some universities, such as SF State University (SFSU), have also worked with the nearby regional transit operator to provide discounts. The SFSU Gator Pass provides student a Muni FastPass as well as a discounted rate on BART trips that start or end at Daly City BART station. Many of these student transit passes are subsidized by student fees.

5) Small Operator/ Inclusion of other operators.

Due to financial risk concerns, staff at some small transit operators have expressed hesitancy in participating and therefore are not proposed to be included in the pilot program at this time. Additionally, most of the small operators provide local or sub-regional bus service and have relatively low fares; WETA and SMART are exceptions in that both provide regional service and have relatively higher fares. Under a pilot program, the region would launch and initiate the program focusing on one or more large transit operators. After or perhaps during the pilot period, there can be an opportunity to consider adding additional operators for participation, particularly other regional high-fare operators such as WETA and SMART, if appropriate.

6) SFMTA Lifeline Pass Eligibility.

According to the SFMTA website, “All San Francisco residents with 2016 gross income (before taxes), at or below the levels indicated are eligible to receive the Lifeline pass.”

Common Clipper Youth Fares and Passes (Age 5-18): Big 7 Operators

Transit Operator	Service Type	Single Trip Fare	Youth Discount ¹	Monthly / 31-Day Pass	Youth Discount ¹	Day Pass / Accumulator	Youth Discount ¹
AC Transit	Local	\$1.05	53%	\$26.50	67%	\$2.50	50%
	Transbay	\$2.20	51%	--	--	--	--
BART	Rail	\$1.00 - \$8.05	50%	--	--	--	--
Caltrain	Rail	\$1.60 - \$6.60	50-55%	\$44.80 - \$184.80	50-54%	--	--
Golden Gate	Transit	\$2.00 - \$6.50	50%	--	--	--	--
	Ferry	\$5.75 - \$6.00	50%	--	--	--	--
SamTrans	Local	\$1.00	51%	\$27.00	59%	--	--
	Premium	\$1.00	72%	\$27.00	72%	--	--
Muni ²	Local	\$1.25	50%	\$38.00	49%	\$21.00	0%
VTA	Local	\$1.00	56%	\$30.00	63%	\$3.00	57%
	Express	\$1.00	78%	--	--	--	--

Source: Clipper Business Rules, CDRL 51, accessed April 23, 2018.

¹ Discount from equivalent Adult Clipper fare using a Youth Clipper card

² Muni has an Free Muni for Youth fare product for low-to-moderate-income youth

Common Clipper Youth Fares and Passes (Age 5-18) ¹: Small Operators

Transit Operator	Service Type	Single Trip Fare	Youth Discount ²	Monthly / 31-Day Pass	Youth Discount ²	Day Pass / Accumulator	Youth Discount ²
County Connection	Local	\$2.00	0%	\$60.00	0%	\$3.75	0%
	Express	\$2.25	0%	--	--	\$3.75	0%
	Reg. Local ³	--	--	\$60.00	0%	\$3.75	0%
	Reg. Express ⁴	--	--	\$70.00	0%	\$3.75	0%
FAST ⁵	Local	\$1.50	14%	\$50.00	17%	--	--
	Route 20	\$2.00	27%	\$50.00	29%	--	--
	Route 30	\$4.75	17%	\$109.00	16%	--	--
	Route 40	\$4.75	17%	\$109.00	16%	--	--
	Route 90	\$4.75	17%	\$109.00	16%	--	--
Marin Transit ⁵	Local	\$1.00	44%	--	--	--	--
Petaluma Transit ⁵	Local	\$1.00	33%	\$20.00	33%	--	--

¹ FAST, SolTrans, Union City Transit, VINE, and Vacaville City Coach define "Youth" as age 6-18.

² Discount from equivalent Adult Clipper fare

³ This operator participates in an East Bay regional 31-day pass and a day pass accumulator for local trips.

⁴ This operator participates in an East Bay regional 31-day pass and a day pass accumulator for express trips, excluding WestCAT LYNX Express. ⁵ This operator sells Youth paper fare products; which may differ from the Clipper® fare and discounts shown.

Source: Clipper Business Rules, CDRL 51, accessed April 23, 2018.

Common Clipper Youth Fares and Passes (Age 5-18)¹: Small Operators

Transit Operator	Service Type	Single Trip Fare	Youth Discount ²	Monthly / 31-Day Pass	Youth Discount ²	Day Pass / Accumulator	Youth Discount ²
Santa Rosa CityBus	Local	\$1.25	17%	\$25.00	50%	--	--
SolTrans ⁵	Local	\$1.50	14%	\$44.00	21%	--	--
	Express	\$4.00	20%	--	--	--	--
	S200	\$6.70	34%	--	--	--	--
Sonoma Transit ⁵	Bus	\$1.25-2.75	8-17%	\$47.00	25%	--	--
SMART	Rail	\$1.00-5.00	50%	\$100.00	50%	\$11.50	50%
Tri Delta Transit ⁵	Local	\$2.00	0%	\$57.00	0%	\$3.75	0%
	Express	\$2.50	0%	--	--	\$3.75	0%
	Reg. Local ³	--	--	\$60.00	0%	\$3.75	0%
	Reg. Express ⁴	--	--	\$70.00	0%	\$3.75	0%

Source: Clipper Business Rules, CDRL 51, accessed April 23, 2018.

¹ FAST, SolTrans, Union City Transit, VINE, and Vacaville City Coach define "Youth" as age 6-18.

² Discount from equivalent Adult Clipper fare

³ This operator participates in an East Bay regional 31-day pass and a day pass accumulator for local trips.

⁴ This operator participates in an East Bay regional 31-day pass and a day pass accumulator for express trips, excluding WestCAT LYNX Express.

⁵ This operator sells Youth paper fare products; which may differ from the Clipper® fare and discounts shown.

Common Clipper Youth Fares and Passes (Age 5-18)¹: Small Operators

Transit Operator	Service Type	Single Trip Fare	Youth Discount ²	Monthly / 31-Day Pass	Youth Discount ²	Day Pass / Accumulator	Youth Discount ²
Union City Transit ³	Local	\$1.25	38%	\$35.00	36%	--	--
VINE ³	American Canyon / St. Helena	\$0.50	50%	--	--	--	--
	Calistoga	\$1.00	0%	--	--	--	--
	Local	\$1.10	31%	\$33.00	31%	--	--
	Fairfield	\$3.00	0%	--	--	--	--
	Vallejo	\$3.25	0%	\$56.00	7%	--	--
	Napa BART	\$5.50	0%	\$112	7%	--	--
Vacaville City Coach ³	Local	\$1.25	17%	\$21.00	42%	--	--
WETA	Ferry	\$0.80 – 7.10	30-54%	--	--	--	--

Source: Clipper Business Rules, CDRL 51, accessed April 23, 2018.

