

**To:** Administration & Finance Committee

**Date:** 06/16/2023

**From:** Melody Reeb, Director of Planning, Marketing, & Innovation

**Reviewed by:** *Ref*

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**SUBJECT:** Fare Proposal

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### **Background:**

In June 2023, the Board approved a two-year extension of the Clipper START and Youth Fare pilot programs. These programs were initially launched in January 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 Metropolitan Transportation Commission (MTC), who has been administering the Clipper START program, conducted an evaluation of the first two years of the pilot and identified several strategies to improve the effectiveness of the program and increase participation, one of which is to provide a more consistent discount across operators. To achieve this, MTC is incentivizing all operators to offer a 50% discount by increasing its reimbursement amount.

### **Proposed Changes:**

Given the interconnected fare structures of the East Bay operators, staff met with the other three small operators (WestCAT, TriDelta, and LAVTA) and agreed to move forward with a 50% discount. This would align the Clipper START and Youth fare discounts with those currently offered to seniors and persons with disabilities. BART has indicated that they plan to increase their discount to 50% as well. Since an increased discount constitutes a fare change, staff will need to conduct a Title VI fare equity analysis and public hearing prior to seeking Board approval.

Given the need to conduct an equity analysis and public hearing for the increased Clipper START and youth fare discounts, staff is proposing some additional fare changes to simplify our fare structure, increase consistency, and better match fare policies to post-pandemic ridership. Currently, riders using Clipper are charged an extra \$0.25 on Express routes. Correspondingly, a 31-day pass that is valid on Express routes costs an extra \$10. These surcharges introduce complexities that can negatively impact the rider experience and potentially cause conflict between drivers and passengers. For example, if an operator is incorrectly logged in to the Clipper system, a passenger could be inadvertently overcharged. Another example is, if a rider has a 31-day pass for Local routes only, they need to have cash value on their card as well to pay the \$0.25 upgrade fee when riding an Express route.

The surcharges for Express routes were initially implemented in recognition that those routes were providing a premium service, which catered to regional commuters who were higher income and often had employers that subsidized their transit fares. As ridership has recovered post-pandemic, travel patterns have shifted. While Local, School, and Weekend routes have almost fully recovered, Express route ridership has remained mostly stagnant as office workers have not—and many may never—return to a five-day commute. This shift to more local travel is reflected in lower average trip lengths, largely driven by the Express routes.

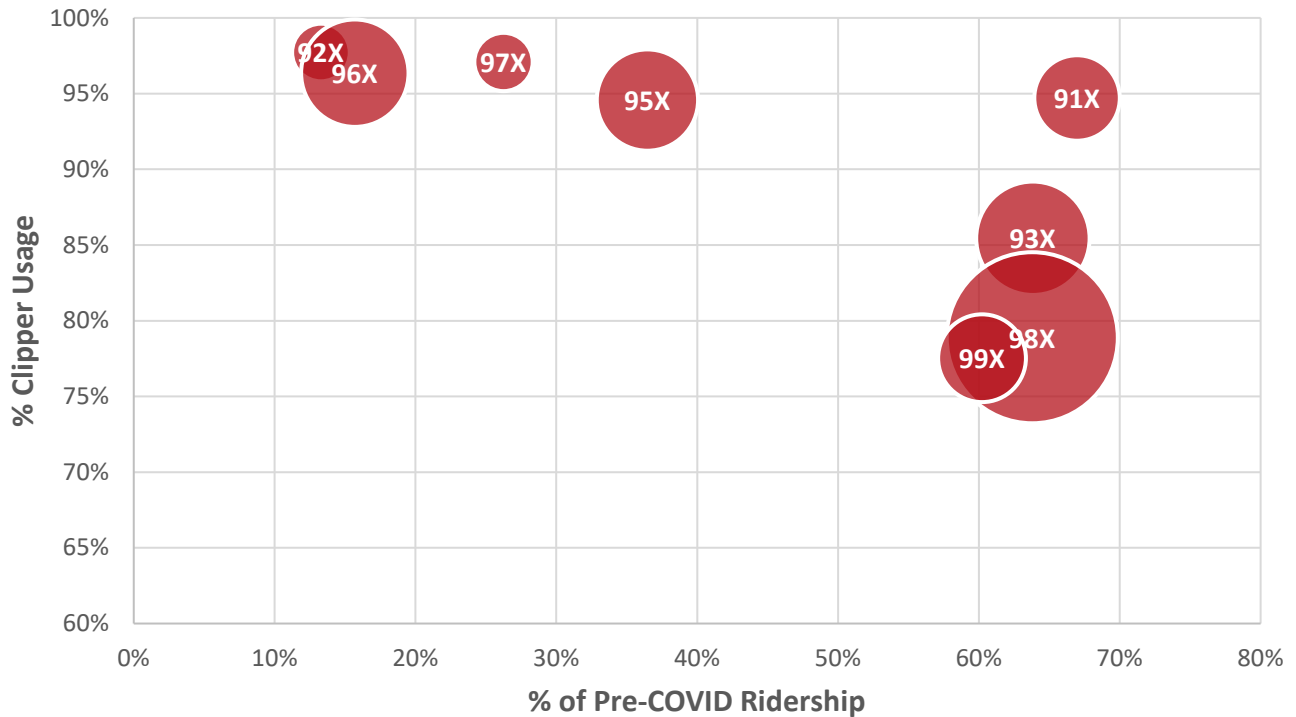
**Table 1: Average Trip Length**

Route Type	Feb 2020	Feb 2023	% Change
Local	3.4 mi	3.3 mi	-2.1%
Express	10.7 mi	8.8 mi	-17.3%
School	3.7 mi	3.7 mi	0.0%
Weekend	3.4 mi	3.4 mi	-0.7%
<b>Total</b>	<b>4.0 mi</b>	<b>3.6 mi</b>	<b>-9.5%</b>

