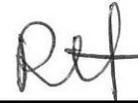


To: Administration & Finance Committee

Date: 8/20/2021

From: Melody Reeb, Manager of Planning

Reviewed by:



SUBJECT: Clipper START and Youth Fare Pilot Extension

Background:

In November 2020, the Board approved the Clipper START and Youth Fare pilot programs. These one-year pilot programs were launched on January 25, 2021 and provide a 20% discount off the Clipper single-ride fare for eligible low-income adults as part of the regional Clipper START program, and for youth ages 6-18 when using a Youth Clipper card.

The regional Clipper START program originally began as an 18-month pilot in July 2020. It was initially launched on four of the larger Bay Area transit agencies, and in January 2021, it was expanded to include additional operators, including County Connection. The Metropolitan Transportation Commission (MTC) has been administering the program and providing funding during the pilot period to offset some of the fare revenue losses.

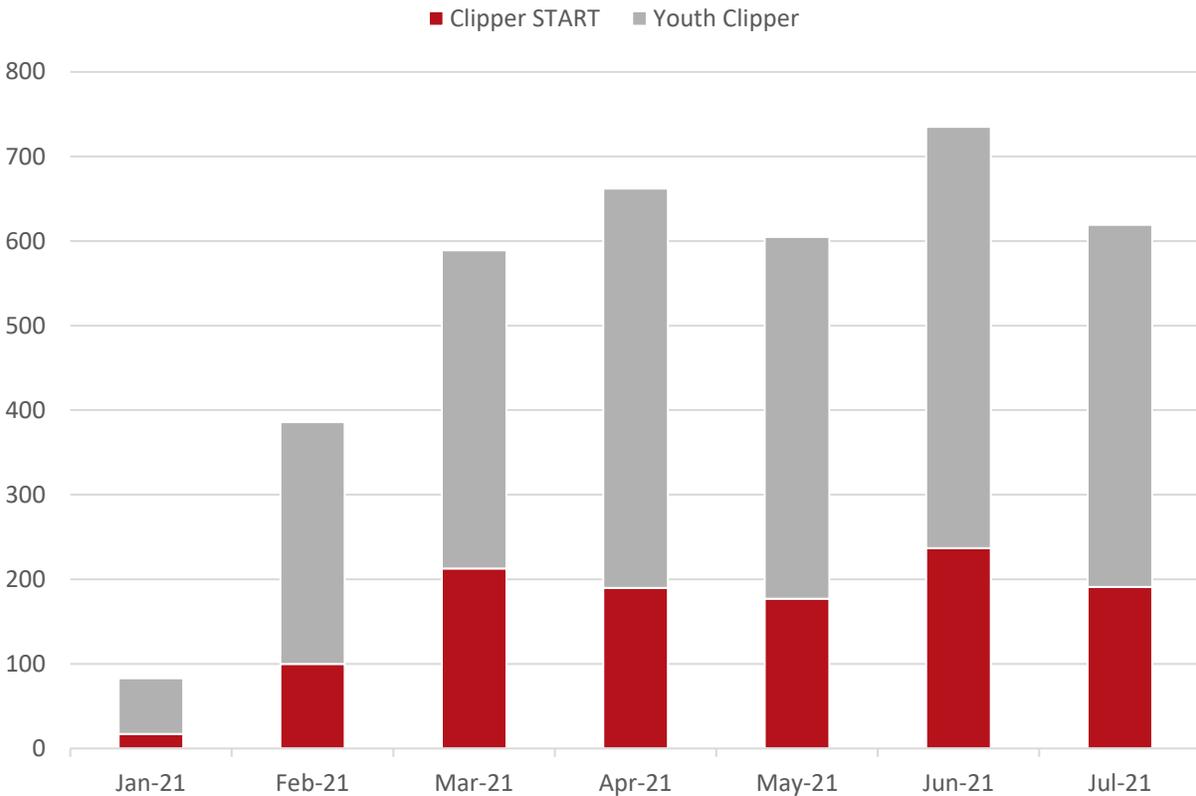
Because the Clipper START program is only available to adults, a discount for youth was also implemented to address potential inequity between low-income adults and low-income youth. Staff completed a Title VI analysis as well as public outreach for both programs prior to implementation.

Towards the end of the pilot period, staff will conduct an evaluation of both the Clipper START and youth fare discounts to determine whether they should be continued and if there is funding available to continue to offset revenue losses.

Program Usage:

The pandemic has had a significant impact on ridership, so usage of the two discount programs over the first six months has been very low. Since the launch in January through the end of July, there have been a total of 1,125 passengers using Clipper START and 2,554 passengers using a Youth Clipper card on County Connection. The following chart shows a breakdown of monthly ridership by discount program. The return of schools to in-person learning in August is expected to significantly increase the number of youth riders.

Clipper START & Youth Clipper Usage



Pilot Extension:

The current Clipper START pilot is set to expire in January 2022. However, due to the COVID-19 pandemic and its impact on transit demand and ridership, MTC approved an 18-month extension of the pilot until June 30, 2023. The extension will allow additional time for ridership to recover and provide a more complete dataset for program evaluation. It will also coincide with the timing and rollout of the next-generation Clipper system, which increases the policy and design options for implementing any program changes as a result of the pilot.

Financial Implications:

Staff originally estimated revenue losses of \$120,000 for the youth fare discount and \$328,000 for the Clipper START discount during the one-year pilot based on pre-COVID ridership levels. When accounting for subsidies from MTC, the total net loss was estimated to be \$308,000 for both programs combined.

Over the first six months of the pilot, revenue losses based on actual usage have been \$804 for the youth fare discount and \$341 for the Clipper START discount. MTC will be reimbursing \$171 for the Clipper START program, so net revenue losses to date have been \$975.

While staff anticipates a significant increase in youth ridership starting in August now that schools have reopened, ridership growth will likely be very gradual as many businesses and workplaces are taking a phased or hybrid approach to reopening. Staff anticipates that an 18-month extension of the program will not result in revenue losses that exceed the original estimates, which were quite conservative since they were based on pre-pandemic ridership levels and full adoption among eligible riders.

Recommendation:

Staff recommends approval of an 18-month extension of the Clipper START and Youth Fare discount pilot programs through June 30, 2023.

Action Requested:

Staff requests that the A&F Committee forward this item to the Board for approval.