¹ FAST, SolTrans, Union City Transit, VINE, and Vacaville City Coach define “Youth” as age 6-18. ² Discount from equivalent Adult Clipper fare

³ This operator sells Youth paper fare products; which may differ from the Clipper® fare and discounts shown.

Common Clipper Youth Fares and Passes (Age 5-18)¹: Small Operators

Transit Operator	Service Type	Single Trip Fare	Youth Discount ²	Monthly / 31-Day Pass	Youth Discount ²	Day Pass / Accumulator	Youth Discount ²
WHEELS ⁵	Local	\$2.00	0%	\$60.00	0%	\$3.75	0%
	Reg. Local ³	--	--	\$60.00	0%	\$3.75	0%
	Reg. Express ⁴	--	--	\$70.00	0%	\$3.75	0%
WestCAT ⁵	Local	\$1.75	0%	\$40.00	0%	\$3.75	0%
	Express	\$5.00	0%	\$140.00	0%	--	--
	Reg. Local ³	--	--	\$60.00	0%	\$3.75	0%
	Reg. Express ⁴	--	--	\$70.00	0%	\$3.75	0%

Source: Clipper Business Rules, CDRL 51, accessed April 23, 2018.

¹ FAST, SolTrans, Union City Transit, VINE, and Vacaville City Coach define "Youth" as age 6-18.

² Discount from equivalent Adult Clipper fare

³ This operator participates in an East Bay regional 31-day pass and a day pass accumulator for local trips.

⁴ This operator participates in an East Bay regional 31-day pass and a day pass accumulator for express trips, excluding WestCAT LYNX Express. ⁵ This operator sells Youth paper fare products; which may differ from the Clipper® fare and discounts shown.

Date: May 23, 2018
W.I.: 1311
Referred by: PAC

ABSTRACT

MTC Resolution No. 4320

This resolution approves the Regional Means-Based Fare Program, a regional low-income discount fare program for eligible transit riders.

Further discussion of this action is contained in the MTC Programming and Allocations Summary Sheet dated May 9, 2018.

Date: May 23, 2018
W.I.: 1311
Referred by: PAC

RE: Regional Means-Based Program Framework

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4320

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, transit affordability has been highlighted as a regional issue in MTC's Coordinated Plan, Plan Bay Area and other plans;

WHEREAS, MTC has conducted the Regional Means-Based Fare Pricing Study;

WHEREAS, the MTC recommends adopting a regional framework for the program, with participating operators, funding guidelines, and program conditions, as shown in Attachment A;

RESOLVED, that MTC approves Regional Means Based Fare Program Framework, subject to the conditions noted therein; and, be it further

RESOLVED, that MTC may annually allocate regional funds to support the Regional Means Based Fare Program per the respective funding program guidelines.

METROPOLITAN TRANSPORTATION COMMISSION

Jake Mackenzie, Chair

The above resolution was approved by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, on May 23, 2018.

Regional Means Based Transit Fare Pilot Program Framework

Participating Agencies

1. TBD

Means-based Discount

A minimum 20% per trip discount of the adult fare (in addition to any existing Clipper discounts) will be offered to eligible persons.

Eligibility

Adults earning less than 200% Federal Poverty Level (FPL)

Funding

MTC to make available an estimated \$11 million in funding (subject to annual allocation action by MTC) that would be used for administrative costs first. The remainder would defray up to 50% of operators' revenue losses for the new regional means-based fare program. The operators are to cover any remaining costs or revenue losses from their augmented STA revenue-based funds or other sources.

The MTC contribution comes from the additional State Transit Assistance population-based funds through Senate Bill 1 (SB 1) and reserved for Regional Programs in MTC Resolution No. 4321 (approximately \$8 million), and from MTC's population-based share of the Low Carbon Transit Operations Program (LCTOP) reserved for Clipper®/ Fare policy investments in MTC Resolution No. 4130 (approximately \$3 million).

Implementation

- Program will be a 12-18 month pilot.
- Program to be implemented on Clipper® through a discount coupon approach.
- Program will be centrally administered on behalf of all participating agencies.
- Program will be evaluated for continual improvements and is subject to revision based on financial sustainability, efficiency, and effectiveness.

Conditions

- Operators to conduct Title VI analysis per Federal Transit Administration (FTA) as required.
- If SB 1 is repealed, the Regional Means-Based fare program is subject to cancellation.
- The formula for distributing regional funds to transit operators will be based on actual trips taken and is subject to refinement based on the rider participation rates and amount of regional funding available.
- SFMTA can continue, expand, or eliminate its current Lifeline monthly program; however the regional funding will only be used to compensate for participation in the new regional program. Other operators with existing low-income rider discount programs, who are not participating in the regional program, would not be eligible for regional Means-Based Fare Program funding.

Means-Based Fare: Regional Framework Proposal

MTC PROGRAMMING AND ALLOCATIONS
COMMITTEE

MAY 9, 2018



Potential Program Changes

Two program changes are proposed:

- Options for transit operator participation
 1. BART, Caltrain, GGBHTD, SFMTA (as proposed in April)
 2. High-Fare Regional Operators (BART, Caltrain, GGBHTD)
 3. BART Only
- Launch as Pilot
 - Duration of 12-18 months
 - Flexibility for future program modifications and reassessment of program framework

Options & Estimated Revenue Loss (constrained)

Option 1: BART, GGT, Caltrain and SFMTA (as presented at April 2018 PAC)			
@ 20% discount @50% participation	Estimated Annual Revenue Loss (\$M)	Operator Proposed Distribution Formula, Adjusted for 50% reimb. cap	
		Regional Funding Distribution ^{3,5}	Operator Contribution
BART	\$10.6	\$4.9	\$5.7
Caltrain	\$0.9	\$0.4	\$0.4
Golden Gate Bus	\$0.4	\$0.2	\$0.3
Golden Gate Ferry	\$0.2	\$0.1	\$0.1
Muni	\$8.6	\$1.8	\$6.8
Totals	\$20.7	\$7.4	\$13.3

Assumptions and Notes:

1) Amounts presented are in million dollars, annually 2) Assumes participant eligibility threshold = below 200% Federal Poverty Level. 3) MTC to make an estimated \$11 million in funding available annually. The first \$3 million of this is being reserved for program administration costs, leaving a balance of \$8 million to defray operators' revenue losses from the regional program, up to 50% of the losses. 4) For Options 2 and 3, the funding distribution is based on the estimated revenue loss. 5) For Option 1, transit operators developed a preliminary distribution formula for splitting the regional funds amongst participating operators. The percentages (BART 61%, Caltrain 12%, GGB 2%, GGF 3%, SFMTA 22%) have been applied to the estimated revenue loss and capped at 50% for regional funds.

