The Evolution of the Clipper START Pilot: Two-Year Findings and Recommendations
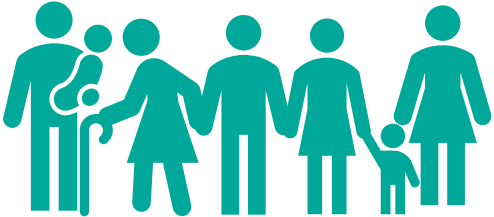
Revised Presentation
Policy Advisory Council Equity & Access Subcommittee
April 28, 2023

CLIPPER START ADDRESSES THE SYSTEMIC CHALLENGES IN THE REGION

Discounted Fares

Societal Inequities

Barriers to Transit Access

Affordability

THE CLIPPER START PILOT

- 3-year pilot on regional means-based per-ride transit fare discount
  - Eligibility = Age 19-64, < 200% of Federal Poverty Level for household income
- Goals:
  - Make transit **more affordable** to individuals earning low-income
  - Develop implementation options that are **financially viable and administratively feasible**
  - Move towards a more **consistent regional standard** for fare discounts

20% DISCOUNT (14)

50% DISCOUNT (7)
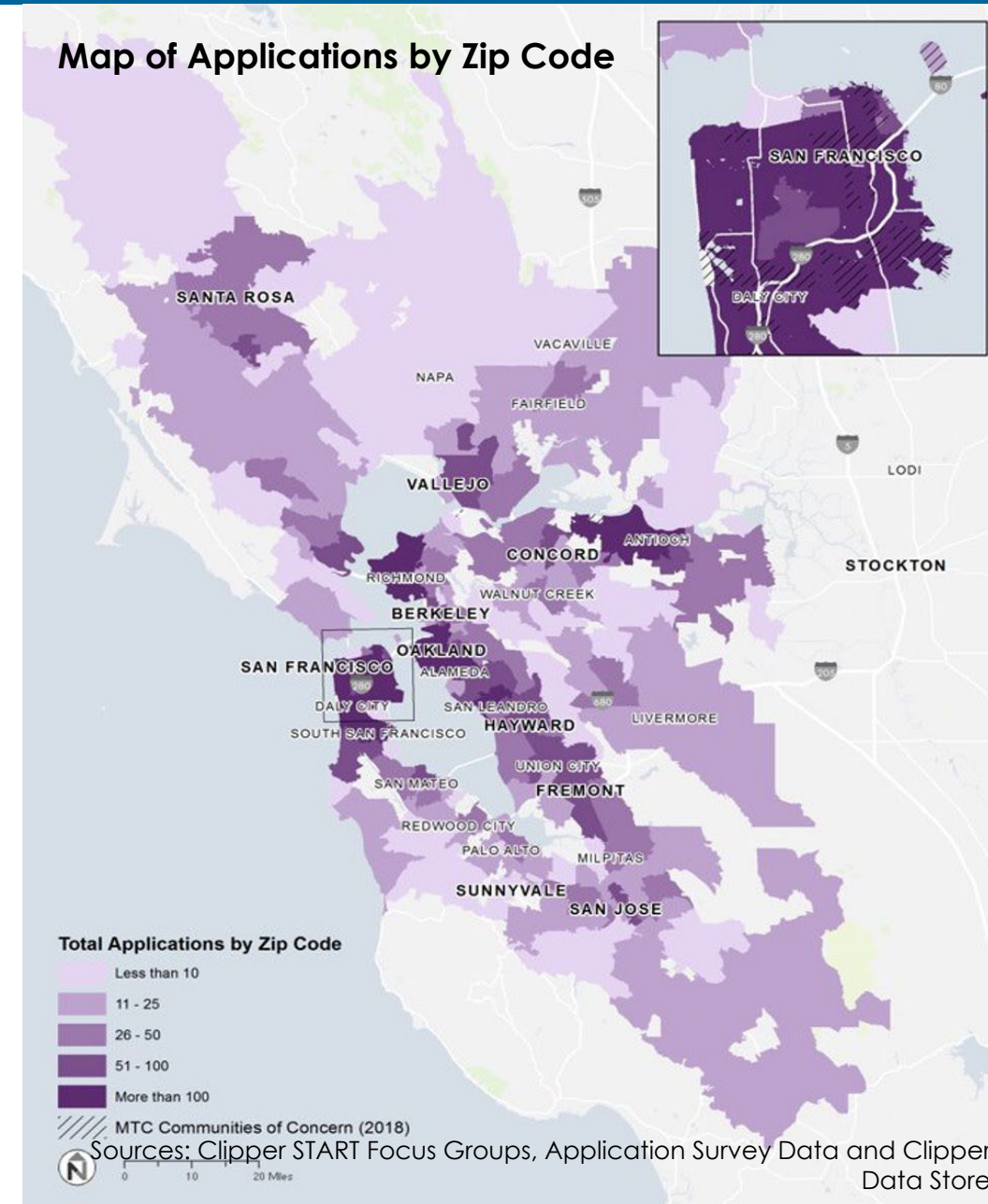
DEFINING & MEASURING THE PILOT

