

## Clipper® Executive Board Fare Integration Task Force

March 25, 2024

Agenda Item 4a

### Fare Integration Update

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**Subject:**

Project staff will seek Fare Integration Task Force endorsement of recommendations to amend the Clipper BayPass Participation Agreement to establish a transitional period for Phase 1 partners, as well as recommendations to establish more flexibility for the Phase 2 pilot.

**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 as a funded pilot to assess the impacts of 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.

A randomized control trial was conducted at UC Berkeley, SFSU and SJSU, where approximately 25% of the student population received a Clipper BayPass to access unlimited transit (treatment group), and 75% of the student population retained access to existing transit benefits (typically a single-agency pass). A preliminary evaluation demonstrated that students in the treatment group took on average 40% more trips and made 74% more transfers than their peers in the control group. The effect size is double than the original estimate, and accordingly, an additional \$1.5 million above the already-identified \$4.5 million will be required to reimburse transit operators for these trips.

Based on these promising preliminary results, the project team is working towards making Clipper BayPass available to Phase 1 partners to purchase the pass for the entire student populations. Pricing will be informed by the travel data collected thus far, and will be set to reimburse transit operators for trips taken with Clipper BayPass. However, there is insufficient time for most partner institutions to move forward with expanded and self-funded participation before the pilot is scheduled to end on June 30, 2024.

The project team is recommending a one-year extension of Phase 1 to establish a transitional period for institutions to secure the requisite approval and funding (typically through a student referendum) to purchase Clipper BayPass for all students. This one-year extension is estimated to cost \$2 million.

A total of \$3.5 million will be programmed by MTC with State Transit Assistance Regional Program funds to fund the extension and to address the existing budget gap.

The project team is also recommending a series of amendments to the Participation Agreement to create additional flexibilities for the Phase 2 pilot including:

- Granting the Fare Integration Task Force the ability to expand the Phase 2 capacity limits (currently 10 institutions and a total of 20,000 individuals) following staff reports on program revenues relative to backstop funding
- Allowing San Francisco International Airport (SFO) to participate in Phase 2. While SFO is an existing BART institutional customer, their location in San Mateo County limits their eligibility based on the current Participation Agreement terms
- Allowing the sale of Clipper BayPass at up to 10 special events under terms consistent with the Phase 2 pilot

**Issues:**

None identified.

**Recommendations:**

Endorse the staff recommendations to amend the Clipper BayPass Participation Agreement to establish a funded one-year transition period for Phase 1 partners, and to create additional flexibilities for the Phase 2 pilot.

**Attachments:**

- Attachment A: Presentation



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