Options & Estimated Revenue Loss (constrained)

Option 2: High Fare Regional Operators (BART, GGT, Caltrain)			
@ 20% discount @65% participation	Estimated Annual Revenue Loss (\$M)	Funding Distribution Based on Estimated Loss	
		Regional Funding Distribution ^{3,4}	Operator Contribution
BART	\$13.7	\$6.9	\$6.9
Caltrain	\$1.1	\$0.6	\$0.6
Golden Gate Bus	\$0.6	\$0.3	\$0.3
Golden Gate Ferry	\$0.4	\$0.2	\$0.2
Totals	\$15.8	\$7.8	\$7.8

Option 3: BART Only			
@ 20% discount @75% participation	Estimated Annual Revenue Loss (\$M)	Funding Distribution Based on Estimated Loss	
		Regional Funding Distribution ^{3,4}	Operator Contribution
BART	\$15.8	\$7.9	\$7.9
Totals	\$15.8	\$7.9	\$7.9

Summary of Options

Option	Operators	Estimated Revenue Loss @ 20% Discount	Participation Rate Afforded
1	BART, Caltrain, GGBHTD, SFMTA	\$20.7 M	50%
2	BART, Caltrain, GGBHTD	\$15.8 M	65%
3	BART Only	\$15.8 M	75%

Proposed Regional Means - Based Pilot Program Framework

Participating Agencies	<ul style="list-style-type: none">• TBD <p><i>subject to option selected and Board approvals</i></p>
Eligibility	<ul style="list-style-type: none">• Adults earning < 200% Federal Poverty Level
Discount	<ul style="list-style-type: none">• 20% per trip discount
Funding	<ul style="list-style-type: none">• ~ \$11M annually (Regional STA & LCTOP funds) for administrative costs & operator revenue loss• Operators to cover remaining costs/revenue loss.
Implementation	<ul style="list-style-type: none">• Offered through Clipper®• Program subject to cancellation if SB 1 repealed• Pilot: 12 to 18 months• Central Administration

Additional Information: Discount Impact

- Low-income residents spend 21% of their annual budget on transportation (total, not necessarily transit)
- Examples of 20% discount:
 - *Example 1: A qualified patron paying cash to ride BART 5 days a week, would save approximately \$32/month or \$384/year*
 - *Example 2: A qualified patron paying cash to ride BART 2 days a week, would save approximately \$13/month, or \$156/year*
 - *Example 3: preliminary 2016 estimates indicate that a low-income adult Clipper[®]-user spends \$27/ month on average on all Clipper[®] transit operators, saving \$5.40/month or \$65/year*
 - *Based on Clipper[®] 2016 data, does not include cash/non-Clipper[®] trips, does not include pass trips, based on zip code and income data*

Additional Information: Pass Product Options

BART Monthly Pass

- Previously evaluated by BART Staff
- Issues Raised
 - Distance based fares would need to be combined to form zone-based or price-range pass; could be multiple pass types
 - Some riders would benefit, others would not
 - Requires finding replacement funding to backfill revenue lost by offering a pass
 - Technical challenges/time and cost to implement

Accumulator Monthly Pass

- Current Clipper® 1 System does not support
 - Technical modifications to implement expected to cost \$4million+, take ~2 years
 - With more transit operators on Clipper®, business rules/ system complexity increased
- Can consider for Clipper® 2 System

Additional Information: Youth/Student Programs

- Means-based fare program is focused on low-income adults who are not eligible for other discounts
- Youth Discounts
 - Discounts currently exist for youth on many systems
 - All 7 large transit agencies offer a youth single trip discount of at least 50%.
- A number of operators work with schools/ universities to make student discounts available.

Common Clipper® Youth Fares and Passes (Age 5-18)

Transit Operator	Service Type	Single Trip Fare	Youth Discount ¹	Monthly / 31-Day Pass	Youth Discount ¹	Day Pass / Accumulator	Youth Discount ¹
AC Transit	Local	\$1.05	53%	\$26.50	67%	\$2.50	50%
	Transbay	\$2.20	51%	--	--	--	--
BART	Rail	\$1.00 - \$8.05	50%	--	--	--	--
Caltrain	Rail	\$1.60 - \$6.60	50-55%	\$44.80 - \$184.80	50-54%	--	--
Golden Gate	Transit	\$2.00 - \$6.50	50%	--	--	--	--
	Ferry	\$5.75 - \$6.00	50%	--	--	--	--
SamTrans	Local	\$1.00	51%	\$27.00	59%	--	--
	Premium	\$1.00	72%	\$27.00	72%	--	--
Muni	Local	\$1.25	50%	\$38.00 ²	49%	\$21.00	0%
VTA	Local	\$1.00	56%	\$30.00	63%	\$3.00	57%
	Express	\$1.00	78%	--	--	--	--

¹ Discount from equivalent Adult Clipper® fare

² Muni has a Free Muni for Youth monthly fare product for low-to-moderate-income youth

