

**Metropolitan Transportation Commission
Programming and Allocations Committee****August 12, 2020****Agenda Item 3a - 20-1128****MTC Resolution No. 4320, Revised**

Subject: Revision to the Regional Means-Based Fare Program Framework

Background: In May 2018, the Commission adopted Resolution No. 4320, establishing the framework for the Regional Means-Based Transit Fare Pilot Program. Branded as Clipper START, the regional means-based transit discount program seeks to increase access to opportunity and improve transportation affordability for adult transit passengers who earn a lower income. MTC set aside approximately \$11 million per year (subject to annual allocation actions) to administer the program and defray a portion of operators' revenue losses during the pilot period.

The Clipper START program is the first of its kind in the region. The program launched on July 15, 2020 and is a 12 to 18-month pilot offering a 20 to 50 percent discount on single-ride fares for eligible adults who earn under 200 percent of the federal poverty level. Four agencies are participating in the initial launch. Cohort 1 includes the Bay Area Rapid Transit District (BART) offering a 20 percent discount, and Peninsula Corridor Joint Power Board (PCJPB/Caltrain), Golden Gate Bridge, Highway and Transit District (GGBHTD), and the San Francisco Municipal Transit Agency (SFMTA) providing a 50 percent discount.

In response to COVID-19, interest by the MTC Blue Ribbon Transit Recovery Task Force, and requests by transit operators, MTC staff proposes to expand the Clipper START pilot to interested Bay Area transit agencies (Cohort 2). In July 2020, the Commission approved MTC Resolution 4420, Revised including approximately \$7 million to augment the Clipper START Means-Based Pilot for regional fare subsidies to help offset the fare discount. Approximately \$5 million of the funding allows for the expansion of the pilot to include operators beyond the four originally enrolled in the pilot.

Staff proposes to launch the expanded pilot of additional transit operators (Cohort 2) as defined in Attachment A describing the revised framework. Program implementation will require coordination between MTC, the additional transit agencies, county social service agencies and other partners. Staff estimates some additional agencies may be able to begin offering Clipper START discounts as early as November 2020.

The pilot period is intended to allow for a period of learning and continual improvements. A program evaluation is being conducted to assess program delivery components and impact on advancing equity. Cohort 2 will be added to the evaluation to provide feedback on the continuation of the program.

Timeline

The anticipated timeline for the Pilot expansion is as follows:

| Action: | Anticipated Date: |
|--|--------------------------------|
| MTC Commission action on the Expanded Regional Means-Based Transit Fare Pilot Program (Clipper START) | August 26, 2020 |
| Transit Agency Boards consider approval of Means-based Fare Discount program participation (required prior to the agency's launch) | Ongoing beginning in July 2020 |
| Program design and Clipper START changes to accommodate expansion | July - December 2020 |
| Program launch for additional transit operators (Cohort 2). Implementation may be staggered. | As early as November 2020 |

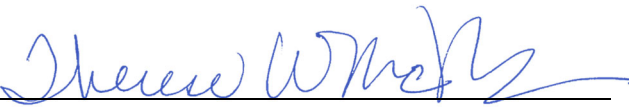
Issues:

1. Agency Participation. There are 17 interested operators to date as listed in Attachment B. Note that all large operators, with the exception of the Santa Clara Valley Transportation Authority, have indicated interest to join the program. While there is conceptual agreement between MTC and agency staff, each agency's program participation is subject to governing board approval. Agency launch dates may be staggered depending on transit operator board approvals and Title VI analysis.
2. Financial Risk related to rider participation rates and beyond the pilot period. The extent of regional revenue loss is dependent on the rates of discount and participation (eligible riders). While participation rates can be estimated based on existing programs in the Bay Area and beyond, the actual participation rate, particularly during the COVID-19 period, is unknown. Staff will be monitoring the program participation throughout the pilot. On-going funding for the 17 new operators has not been identified beyond the pilot period.

Recommendation: Refer Resolution No. 4320, Revised to the Commission for approval.

Attachments: Attachment A – MTC Resolution No. 4320, Revised

Attachment B – List of Interested Transit Operators for Clipper START Pilot


Therese W. McMillan

Date: May 23, 2018
W.I.: 1311
Referred by: PAC
Revised: 08/26/20-C

ABSTRACT

MTC Resolution No. 4320, Revised

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

On August 26, 2020, Attachment A was revised to expand the Regional Means-Based Transit Fare Pilot to additional eligible transit operators.

