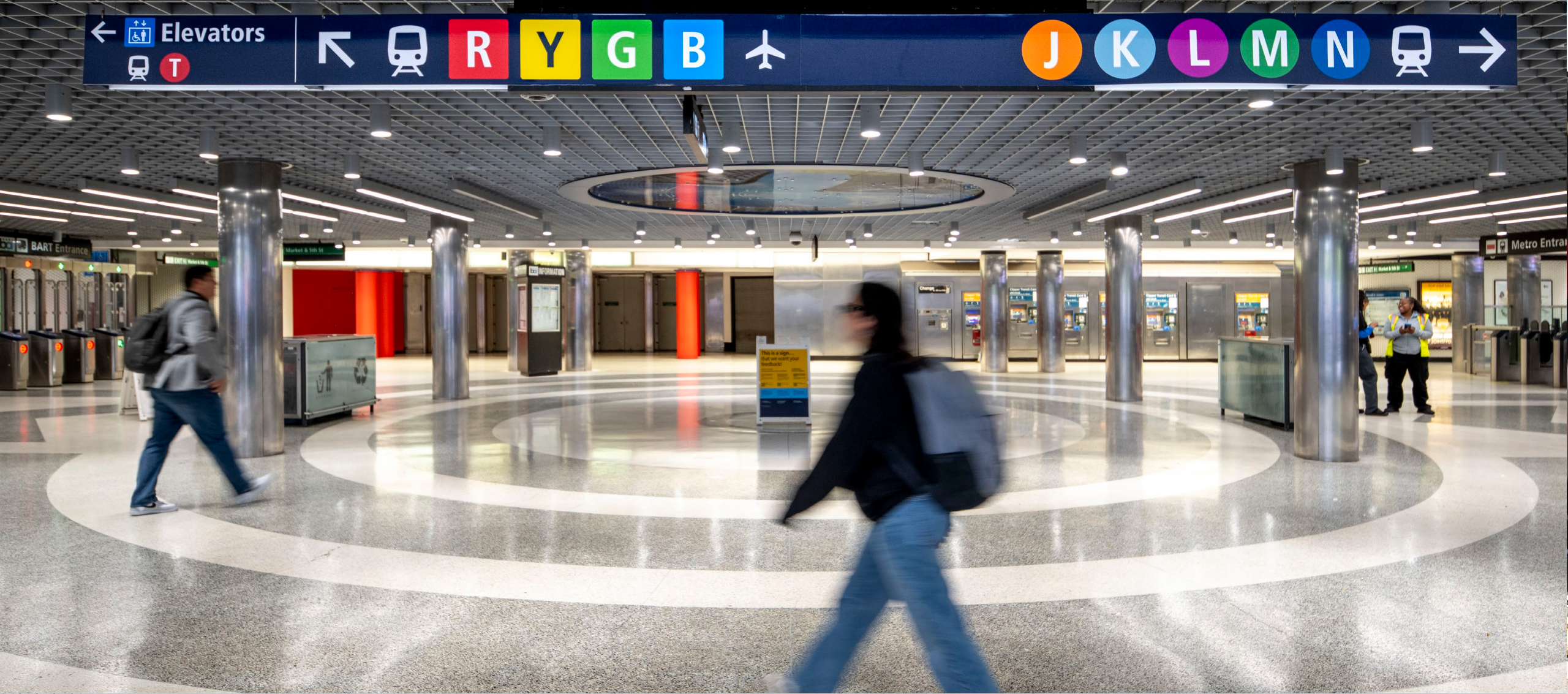




Clipper BayPass Participation Agreement Update

Regional Network Management Council Meeting
March 30, 2026

Meeting Overview

Context:

Clipper BayPass is generating new riders and revenues and improving customer experience. Authority to offer the pilot program will expire summer 2027 and no additional one-year contracts will be offered after summer 2026 unless the pilot is extended.

Discussions to Date:

- RNM Council (Nov 2025)- Council reviewed initial updates to the existing Participation Agreement, the governing document for the pilot.
- A small working group of RNM Council Members and transit agency staff met to discuss proposed changes to the Participation Agreement.