The Express routes that have seen the largest ridership recovery also tend to be the ones that serve a more local travel market within our core service area and function a lot like the other routes in the system. These routes also have lower Clipper usage than other Express routes, which usually indicates higher percentages of low-income and minority riders.

**Express Route Ridership Recovery vs. Clipper Usage**

*Size of bubble reflects ridership volume*



Given this shift in ridership on Express routes from regional commuters to those making local trips and the lower Clipper utilization on routes where ridership is returning, staff is proposing to eliminate all Express route surcharges on Clipper. Express route surcharges were eliminated from cash fares back in March 2019, and this proposed change will provide consistency and further increase the differential between cash and Clipper fares on Express routes to incentivize more Clipper usage. In addition, the change would bring County Connection’s fare structure more in line with the recommendations from the regional Fare Coordination and Integration Study (FCIS), which calls for a flat local fare.

Table 2 shows a combined summary of the proposed fare changes, including the increased discount for Clipper START and Youth as well as the elimination of Express route surcharges on Clipper.

**Table 2: Proposed Fare Changes**

Fare Category	Current		Proposed
	Local	Express	All Routes
<i>Single Ride</i>			
<b>Adult</b>	\$2.00	<b>\$2.25</b>	<b>\$2.00</b>
<b>Clipper START &amp; Youth</b>	<b>\$1.60</b>	<b>\$1.80</b>	<b>\$1.00</b>
Senior/Disabled (RTC)	\$1.00		\$1.00
<i>Day Pass Accumulator</i>			
Adult	\$3.75		\$3.75
<b>Clipper START &amp; Youth</b>	<b>\$3.75</b>		<b>\$1.75</b>
Senior/Disabled (RTC)	\$1.75		\$1.75
<i>31-Day Pass</i>			
<b>All categories</b>	\$60	<b>\$70</b>	<b>\$60</b>
<i>BART-to-Bus Transfer</i>			
Adult	\$1.00		\$1.00
<b>Clipper START &amp; Youth</b>	<b>\$0.80</b>		<b>\$0.50</b>
Senior/Disabled (RTC)	\$0.50		\$0.50
<i>SolTrans-to-Bus Transfer</i>			
<b>Adult</b>	Free	<b>\$0.25</b>	<b>Free</b>
<b>Clipper START &amp; Youth Fare</b>	Free	<b>\$0.20</b>	<b>Free</b>
Senior/Disabled (RTC)	Free	Free	Free

**Bold** indicates fares that would change.

**Public Outreach and Title VI:**

If authorized by the Board, staff will begin conducting public outreach and a Title VI Fare Equity Analysis. Although a reduction in the Express route Clipper fare could potentially result in an inequity given the demographics of the riders who would benefit, the proposed increase in the Clipper START discount will likely offset any impact to low-income and minority riders. The results of the analysis and comments

received during the outreach process will be presented along with a public hearing at the September 2023 Board meeting. If approved, the proposed fare changes would take effect in January 2024. The Clipper START and Youth fare discounts would remain a pilot program through June 30, 2025. However, the proposed Express route fare changes would be permanent.

**Financial Implications:**

When the Board approved the two-year extension of the Clipper START and Youth Clipper discounts in June, staff estimated a net fare revenue loss of about \$50,000 annually, assuming a continuation of the 20% discount. For the proposed increase to a 50% discount and elimination of Express route surcharges, staff estimates an additional fare revenue loss of about \$37,000 annually (see Table 3 below).

**Table 3: Estimated Annual Fare Revenue Loss**

Fare Change	Current	Proposed	Change
Clipper START	\$2,000	\$4,500	\$2,500
Youth Clipper	\$48,000	\$72,500	\$24,500
Express routes	--	\$10,000	\$10,000
<b>TOTAL</b>	<b>\$50,000</b>	<b>\$87,000</b>	<b>\$37,000</b>

The estimated financial impact from the proposal does not take into account additional reimbursement from MTC for the Clipper START program, as those details have not been finalized yet. However, MTC's current proposal would reimburse half of the 50% discount with a minimum guarantee of \$15,000 for the two-year extension.

**Recommendation:**

Staff recommends proceeding with public outreach, conducting a Title VI Fare Equity Analysis, and holding a public hearing at the September Board meeting.

**Action Requested:**

Staff requests that the A&F Committee forward the proposed fare changes to the Board and authorize staff to proceed with the public hearing process.

**Attachments:**

None