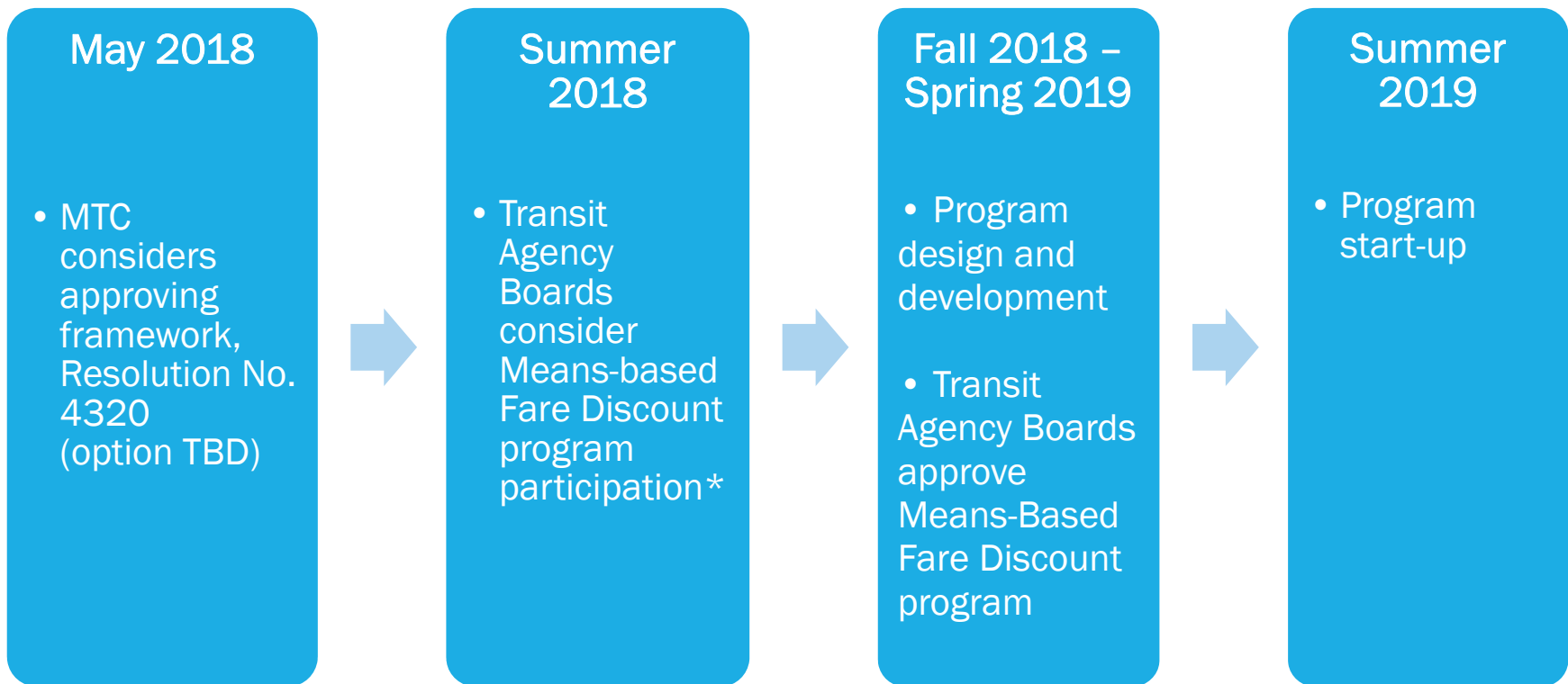
Policy Considerations

MTC Program Decision/Policy Levers	Other/External Factors	Results/ Outputs
<ul style="list-style-type: none">• Discount Rate• Number of Operators• Fare Type• Regional Funding• Administration	<ul style="list-style-type: none">• SB1• Operator Budgets• Operator Board Actions• Clipper® technology (C1 and C2)	<ul style="list-style-type: none">• Participation Rate• Revenue Loss• Rider Savings

Trade offs

- Number of Operators: Complexity, Revenue loss
 - Discount rate: Participation rate, Revenue loss, Rider Savings
- Clipper® Technology: Time, Financial Investment

Next Steps



* Transit agency Board actions may occur in multiple steps. Final program participation approval is subject to completion of Title VI analysis and may occur later.



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item #
Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: MTC Commission

DATE: April 12, 2018

FR: MTC Policy Advisory Council

W.I. 1114

RE: Regional Means-Based Transit Fare Program Framework

At its Wednesday, April 11, 2018 meeting, the Policy Advisory Council discussed the proposed Regional Means-Based Transit Fare Program Framework. The Council voted unanimously to recommend that MTC's Programming and Allocations Committee require the proposed framework to include an evaluation of the success of the initial rollout in terms of rider/user experience and the impact on transit operators. The framework should also require the identification of additional revenue sources to support further expansion of the program, actions to achieve the participation of additional transit operators, and an analysis of the potential implementation of deeper discounts and better fare integration.

HANDOUT - Programming and Allocations Committee

Agenda Item 3b (Letters of Correspondence)



May 8, 2018

Re: Proposed Means-Based Fare Discount Program
To: Metropolitan Transportation Commission Programming & Allocations Committee
Cc: Steve Heminger, Executive Director; Alix Bockelman, Deputy Executive Director; Andrew Fremier, Deputy Executive Director; Anne Richman, Programming & Allocations Director; Carol Kuester, Electronic Payments Director

On behalf of Seamless Bay Area and Friends of Caltrain, we are writing to express our support for a regional Means Based Transit Fare Discount pilot program, with specific recommendations to refine and better achieve the program's goals.

Seamless Bay Area is a group advocating for a unified, world-class transportation network for our region. We envision an integrated region where it's easy to get around on a frequent, connected network of excellent public transit and other forms of mobility. We believe the greatest barriers to building an integrated network are fragmented governance and need for regional leadership.

Friends of Caltrain is a 501c3 nonprofit with over 6,000 participants on the Peninsula Corridor, supporting modernization and stable funding for Caltrain, as part of a well-integrated network of sustainable transportation that is accessible to all.

The "Launch and Grow Proposal"

We support a smaller initial rollout with a deeper discount level for the region's low-income transit riders. Furthermore, we urge you to act on one of the original goals of the Means Based fare study and to direct this program to pursue regional fare streamlining after pilot program evaluation.

[Seamless Bay Area](#) and [Friends of Caltrain](#) propose a "Launch and Grow" proposal to get the program started, and make progress toward a more equitable, streamlined, high-ridership system. We recommend that the Programming & Allocations Committee adopt a modified version of staff's recommendation as described below:

1. **Start with a pilot discount program on only BART and Muni.** These agencies are the most enthusiastic, have many low-income residents in their service areas, and have capacity to manage the program and analyze the data. Limiting the initial rollout will help the available program funding go further. Please increase BART's proposed discount



level to as high as financially feasible for the pilot. We doubt that 20% will be a substantial enough discount to attract many riders.

2. **Carefully evaluate the program to plan next steps:** Who uses the discount program, for what kinds of trips? Will this be used mostly by extremely low-income people for short local trips? By low-income commuters for longer regional trips? Do participants use multiple agencies? How deep a discount is needed to increase transit use? How easy is the program to use, especially for hard-to-reach communities and how to improve ease of use? The region should be able to answer these fundamental user experience questions before designing a lasting program in Clipper 2.0.
3. **Plan for a broader rollout with more agencies:** Phase in other regional transit services after the pilot. When funding becomes available, prioritize AC Transit Transbay, WETA, Caltrain, Golden Gate Transit & Ferry, SMART and other regional transit services such as express and feeder buses.
4. **Study how streamlined fares could affect users in the program evaluation:** To increase ridership, achieve the needs of low-income users and deliver a better system for all, study regional fare integration with a timeline to roll out on Clipper 2.0.
5. **Seek funding for a broader rollout:** Transit agencies have been reluctant to participate in the program because the subsidy amount offered by MTC is quite low. Create a funding plan to scale the program.