Evaluation Framework

Key Pilot Statistics

Outputs	July 2020-July 2022	To March 2023
Applications Submitted	15,000	21,500
Program Enrollees	13,000	19,000
Active Program Users	9,800	13,800
Number of Trips	1.1 million	1.8 million
Number of Transfers	249,333	430,000

KEY LEARNINGS

- Program is **reaching critical populations**
  - People with household incomes less than $20K (57%), women (59%), and people identifying as Asian or Hispanic (62%) are the majority of enrollees

- **Increased mobility**: Most riders are taking more trips
  - Average participant trip frequency is up to 5.6 trips per week

- **Increased affordability**: Trip rate higher than application rate for those HH income between $5,000 - $30,000

- Uptake, Uptake, Uptake.
  - Multiple strategies to increase program participation
  - Opportunities for all...

Map of Applications by Zip Code

Total Applications by Zip Code

- Less than 10
- 11 - 25
- 26 - 50
- 51 - 100
- More than 100
- MTC Communities of Concern (2018)

0 10 20 Miles

Sources: Clipper START Focus Groups, Application Survey Data and Clipper Data Store

STRATEGIES FROM THE EVALUATION

MTC Staff Assessment

STRATEGIES	STAFF RESPONSE		
	ACCEPT: Supports project goals and aligns with agency priorities.	**REJECT**: Does not align with project goal(s).	**ASSESS**: Define and measure options, listen and learn about feasibility, benefits and risks. Develop scope and timeline for assessment.
Auto-Enroll			●
Self-Verification		●	
Increase Income Eligibility			●
Consistent Discount	●		
Fare cap/Accumulator			●
Customer-focused, collective approach (Engagement, Education, Equity Partnerships)	●		
Marketing strategy and materials review	●		

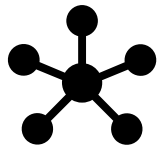# PROPOSED RECOMMENDATION: CLIPPER START FRAMEWORK
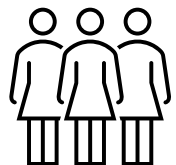
Original Framework: Res. 4320

Transit Agency Participation – Voluntary
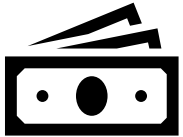
Two Discount Options: 20% or 50%

Centrally Administered on Clipper

Participant Eligibility: At/below 200% Federal Poverty Level

Discount applied to single per trip fare

Proposed Changes:

Extend the Pilot program through June 30, 2025.

Revise Subsidy approach. Upfront one-time payment covering two years of Pilot extension.

Title VI remains transit agency responsibility. MTC in a support role.

Current State of MTC Funding Contributions

- Quarterly reimbursement payments to operators
- Funded through LCTOP and STA funds
- Funds administrative and fare subsidy costs

<$0.5 million
Reimbursements to date
($0.7 million projected reimbursements by June 2023)

