



## The Evolution of the Clipper START Pilot: Two-Year Findings and Recommendations

CLIPPER. **START.** ▶▶▶

Presented to: Fare Integration Task Force  
April 24, 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 (13)



## 50% DISCOUNT (8)



# DEFINING & MEASURING THE PILOT

## Evaluation Framework

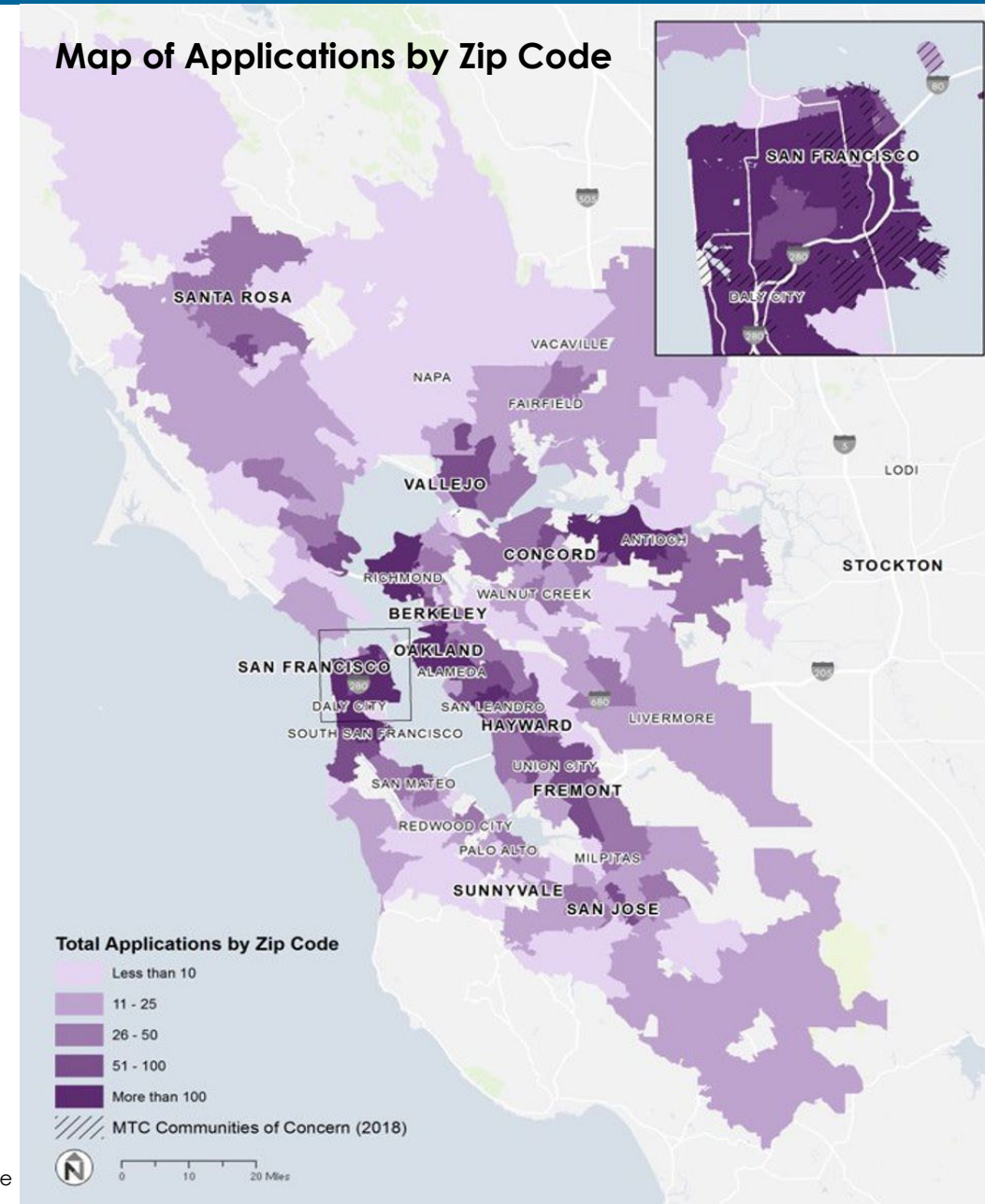


## Key Pilot Statistics

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...



