

Regional Network Management Council

March 30, 2026

Agenda Item 3a

Clipper® BayPass Pilot Update

Subject:

An update on the Clipper® BayPass Pilot and proposed changes to the Participation Agreement.

Background:

In November 2021, the Fare Integration Task Force adopted the Fare Policy Vision Statement directing staff to pilot a regional institutional pass product. In August 2022, the first phase of the Clipper® BayPass pilot was launched to pilot an unlimited-use product at four higher education institutions – the University of California, Berkeley (UC Berkeley), San Francisco State University (SFSU), San Jose State University (SJSU), and Santa Rosa Junior College (SRJC) – and at 12 MidPen affordable housing properties. The pilot included a randomized controlled trial that analyzed the impact of Clipper® BayPass among students at three large universities with a combined student population of approximately 100,000.

With Phase 1 concluded, the Clipper® BayPass team is currently working to transition Phase 1 Pilot institutions (educational institutions and affordable housing) into self-funded Clipper® BayPass organizational customers (i.e., no longer receiving Clipper® BayPass for free under the Phase 1 funded Pilot). Under Phase 2 of the Pilot, the region is selling the Clipper® BayPass to interested organizations. MTC currently has contracted with 16 organizations and has 4 pending contracts, as well as a pipeline of interested organizations. Since the launch of Phase 2 in January 2024, over 6 million trips have been taken with the Clipper® BayPass Phase 2 Pilot transit pass at participating organizations.

The Phase 1 program evaluation found that, on average, SF State University, San Jose State University, and UC Berkeley students with access to Clipper® BayPass took 30% more transit trips and made and 163% more inter-transit-agency transfers. Initial analysis from Phase 2 shows that individuals eligible for BayPass at these organizations took 35% more transit trips in 2024 than in 2023 and Phase 2 continues to grow with about 8 times more individuals currently eligible for BayPass than were eligible at the beginning of 2024.

Clipper BayPass Phase 2 Pilot Extension and Changes to the Participation Agreement

Clipper® BayPass is growing its customer base, riders, and generating new revenues, and riders report improved experience and increased access to transit. There is a strong interest from operators and participants to continue the pilot and extend the current Clipper® BayPass Participation Agreement, which authorizes the pilot and is signed by MTC and all transit operators that use Clipper®. The current Participation Agreement outlines agreements and the sale of Clipper BayPass to up to 80,000 individuals through summer of 2027 (excluding transitioned Phase 1 participants).

There is also interest in making limited adjustments to the Participation Agreement to address the goals of the pilot and lessons learned to date. All proposed adjustments to the Participation Agreement and related goals are as follows:

- Continue to operate the Clipper BayPass Pilot and expand the program by extending the agreement until December 31, 2030, while continuing to refine administration, grow participation and ultimately work towards transitioning to an ongoing program.
- Continue to attract a diverse range of partner organizations to the Clipper® BayPass program by reflecting existing discounts in reimbursements to operators. Discounts reflected would include Clipper®START, Clipper®Youth , Clipper®Senior, and Clipper® Access discounts.
- Scale the operational and administrative needs of the Clipper® BayPass with program expansion by capturing administrative costs on an annual basis rather than a fixed amount of funding for the duration of the pilot.
- Simplify the Clipper® BayPass contracting process while protecting existing institutional pass products by offering partners and employers a single Clipper® BayPass contract that passes through costs for any existing AC Transit, Caltrain, SamTrans and Santa Clara Valley Transportation Authority (SCVTA) pass product. Currently, institutions must hold multiple separate contracts when purchasing multiple passes.

The Clipper® BayPass team would like to confirm agreement to extend the pilot with the proposed limited adjustments through a revised Participation Agreement. Staff will present

current program performance data, lessons learned and review the proposed limited adjustments to the Participation Agreement.

Issues:

None identified.

Recommendations:

MTC staff recommends that the Regional Network Management Council support the revisions to the Clipper® BayPass Participation Agreement as discussed above.

Attachments:

- Attachment A: PowerPoint