We urge you to adopt the "Launch and Grow" proposal in the Means-Based Transit Fare Discount Program and commit to pursuing regional fare streamlining after the pilot program evaluation.

Sincerely,

Beaudry Kock

A handwritten signature in black ink, appearing to read "Beaudry Kock".

Seamless Bay Area
www.seamlessbayarea.org
info@seamlessbayarea.org

Adina Levin

A handwritten signature in black ink, appearing to be a stylized "A" followed by a flourish.

Friends of Caltrain
<http://greencaltrain.com>
650-646-4344

From: Sarah Boudreau <boudreau.sarah.m@gmail.com>
Sent: Tuesday, May 08, 2018 8:20 AM
Subject: Support a BART/Muni 50% means-based fare reduction pilot

Dear Chair Josefowitz and Programming and Allocations Committee Members,

I'm writing to support a BART/Muni pilot of a 50% means-based fare reduction. I urge a bold pilot that will truly make a difference in riders' access and lives. Only with such a pilot will we be able to see the real impacts and plan a strong fare program for the future.

With a 50% reduction, ridership is much more likely to increase, likely offsetting at least some potential losses. I don't believe a 20% reduction would be a strong enough pilot to give enough relief to our low-income riders to evaluate this effect.

With a pilot across two agencies, we'll get a much better picture of rider habits locally and regionally. This data is crucial for building a future fare program that truly serves riders.

The point of the pilot is to evaluate the impacts; gather data; and learn the best way forward to encourage participation and increase ridership. It will be a missed opportunity if we don't try a 50% reduction and take advantage of the two agencies willing and able to execute the pilot.

I urge you to consider the future of transit in the Bay Area, what is best for transit riders, and what is most impactful for building a stronger system and serving a growing ridership.

Sincerely,
Sarah Boudreau, District 2 Voter

May 7, 2018

Programming and Allocations Committee
Metropolitan Transportation Commission
375 Beale St, Suite 800
San Francisco, CA 94105

Re: Item 3b: MTC Resolution No. 4320. Approval of Regional Means-Based Fare Program Framework.

Dear Chair Josefowitz and Programming and Allocations Committee Members:

SPUR is a member-supported nonprofit organization that promotes good planning and good government in the San Francisco Bay Area through research, education and advocacy. SPUR fully supports the Means-based Fare Program and we are pleased the program is being proposed as a pilot. In this letter, we present and discuss our recommendation for the pilot and provide suggestions to help guide implementation.

Pilot Program Recommendation

SPUR strongly recommends MTC pilot the program as a minimum 20 percent discount on a single BART trip and a minimum 20 percent discount on a single MUNI trip.

Our reasons for this recommendation are twofold:

1. The focus at this stage of the program should be learning, testing and understanding.

Given how little involvement people with low-incomes have had in the design of the program, we should not assume we know what program and delivery model are best. The primary purpose at this stage should be seeking answers to what we don't know so that a sustainable program can be developed.

The limited use of regional services by people with low-incomes suggests that these services are cost prohibitive. At the last Programming and Allocations Committee meeting, the Committee was coalescing around reducing the cost burden of long-distance trips as the goal for the Means-based Fare Program. However, it is unclear if this is the problem the Means-based Fare Program should be solving or if there is another more acute need, such as the high cost of multi-operator trips. Longer distance trips can, and often do, involve a ride on more than one transit agency.

Designing the program as a pilot to run on BART — a regional operator — and Muni — a local operator — allows us to test the hypothesis that long-distance trips are truly the problem. It also allows us to assess how a discount impacts transfers in general, and if/how a discount on a local operator impacts transfers to a regional operator. To determine this, enrollment in the pilot should be open to all nine counties. Furthermore, offering the program on both BART and Muni offers the opportunity to learn how to deliver the program at multiple operators which is the longterm goal of the program.

**SPUR**

San Francisco | San Jose | Oakland

Both Muni and BART have many low-income residents in their service areas and have the capacity to manage the program and collect and analyze data. Muni has experience managing discount programs; this experience can and should be leveraged for the pilot. While Muni does already offer several discount programs, for the aforementioned reasons we think it is important that the pilot be offered on a regional and local operator and Muni is the only local operator that has expressed interest in the program.

2. Funding availability should inform which pilot we choose.

We applaud and appreciate Golden Gate Transit and Caltrain for their willingness to participate in the program. However, MTC has only committed \$11 million to the program, \$3 million of which is set aside to cover administration costs. An \$8 million subsidy is low and MTC and transit operators should identify additional funding sources. Nonetheless, it is the subsidy currently available and thus a constraint that needs to be considered when developing the pilot. We think a BART and Muni only program is the most effective use of the \$8 million subsidy.

MTC has proposed three options for the program and in each, regardless of the number of participating operators, the discount remains the same at 20%. Having fewer operators in the program offers the opportunity to offer a deeper discount.

Suggestions for implementation

SPUR offers the following suggestions to help guide the implementation of the pilot program.

1. An evaluation plan and funding for evaluation must be in place prior to program rollout.

Evaluation is critical to the long-term success of the Means-based Fare Program. The Programming and Allocations Committee should require the development of an evaluation framework and should approve the framework in advance of approving funds for the project. If the Committee elects to approve the program expenditure at the upcoming meeting, we recommend doing so with a contingency for MTC staff to return with an evaluation framework in approximately six months. Furthermore, a minimum of \$250,000 of the administrative costs should be set aside to hire an independent organization to conduct the program evaluation.

If the pilot is to produce learnings that will inform larger rollout, MTC needs to understand how each aspect of the program — from outreach to enrollment to use— is received by users and non-users in addition to the participating transit agencies. At a minimum, the evaluation should seek to understand the following:

- impacts to ridership
- effectiveness of marketing and outreach in hard to reach communities
- ease of participation and administration
- county by county sign ups
- use of other operators by program participants
- the nature and lengths of trips taken with the discount
- revenue impacts

**SPUR**

San Francisco | San Jose | Oakland

Participants will be required to get a new Clipper card when enrolling in the program. MTC should seek permission from those program enrollees who previously had Clipper cards to access their trip history. This will allow the program to have baseline data on transit use by program participants.

