



Clipper START Program Update & Proposed Fare Structure Changes



SamTrans Board of Directors
June 7, 2023

Agenda

- Clipper START Program Update
 - Program Background
 - Program Benefit / Ridership
 - Financial Impacts
- Other Proposed Fare Structure Changes
- Next Steps

Clipper START Program Update

Clipper START Background

- MTC's Clipper START Program – Discounted one-way adult fares on most operators in the Bay Area
 - 20% or 50% fare discount
 - MTC currently reimburses 10% of the passenger discount
- SamTrans began participating in January 2021
 - 50% discount level
- Pilot program extended to June 30, 2023
- Another extension **proposed** to June 30, 2025

Alignment with SamTrans Fare Policy

Rider Benefits

Keeping fares affordable and simple to use (SamTrans Fare Policy 1.1)

Support efforts to reduce transportation costs for low-income riders (Fare Policy 1.2)

Operational Benefits

Support regional programs to streamline fare payment (Fare Policy 3.3)

Increase use of Clipper Card (Fare Policy 3.5)

Increase Ridership Strategies

Offer discounts to attract certain rider markets (Fare Policy 5.3)

Use the fare elasticity model to evaluate changes (Fare Policy 5.2)

Community Benefit

Equity

- Our lowest-income riders have saved over \$100,000 since the start of the program

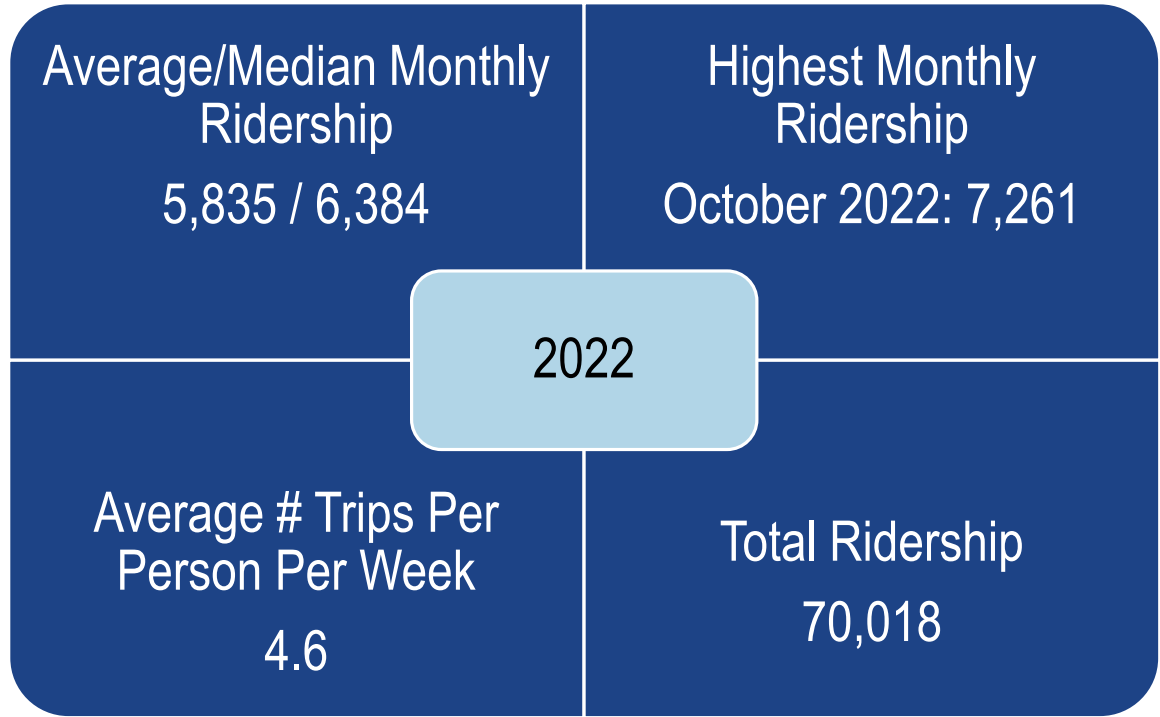
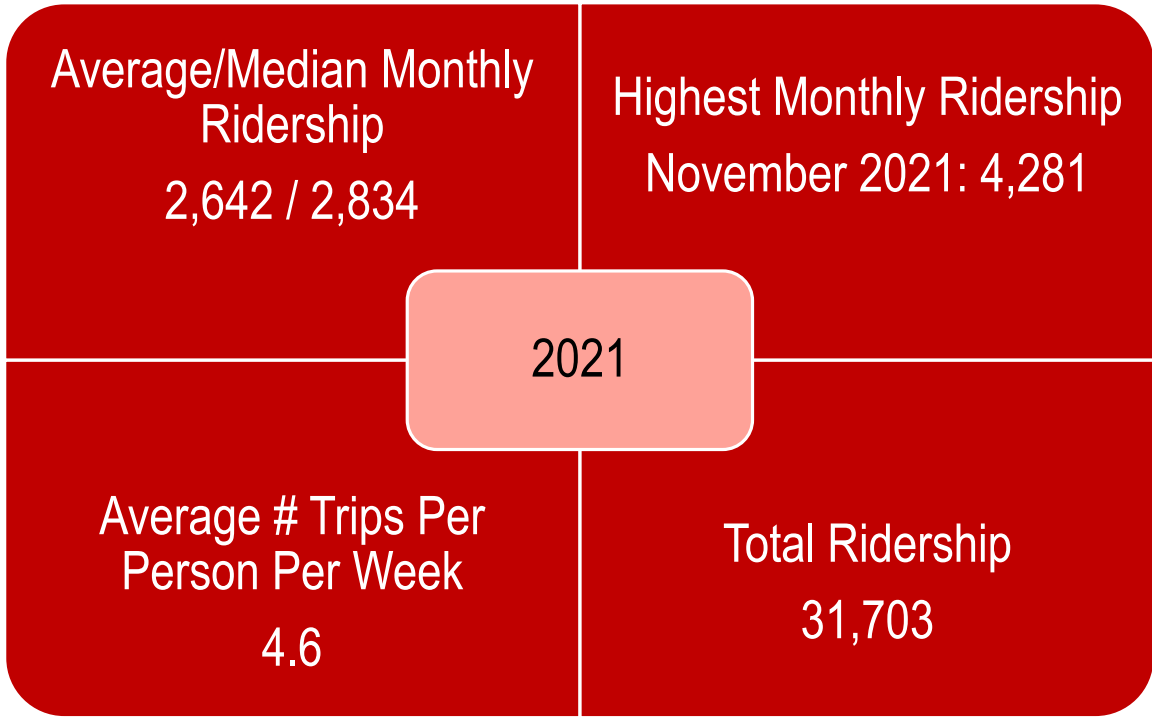
Accessibility