# STRATEGIES FROM THE EVALUATION

## MTC Staff Assessment

### Strategies and 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

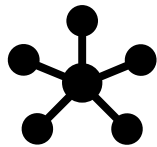
## Original Framework: Res. 4320



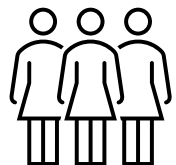
Transit Agency Participation – Voluntary



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 half of the 50% discount eligible for reimbursement
  - Funding credit for early adopters of the 50% discount
  - Guaranteed minimum (\$15,000)
  - Estimated percentage (0-25%) for anticipated increased usage
  - Buffer to offset any underestimations

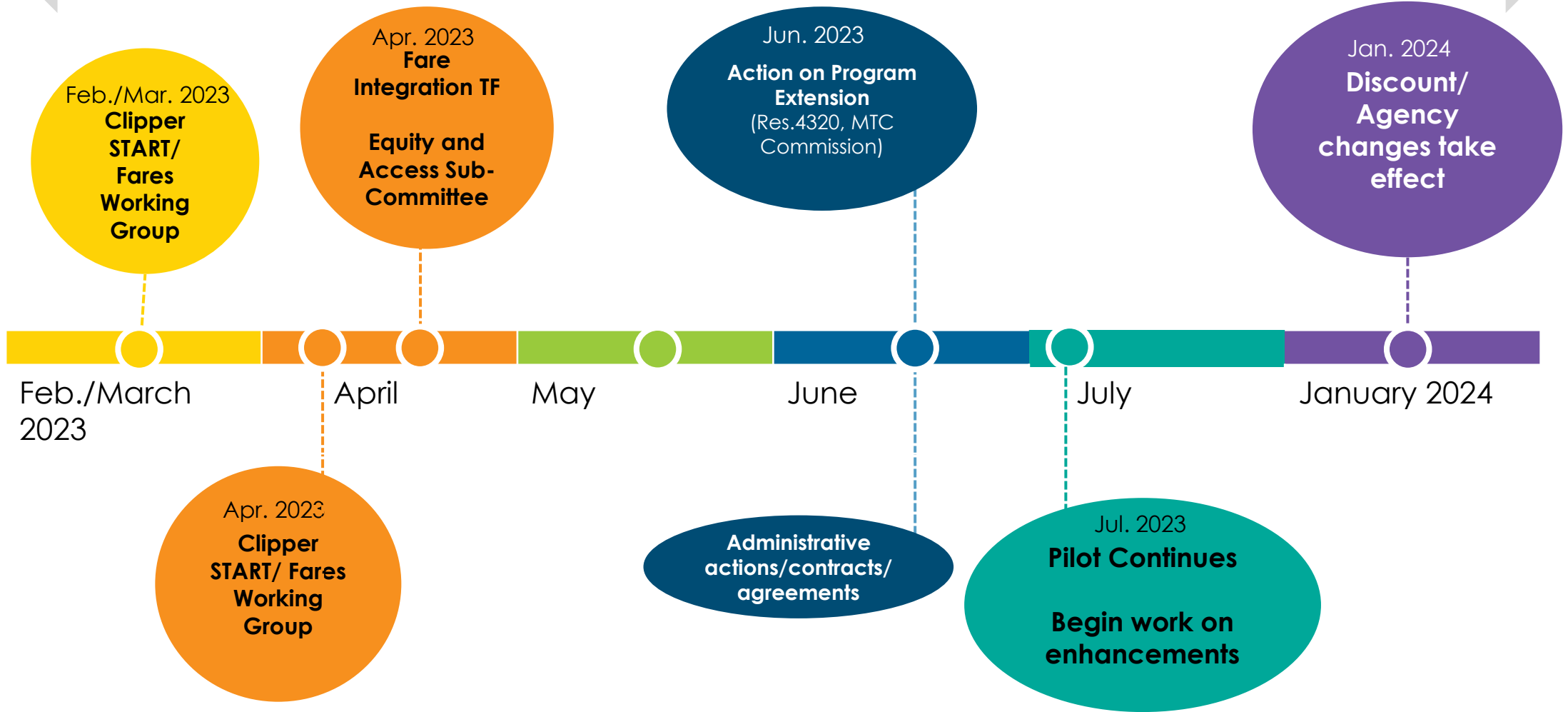


# DISCUSSION AND SUMMARY

## 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



## NEXT STEPS