2. Co-create the program with potential program enrollees.

The Means-based Fare Program needs to be easy to apply for, easy to use and easy to renew. How the various elements of the program are designed will significantly influence the program's adoption and use. It may be easier, for example, to communicate the discount as a set dollar amount (e.g. \$1 or \$1.50 discount on the cost of a trip) or as a discount range, as opposed to as a percent discount.

We are concerned that potential program participants have not been engaged as part of the development of the program framework and urge MTC to deeply engage Bay Area residents with low-incomes in each aspect of the program design process going forward. This is not the same as conducting focus groups; MTC should design the program side by side — with— Bay Area residents with low-incomes.

3. Develop a roadmap to guide program expansion that includes regional and express bus services.

MTC should develop a detailed roadmap for how to bring additional transit services into the program. The roadmap should include a timeline for program expansion and identify additional funding sources. The results of the program evaluation should inform the next phase of the program. MTC should use the period before and during the pilot to engage with the transit operators not included in the pilot so that changes and additions to the program can be made after the first year.

As we noted in our previous letter, it is a mistake to not consider the regional and express bus service provided by AC Transit, WestCat, SamTrans, Fast, SolTrans and Napa Vine for inclusion in the next phases of the program, in addition to SMART and WETA. For example, only about three percent of AC Transit Transbay riders have incomes less than \$25,000 a year; around 10 percent have incomes less than \$50,000 a year.¹ The cost of a ride on AC Transit Transbay is \$4.50; in June, the price will go up to \$5.50. Regional and express bus services, regardless of whether they are standalone services or operated by a local operator, are premium products, have a higher price point and should be considered for inclusion in the Means-based Fare Program.

4. Carefully study regional fare integration and develop regional fare policy roadmap that corresponds with the design and development of Clipper 2.0.

Without any regional fare integration, people with low incomes who travel across counties will continue to pay more and struggle to afford transit.² The program, as designed, is attempting to

¹ AC Transit Memo. Transbay Tomorrow -- Phase One Update on Existing Conditions and Outreach. September 2017. Retrieved from: <http://www.actransit.org/wp-content/uploads/17-256-Transbay-Tomorrow1.pdf>

² This is not a new finding. In 2004, Loren Rice conducted was hired by MTC to conduct an analysis of transportation affordability for low-income households. One of her key findings was that transfers are a main contributing factor to high commute costs for the region's low-income residents. To ease this burden, she recommended reducing the costs of transfer. See: Rice, L. (2004). *Transportation Spending by Low-Income California Households: Lessons for the San Francisco Bay Area*. http://www.ppwc.org/content/pubs/report/R_704LRR.pdf



SPUR

San Francisco | San Jose | Oakland

address the high cost of longer trips, but these trips can and often do involve more than one transit agency.

The initial research for the program found that the highest priority need for people with low-incomes is to reduce the high cost of multi-operator trips. Participants expressed strong support for a pass that included trips on different operators and for making transfers more affordable. This need will not be met so long as there is no regional fare coordination.

To truly guarantee a fair transit fare for people with low incomes, the larger inequity of a disjointed collection of fare policies and products needs to be addressed. The transition to Clipper 2.0 — now — is the optimal time for the region to rethink its approach to fares. Transit agencies, transit agency boards, MTC Commissioners and MTC staff should work together collaboratively to develop a roadmap to regional fare policy that corresponds with the design and development for Clipper 2.0.

We understand that there is interest in establishing a weekly and monthly accumulator now, under the current Clipper system. SPUR supports this as so long as the accumulator is multi-agency. Should each agency adopt their own accumulator, with different fare increments and caps, this will add complex and not meet the needs that low-income riders have articulated.

5. Develop a complete strategy to address transit affordability.

The means-based discount should be an aspect of a larger strategy to reduce the transit affordability burden.

The Means-based Transit Fare Pricing Study conducted two focus groups to better understand how transit affordability impacts people with low-incomes. SPUR reviewed the findings from the focus groups. Below are three key findings from the study MTC should address as part of a complete strategy to support transit affordability for people with low-incomes.

- a) **Participants were unaware of locations where they could purchase a Clipper card.** On many systems, transit riders receive a discount for paying with Clipper; Clipper also offers convenience and time savings. We are aware that MTC is working to reduce obstacles to Clipper uptake in lower-income communities and we support and encourage an expansion of this effort as part of this effort.
- b) **Many Vallejo participants expressed concern about the lack of transfers in their system, and how this impacts the affordability of their multi-legged trips.** SolTrans is the only bus operator in the region that does not offer intra-agency transfers. MTC does not set transit operator fare policy. However, as the lack of intra-agency transfers was identified as an obstacle to transit affordability, we encourage MTC to work with SolTrans to identify options for reducing or removing the double fare barrier.
- c) **Clipper card minimum balances present a problem for low income riders, and these vary a lot from one system to the next.** Transit operators require Clipper users to maintain a minimum balance on their Clipper card at all times. A significant share of people with low-incomes reside in Solano County where the Clipper minimum balance is \$6. Even if a low-income transit rider receives a discount off the BART leg of their trip



SPUR

San Francisco | San Jose | Oakland

from Fairfield to Downtown Oakland, for example, the cost of the ride on FAST coupled with the minimum balance requirement may keep that trip out of reach.

We understand that transit operators set their own minimum balance. However as this was identified as a barrier to transit affordability by people with low-incomes, we encourage Clipper staff to work with transit operators to reduce their Clipper minimum balance where appropriate and to standardize the minimum balance requirements in Clipper 2.0.

Thank you for the opportunity to provide additional input on the Means-based Fare Program. Please feel free to contact us with any questions you may have at 415-644-4280.

Sincerely,

Arielle Fleisher

From: Caitlin Barta <caitlin.barta@gmail.com>
Sent: Monday, May 07, 2018 9:19 PM
Subject: Please support a BART/Muni 50% means-based fare reduction pilot

Dear Chair Josefowitz and Programming and Allocations Committee Members,

I'm writing to support a BART/Muni pilot of a 50% means-based fare reduction.

With a 50% reduction, ridership is much more likely to increase, compared to just a 20% reduction for our riders struggling financially.

With a pilot across two agencies, we'll also get a much better picture of rider habits locally and regionally. This data is crucial for building a future fare program that truly serves riders.

