



Agenda Item No. (8)

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of May 19, 2022

From: Ron Downing, Director of Planning  
Joe Wire, Auditor-Controller  
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE THE SETTING OF A PUBLIC HEARING TO RECEIVE PUBLIC COMMENT ON THE PROPOSED ESTABLISHMENT OF A PILOT PROGRAM FOR AN EDUCATIONAL/INSTITUTIONAL CLIPPER PASS ON GOLDEN GATE TRANSIT BUS AND GOLDEN GATE FERRY**

### **Recommendation**

The Finance-Auditing Committee recommends that the Golden Gate Bridge, Highway and Transportation District's (District) Board of Directors (Board) authorize the setting of a Public Hearing to receive public comment on the establishment of a Clipper fare pilot program that would provide a fare discount through a monthly pass for riders destined to designated higher educational institutions or to specified major employers on Golden Gate Transit regional routes and regular (non-special event) Golden Gate Ferry service. The public hearing would take place virtually on Thursday, June 23, 2022, at 9:00 a.m.

This matter will be presented to the Board of Directors at its May 20, 2022, meeting for appropriate action.

### **Background**

The Rules of the Board require that the District hold a public hearing prior to establishing a new fare.

### **Discussion**

In November 2021, the Bay Area Fare Integration Task Force (FITF) adopted a Policy Vision Statement for fare integration in the 9-county region. The first action in the Statement is "[d]eployment of an all-transit agency institutional/employer pass demonstration pilot in 2022, with a focus on educational institutions, affordable housing properties, and employers of various sizes, pending available resources/technical considerations." This document outlines the plan to deliver on this vision.

The objective of the regional pilot is to evaluate the degree to which an institutional transit pass covering all operators may increase transit ridership and better meet the needs of users and institutions, as compared to single-agency fare instruments. The pilot will evaluate program performance and collect data that could be used as the basis of a revenue model for a potential permanent program.

The pilot will be structured in two phases:

- Pilot Phase 1 (Target date of August 8, 2022): Educational institutions and affordable housing properties
- Pilot Phase 2 (2023): Employers in transit-concentrated locations, such as downtown San Francisco, Oakland, and San Jose

At the early outset of the pilot, there is no value associated with the pass, and it will be an overlay on the District's existing fare structure. The Metropolitan Transportation Commission (MTC) reimbursement is estimated to make the District whole for any travel made on the District's transit system by a student using the pass to get to the specific institutions(s). Students at the identified educational institutions will get the product at no cost to the individual or to the institution.

In the second phase of the pilot, when the pass is made available to ten major employers, it will be sold to employers at a price to be determined, which is expected to generate revenue to the program. The price of the pass product will be based on the employer's size and location.

If the program continues in a permanent manner, the intent is that the product will be sold, not offered for free, to all types of institutions (educational, for profit, and potentially others). The future pricing and design for any permanent program is intended to be informed by actual data from Phase 1 and Phase 2 of the pilot.

### ***Administration***

This pilot program will be managed by staff from MTC and Bay Area Rapid Transit (BART) under the continued oversight of the Fare Integration Task Force.

### ***Overall Funding Plan***

The MTC Commission has identified up to \$85 million of regional funds for Transit Transformation Action Plan near term priorities, including \$28 million for fare integration activities. Of this amount, approximately \$6 million is targeted toward this Institutional/Employer pilot project. From this \$6 million, \$4.5 million is budgeted to make whole agency revenue impacts associated with Phase 1; a \$1 million fund to make whole agency revenue impacts associated with Phase 2; and \$0.5 million budgeted for other administrative costs, including consulting support, Clipper card purchases, and communications.

A separate allocation of Transit Transformation Action Plan staffing funds will provide for 1.5 full-time employees (FTE) (1 at BART and 0.5 at MTC) to manage this program.

### ***Phase 1 Detail***

***Scale:*** Up to 50,000 participants at five Bay Area institutions

***Target launch date & duration:*** August 2022, continuing for 2 years

***Cost to participants:*** None during pilot. All transit agency pass would be provided as added benefit to riders layered on top of single agency product(s) at no cost to rider or partner institution.

***Partner institution criteria:*** 1. Must be a public educational institution or non-profit affordable housing property manager; Must offer students/residents an existing “all you can use” transit pass covering at least one transit operator (technical requirement for August 2022 launch); 3. Geographic diversity of participants within the Bay Area:

#### ***Phase 1 Partner Institutions:***

- San Francisco State University
- San Jose State University
- University of California, Berkeley
- Santa Rosa Junior College
- MidPen Housing (3 Peninsula properties)

### **Fiscal Impact**

The Phase 1 funding plan seeks to hold transit operators harmless for their participation in the pilot. For the initial Phase 1 implementation, MTC will allocate \$80,000 to the District to offset any revenue losses during the first year on Golden Gate Transit Bus or Golden Gate Ferry. The Year 1 allocation is intended by MTC to be an up-front allocation to provide a base level of assurance to agencies. The Year 2 allocation will be informed by actual pilot product usage in Year 1 to help reduce/eliminate any revenue risk to operators from participating in the pilot.

The fiscal impact of providing a Public Hearing and associated outreach is estimated at less than \$5,000 and will be covered by the existing Marketing and Communications Department budget.

### **Public Comment Process**

The District’s *Rules of the Board* require that the District hold a public hearing prior to establishing a new fare. Public comments on this proposal through a pilot program to offer a Clipper monthly pass for riders destined to designated higher educational institutions or to specified major employers on Golden Gate Transit regional routes and regular (non-special event) Golden Gate Ferry service can be submitted in several different ways:

1. Attend the public hearing;
2. E-mail [publichearing@goldengate.org](mailto:publichearing@goldengate.org); and/or,
3. Send written comments to the District Secretary.

All comments are considered equally without regard to the manner in which the comments are submitted. Therefore, individuals do not have to attend the public hearing and provide testimony in person if they have commented through e-mail or written forms. All comments received through the above methods will be considered in the final recommendation. Comments must be submitted by close of business on Thursday, June 23, 2022.

### **Title VI Approach**

MTC will serve as lead agency for the pilot program Title VI process. The pilot project will as a 'pilot' under Title VI, meaning agency boards would only be asked to consider approving Title VI analyses before any permanent successor program is launched.

MTC and BART, as the lead agencies for this project, are working with FTA now to request permission for an initial pilot period lasting a minimum of 12 months. Data from the pilot will inform Title VI analysis of any extension beyond 12 months and/or permanent program.

### **Public Notification**

If the proposal to hold this public hearing is approved by the Board, outreach on the proposal to establish a pilot program for an educational/institutional Clipper pass for Golden Gate Transit and Golden Gate Ferry would begin immediately and continue into mid-June prior to the public hearing.

Public notification activities will comprise:

- Advertisements in local publications (*Marin Independent Journal*, *Santa Rosa Press Democrat* and *La Voz*);
- Signage advertising the Public Hearing onboard buses and ferries and at terminals;
- Press Releases to local media;
- Social Media Postings on Facebook and Twitter;
- News item on the District's website; and
- Email blast to customers and community-based organizations.

Translation of all printed materials and handouts in Spanish will be available, per the District's Limited English Proficiency (LEP) plan.

### **Next Steps**

Following the public hearing, staff will evaluate all comments received and determine whether any changes or modifications are required to the proposal to establish a pilot program for an educational/institutional Clipper pass for Golden Gate Transit and Golden Gate Ferry.

A final recommendation will be brought back to the Board of Directors at the July 21, 2022 Finance-Auditing Committee meeting and to the full Board on July 22, 2022.