Further discussion of this action is contained in the MTC Programming and Allocations Summary Sheet dated May 9, 2018 and Executive Director Memorandum dated May 16, 2018, and August 12, 2020.

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;

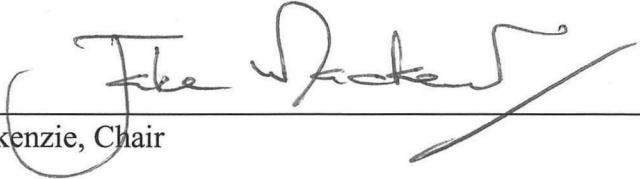
WHEREAS, MTC has conducted the Regional Means-Based Fare Pricing Study;

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.

Date: May 23, 2018
W.I.: 1311
Referred by: PAC
Revised: 08/26/20-C

Attachment A
Resolution No. 4320
Page 1 of 2

Regional Means Based Transit Fare Pilot Program Framework

Participating Agencies

Initial Group (Cohort 1):

1. Bay Area Rapid Transit (BART)
2. Caltrain
3. Golden Gate Bridge, Highway and Transportation District (GGBHTD)
4. San Francisco Municipal Transportation Agency (SFMTA)

Expanded Group (Cohort 2):

As of August 26, 2020, additional transit agencies serving within the nine-Bay Area region may participate in the Pilot.

Means-based Discount

A minimum 20% per trip discount off 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

Overall Funding Estimates and Program Administration Funding:

Cohort 1: MTC to make available an estimated \$11 million in funding per year (subject to annual allocation action by MTC and fluctuations in annual revenues), which would be used for subsidy, with administrative costs funded first. The MTC contribution comes from State Transit Assistance population-based funds (approximately \$8 million per year) and Low Carbon Transit Operations Program (LCTOP) population-based funds (approximately \$3 million per year). Funding from these programs is approved through MTC Resolution Nos. 4321, 4130, and 4420.

Cohort 2: A one-time commitment of funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act is being provided specifically for Cohort 2 (approximately \$5 million).

Funding from these programs is approved through MTC Resolution No. 4420.

Initial Group (Cohort 1) Subsidy:

Of the estimated \$11 million being made available in funding per year (12 months) referenced above for the pilot period, a total of \$12 million over 18 months is being made available to subsidize fares up to 10% during the pilot period. Participating operators are to cover the remainder of the discount or any additional revenue losses from other sources.

Expanded Group (Cohort 2) Subsidy:

A total of \$5 million over the pilot period (actual start date may vary but pilot end date will be the same as Cohort 1) is being made available to subsidize fares up to 10% for operators in Cohort 2.

Participating operators are to cover the remainder of the discount or any additional revenue losses from other sources.

Implementation

- Program will be a 12 to 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.

Timing of transit operator launch is contingent on Clipper system capabilities and appropriate transit operator Board approvals.

Conditions

- Operators to conduct Title VI analysis per Federal Transit Administration (FTA) as required.
- 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.

**Attachment B – List of Interested Transit Operators
For Clipper START Pilot (Cohort 2)
FY2020-21 through FY2021-22**

The table below lists transit operators *interested* in participating in the Clipper START Pilot. Operators may withdraw from the list; however, no new transit operators may be added. Actual participation in the Clipper START Pilot is contingent on transit operator Board approval, compliance with the Regional Means-Based Framework, and consistency with the current FTA Title VI requirements.

**Table 1: Transit Operator Interest and Level of Discount Offering
(As of July 16, 2020)**

| <i>20% Discount</i> | <i>50% Discount</i> |
|---|---|
| Alameda-Contra Costa Transit District (AC Transit) | Marin Transit |
| County Connection | Sonoma-Marina Area Rail Transit (SMART) |
| Fairfield and Suisun Transit (FAST) | San Francisco Bay Area Water Emergency Transportation Authority (WETA) |
| Livermore-Amador Valley Transit Authority (LAVTA) | |
| Napa VINE | |
| Petaluma Transit | |
| San Mateo County Transit District (SamTrans) | |
| Santa Rosa CityBus | |
| Solano County Transit (SolTrans) | |
| Sonoma County Transit | |
| Eastern Contra Costa Transit Authority (Tri Delta Transit) | |
| Union City Transit | |
| Vacaville – City Coach | |
| Western Contra Costa Transportation Authority (WestCAT) | |
| Subtotal: 14 | Subtotal: 3 |
| Total: 17 | |