The point of the pilot is to evaluate the impacts; gather data; and learn the best way forward to encourage participation and increase ridership. It will be a missed opportunity if we don't try a 50% reduction and take advantage of the two agencies willing and able to execute the pilot.

Please consider the future of transit in the Bay Area, what is best for transit riders, and what will be the foundation for our community for years to come.

Sincerely,

Caitlin Barta
San Francisco, CA

From: Sarah Bindman
Sent: Monday, May 07, 2018 1:48 PM
Subject: Please support a BART/Muni 50% means-based fare reduction pilot

Dear Chair Josefowitz and Programming and Allocations Committee Members,

I'm writing to support a BART/Muni pilot of a 50% means-based fare reduction. I urge a bold pilot that will truly make a difference in riders' access and lives. Only with such a pilot will we be able to see the real impacts and plan a strong fare program for the future.

With a 50% reduction, ridership is much more likely to increase, likely offsetting at least some potential losses. I don't believe a 20% reduction would be a strong enough pilot to give enough relief to our low-income riders to evaluate this effect.

With a pilot across two agencies, we'll get a much better picture of rider habits locally and regionally. This data is crucial for building a future fare program that truly serves riders.

The point of the pilot is to evaluate the impacts; gather data; and learn the best way forward to encourage participation and increase ridership. It will be a missed opportunity if we don't try a 50% reduction and take advantage of the two agencies willing and able to execute the pilot.

I urge you to consider the future of transit in the Bay Area, what is best for transit riders, and what is most impactful for building a stronger system and serving a growing ridership.

Sincerely,
Sarah

From: Dana B
Sent: Monday, May 07, 2018 1:20 PM
Subject: Support a BART/Muni 50% means-based fare reduction pilot

Dear Chair Josefowitz and Programming and Allocations Committee Members,

I am writing to express my support of a BART/Muni pilot program regarding a 50% means-based fare reduction. I believe this pilot program will make a difference in riders' access. I believe that, with a 50% reduction, ridership is likely to increase, thereby offsetting at least some potential losses. I don't believe a 20% reduction would be a strong enough pilot to give enough relief to our low-income riders to evaluate this effect.

I also believe that, with a pilot across two agencies, we'll get a much better picture of rider habits locally and regionally. This data is crucial for building a future fare program that truly serves riders.

The point of the pilot is to evaluate the impacts, gather data, and learn the best way forward to encourage participation and increase ridership. It will be a missed opportunity if we don't try a 50% reduction and take advantage of the two agencies willing and able to execute the pilot.

I urge you to consider the future of transit in the Bay Area, what is best for transit riders, and what is most impactful for building a stronger system and serving a growing ridership.

Sincerely,

Dana Bolstad

From: Mark Y. Goh
Sent: Monday, May 07, 2018 1:16 PM
Subject: Support a BART/Muni 50% means-based fare reduction pilot

Dear Chair Josefowitz and Programming and Allocations Committee Members,

I'm writing to support a BART/Muni pilot of a 50% means-based fare reduction. I urge a bold pilot that will truly make a difference in riders' access and lives. Only with such a pilot will we be able to see the real impacts and plan a strong fare program for the future.

With a 50% reduction, ridership is much more likely to increase, likely offsetting at least some potential losses. I don't believe a 20% reduction would be a strong enough pilot to give enough relief to our low-income riders to evaluate this effect.

With a pilot across two agencies, we'll get a much better picture of rider habits locally and regionally. This data is crucial for building a future fare program that truly serves riders.

The point of the pilot is to evaluate the impacts; gather data; and learn the best way forward to encourage participation and increase ridership. It will be a missed opportunity if we don't try a 50% reduction and take advantage of the two agencies willing and able to execute the pilot.

I urge you to consider the future of transit in the Bay Area, what is best for transit riders, and what is most impactful for building a stronger system and serving a growing ridership.

Sincerely,
mark goh

From: Kyle Borland
Sent: Saturday, May 05, 2018 1:07 PM
Subject: Support a BART/Muni 50% means-based fare reduction pilot

Dear Chair Josefowitz and Programming and Allocations Committee Members,

I'm writing to support a BART/Muni pilot of a 50% means-based fare reduction. I urge a bold pilot that will truly make a difference in riders' access and lives. Only with such a pilot will we be able to see the real impacts and plan a strong fare program for the future.

With a 50% reduction, ridership is much more likely to increase, likely offsetting at least some potential losses. I don't believe a 20% reduction would be a strong enough pilot to give enough relief to our low-income riders to evaluate this effect.

With a pilot across two agencies, we'll get a much better picture of rider habits locally and regionally. This data is crucial for building a future fare program that truly serves riders.

The point of the pilot is to evaluate the impacts; gather data; and learn the best way forward to encourage participation and increase ridership. It will be a missed opportunity if we don't try a 50% reduction and take advantage of the two agencies willing and able to execute the pilot.

I urge you to consider the future of transit in the Bay Area, what is best for transit riders, and what is most impactful for building a stronger system and serving a growing ridership.

Sincerely,
Kyle Borland
District 10

From: Eric Chan
Sent: Friday, May 04, 2018 1:50 PM
Subject: Support a BART/Muni 50% means-based fare reduction pilot

Dear Chair Josefowitz and Programming and Allocations Committee Members,

I'm writing to support a BART/Muni pilot of a 50% means-based fare reduction. I urge a bold pilot that will truly make a difference in riders' access and lives. Only with such a pilot will we be able to see the real impacts and plan a strong fare program for the future.

With a 50% reduction, ridership is much more likely to increase, likely offsetting at least some potential losses. I don't believe a 20% reduction would be a strong enough pilot to give enough relief to our low-income riders to evaluate this effect.

With a pilot across two agencies, we'll get a much better picture of rider habits locally and regionally. This data is crucial for building a future fare program that truly serves riders.

The point of the pilot is to evaluate the impacts; gather data; and learn the best way forward to encourage participation and increase ridership. It will be a missed opportunity if we don't try a 50% reduction and take advantage of the two agencies willing and able to execute the pilot.

I urge you to consider the future of transit in the Bay Area, what is best for transit riders, and what is most impactful for building a stronger system and serving a growing ridership.

Sincerely,

Eric

From: SF Carl
Sent: Friday, May 04, 2018 1:43 PM
Subject: Support a BART/Muni 50% means-based fare reduction pilot

Dear Chair Josefowitz and Programming and Allocations Committee Members,

I'm writing to support a BART/Muni pilot of a 50% means-based fare reduction. I urge a bold pilot that will truly make a difference in riders' access and lives. Only with such a pilot will we be able to see the real impacts and plan a strong fare program for the future.