$1 million/yr.
Administrative Cost

Proposed Fare Subsidy Approach

- One-time upfront payment covering 2 years of the Pilot Extension
- Goals:
  - Incentivize participation and consistency
  - Minimize financial risk for operators and processing of reimbursements
- Baseline Funding Distribution formula
  - Up to 20% of fare (previously 10%) eligible for reimbursement
  - Funding credit for early adopters of the 50% discount
  - Guaranteed minimum ($15,000)
  - Estimated percentage (0-25%) for increased usage
  - Buffer to offset any underestimations
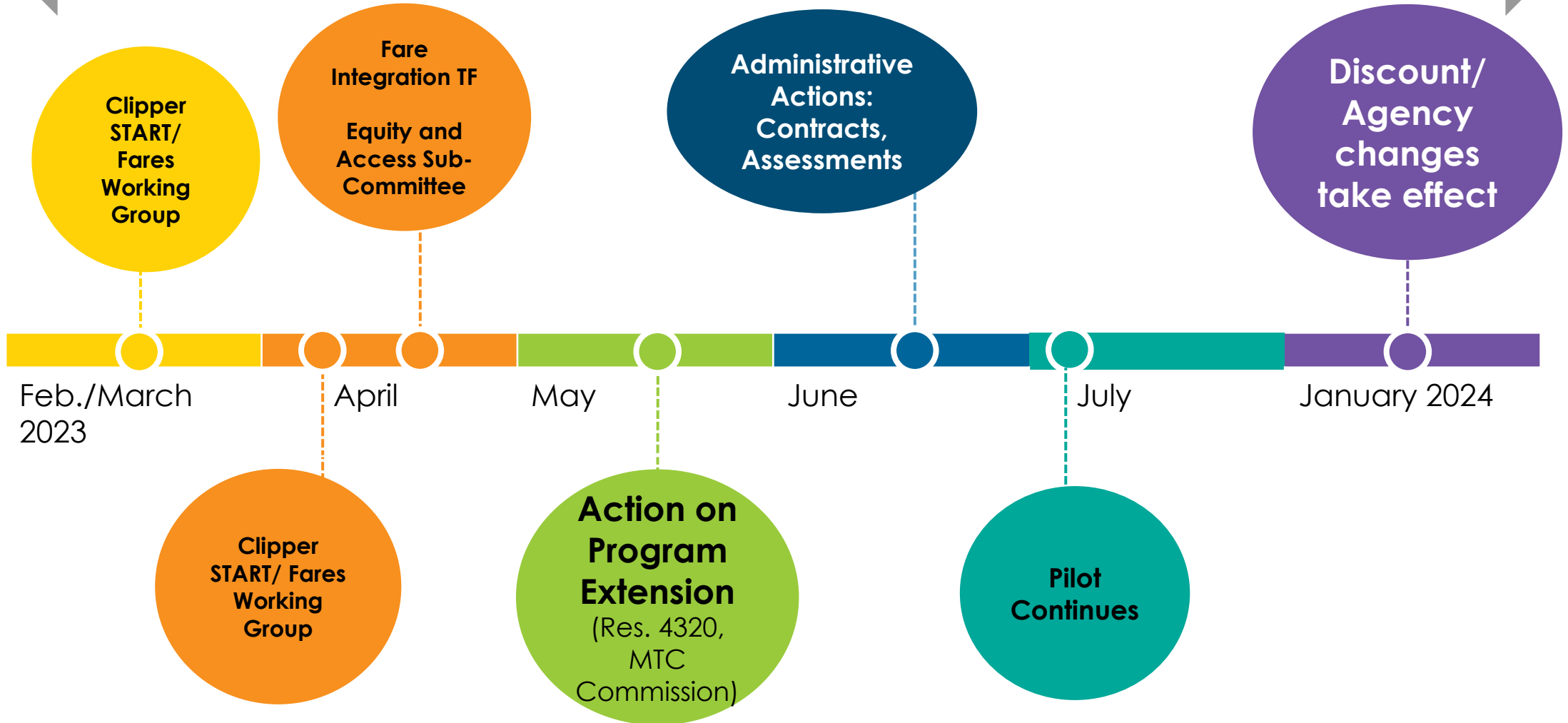
DISCUSSION AND SUMMARY

Recommendations:

1) Extend Pilot Program for an additional 2 years (until June 30, 2025)

2) During the 2-year extension
   - Implement, in partnership with transit operators, marketing/outreach/engagement strategies to increase program usage (3E's+M)
   - Assess strategies to simplify and potentially expand access to the benefit
   - Innovate and deploy different strategies to increase reach and remove barriers - make it easier to participate in the Pilot that meets program goals.

3) Fare Subsidy Modifications
   1) Support the approach of a one-time estimated payment with minimum guarantees. MTC and Transit Operator staff to finalize formula and amounts by Summer 2023.

Complementary Transit Agency Board Actions

- Clipper START/ Fares Working Group
- Fare Integration TF / Equity and Access Sub-Committee
- Administrative Actions: Contracts, Assessments
- Discount/ Agency changes take effect

Feb./March 2023 — April — May — June — July — January 2024

- Clipper START/ Fares Working Group
- Action on Program Extension (Res. 4320, MTC Commission)
- Pilot Continues

NEXT STEPS

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