- Riders are able to travel more often and have access to more places

Community

- Strengthens the connection between communities and public transit

Clipper START Ridership



Estimated Clipper START Financial Impacts

	Current Financial Impacts (10%) ⁴ Jan 2021 – Dec 2022	Updated Financial Impacts (25%) ⁴ Jan 2021 – Dec 2022	Forecasted Financial Impacts (25%) ⁴ Annually ³
Total Discount Provided ¹	\$90,916.35	\$90,916.35	\$89,310
MTC Reimbursement ¹	\$17,317.40	\$43,293.50	\$42,869
SamTrans Revenue Loss ^{1,2}	(\$73,598.95)	(\$47,622.85)	(\$46,441)

1. Figures do not include transfer discounts
2. SamTrans provides slightly more than a 50% discount to riders (\$2.05 -> \$1)
3. Estimated figures based on 7,261 average monthly ridership (~25% increase from 2022 average)
4. Reimbursement rate

Clipper START Extension

- Proposed program changes
 - MTC staff proposes to increase reimbursement rate from 10% -> 25% of fare price for operators offering 50% fare discount
 - MTC proposes to retroactively pay operators who have been offering a 50% fare discount
 - Upfront reimbursement to reduce invoicing administrative burden
- Staff recommends the Board take action to approve SamTrans' continued participation in the Clipper START program as administered by MTC have this reflected in the fare structure
- This action is pursuant to the MTC's anticipated parallel action in June 2023 to continue the Clipper START program

Proposed Fare Structure Changes

Proposed Fare Structure Changes

Staff also recommends making minor modifications to text in the Fare Structure:

- Recognize the launch of the new Ride Plus microtransit service by removing “pilot program” from the service description
- Simplify language around documentation required to qualify for “waived fares”
- Clarify language around the mechanics of using Clipper on-board vehicles
- Revise language to describe the new Ride Plus microtransit service

Next Steps

- Authorize extension of participation in the Metropolitan Transportation Commission's (MTC) Clipper START regional means-based fare program (Clipper START Program) at a 50 percent discount level, beginning July 1, 2023;
- Revise the fare structure to reflect the associated fare changes with continued participation in MTC's Clipper START Program and other text modifications