



## Agenda Item 4a

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TO: Clipper® Executive Board

DATE: October 30, 2018

FR: Carol Kuester

RE: Regional Means-Based Pilot Program Update

### Background

For most Bay Area households, transportation is the third-largest monthly expense—trailing only the cost of housing and food. In 2015, the Metropolitan Transportation Commission (MTC) launched a study to determine if a transit reduced fare program based on household income would be feasible and effective. In January 2017, MTC consulted with and received feedback and consultation from the Clipper Executive Board for a regional means-based transit fare discount program.

As a result of the study and in consultation with transit operators, the Commission approved the launch of the Regional Means-Based Transit Fare Pilot Program in May 2018. Critically for Clipper®, MTC and the transit operators committed to making the discount available only through Clipper via the “Clipper Coupon,” which is the working name of the Means-Based Transit Fare Discount product on the Clipper card.

### Pilot Program Elements

1. *Eligibility:* Adults who earn up to 200% of the Federal Poverty Line (approximately \$50,000 per year for a family of four) can receive the transit discount.
2. *Available on Clipper:* Pilot program participants will use Clipper cards to receive the new Means-Based Transit Fare discount.
3. *Participating Transit Operators:* BART, Caltrain, Golden Gate Transit and Ferry, and SFMTA (other operators may be included after the Pilot program launches)
4. *Single-Ride Discount:* In addition to existing Clipper discounts, Pilot program participants will receive at least a 20% discount on each trip taken on the participating transit operators. SFMTA will offer a 50% discount for all trips taken by Pilot program participants.

### Clipper Coupon

In August 2018, Clipper staff submitted a change notice to Cubic for the development of the Clipper Coupon in the C1 system. In early October, Cubic responded with a proposal to complete the work by October 2019 for \$1,000,000.

While staff generally recommends avoiding further investment in the C1 system, staff does recommend executing a change order with Cubic for the work on the Clipper Coupon in order to start the Means-Based Transit Fare Discount Pilot Program by Fall 2019. After the results of the November election, staff anticipates returning to the Clipper Executive Board in December 2018 with a request for approval of a contract change order to accomplish this work.

Carol Kuester