With a 50% reduction, ridership is much more likely to increase, likely offsetting at least some potential losses. I don't believe a 20% reduction would be a strong enough pilot to give enough relief to our low-income riders to evaluate this effect.

With a pilot across two agencies, we'll get a much better picture of rider habits locally and regionally. This data is crucial for building a future fare program that truly serves riders.

The point of the pilot is to evaluate the impacts; gather data; and learn the best way forward to encourage participation and increase ridership. It will be a missed opportunity if we don't try a 50% reduction and take advantage of the two agencies willing and able to execute the pilot.

I urge you to consider the future of transit in the Bay Area, what is best for transit riders, and what is most impactful for building a stronger system and serving a growing ridership.

Sincerely,
Carl Stein

From: Anis LaRosa
Sent: Friday, May 04, 2018 1:20 PM
Subject: Please support the BART/Muni fare reduction pilot!

Dear Chair Josefowitz and Programming and Allocations Committee Members,

I'm writing to support a BART/Muni pilot of a 50% means-based fare reduction. I urge a bold pilot that will truly make a difference in riders' access and lives. Only with such a pilot will we be able to see the real impacts and plan a strong fare program for the future.

With a 50% reduction, ridership is much more likely to increase, likely offsetting at least some potential losses. I don't believe a 20% reduction would be a strong enough pilot to give enough relief to our low-income riders to evaluate this effect.

With a pilot across two agencies, we'll get a much better picture of rider habits locally and regionally. This data is crucial for building a future fare program that truly serves riders.

The point of the pilot is to evaluate the impacts; gather data; and learn the best way forward to encourage participation and increase ridership. It will be a missed opportunity if we don't try a 50% reduction and take advantage of the two agencies willing and able to execute the pilot.

I urge you to consider the future of transit in the Bay Area, what is best for transit riders, and what is most impactful for building a stronger system and serving a growing ridership. I also invite you to learn more about the benefits of fare integration here: <https://seamlessbayarea.org>

Sincerely,

A. Anis LaRosa, SF Resident and commuter to Redwood City.

From: Laura Schewel
Sent: Friday, May 04, 2018 1:04 PM
Subject: Support a BART/Muni 50% means-based fare reduction pilot

Dear Chair Josefowitz and Programming and Allocations Committee Members,

I'm writing to support a BART/Muni pilot of a 50% means-based fare reduction. I urge a bold pilot that will truly make a difference in riders' access and lives. Only with such a pilot will we be able to see the real impacts and plan a strong fare program for the future.

With a 50% reduction, ridership is much more likely to increase, likely offsetting at least some potential losses. I don't believe a 20% reduction would be a strong enough pilot to give enough relief to our low-income riders to evaluate this effect.

With a pilot across two agencies, we'll get a much better picture of rider habits locally and regionally. This data is crucial for building a future fare program that truly serves riders.

The point of the pilot is to evaluate the impacts; gather data; and learn the best way forward to encourage participation and increase ridership. It will be a missed opportunity if we don't try a 50% reduction and take advantage of the two agencies willing and able to execute the pilot.

I urge you to consider the future of transit in the Bay Area, what is best for transit riders, and what is most impactful for building a stronger system and serving a growing ridership.

Sincerely,
Laura

HANDOUT - Agenda Item 3b Correspondence

5/9 Programming and Allocations Committee

San Francisco Transit Riders
P.O. Box 193341, San Francisco, CA 94119
www.sftransitriders.org | hello@sftransitriders.org | @SFTRU



May 4, 2018

Programming and Allocations Committee
Metropolitan Transportation Commission
375 Beale St, Suite 800
San Francisco, CA 94105

Re: SFTR Support for Regional Means-Based Transit Fare Pricing Study

Dear Chair Josefowitz and Programming and Allocations Committee Members,

San Francisco Transit Riders (SFTR) is the city's grassroots advocate for efficient, equitable, and growing public transit. We fully support efforts to make regional transportation more affordable to provide improved access and attract more transit riders. We applaud the Metropolitan Transportation Commission's study that aims to do just that.

However, recent conversations about the implementation of a means-based program have begun to steer towards a pilot program that includes a BART-only, means-based discount at the 20% level.

On behalf of SFTR, I'm writing in support of the pilot concept, but encourage a pilot of a BART and Muni 50% means-based discount, with future program funding sources identified that do not impact operating budgets.

Specifically:

- BART and Muni are both eager to participate in the program, and have capacity to manage and evaluate the data. Muni already manages the Lifeline discount program for monthly passes; it would be a missed opportunity not to offer a discount on single trips. Plus, this is an excellent opportunity to pilot the program on both a regional and local transit operator.
- The means-based discount should be at the 50% level, not at 20%. As the riders' advocate, we do not believe a 20% discount is meaningful enough to encourage participation and increase ridership. Further, systems that have made fares more accessible have seen overall revenue increase due to increased ridership. A pilot program could evaluate this effect.
- The pilot program should include a robust evaluation of travel patterns of low-income riders that will inform a future regional program that encourages participation and increases ridership. Little data exists to fully understand the patterns of how people with low incomes are traveling by transit regionally. Is it short trips on multiple operators? Is it long distance on BART? What are the barriers to entry? This is an opportunity to understand these patterns and build a program that truly serves riders.

HANDOUT - Agenda Item 3b Correspondence

5/9 Programming and Allocations Committee

- The evaluation should outline a roadmap for expanding the program to additional operators. There has been reluctance from many transit agencies to participate in the program due to budget concerns. The roadmap must identify how a regional program would roll out, and sources for how such a program would be funded. We strongly encourage funding for a means-based program that does not impact an agencies operating budget.

Lastly, we strongly urge a study for regional fare integration with a timeline to roll out using Clipper 2.0. We are thrilled that several Committee members have expressed interest in an accumulator function for Clipper. We are in strong support of a daily, weekly or monthly accumulator, but encourage this function to be developed across multiple agencies - not at the individual agency level. This is an opportunity to reduce the cost, complexity and confusion of multiple pass products for the regional transit rider, and the first steps to streamline fares for a more seamless transit experience.

Thank you for the opportunity to comment on this exciting program. We look forward to the rollout.

Sincerely,



Rachel Hyden
Executive Director
San Francisco Transit Riders

cc: Ed Reiskin, Director of Transportation, SFMTA
Board of Directors, SFMTA
Grace Grunican, General Manager, BART
Board of Directors, BART