Purpose of Today:

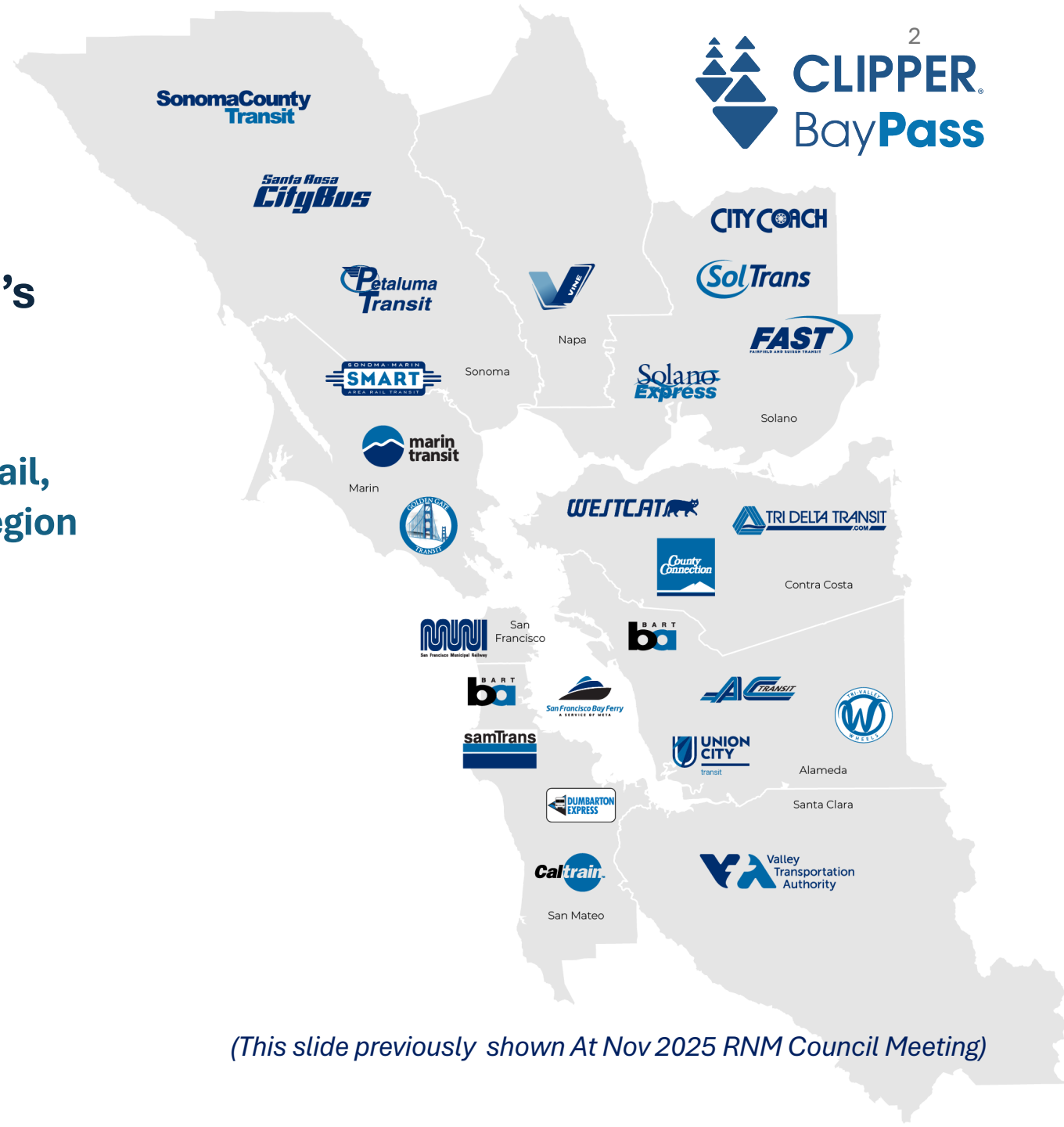
Review any additional feedback on potential updates to the existing Participation Agreement and seek support from the Council.

BayPass Pilot Overview

The Clipper BayPass Pilot is the Bay Area's first regional unlimited-ride transit pass.

BayPass users have unlimited access to all bus, rail, and ferry services* in the nine-county Bay Area region that accept Clipper, at no cost at the point of use.

*Excludes SFMTA Cable Cars



(This slide previously shown At Nov 2025 RNM Council Meeting)

BayPass: Phase 1 and Phase 2 Highlights

The Phase 1 program evaluation found :

On average, SFSU, SJSU and UC Berkeley students with access to Clipper BayPass Took 30% more transit trips

An analysis of Phase 2 participants found:

Individuals eligible for BayPass at partner organizations took 35% more transit trips in 2024 than in 2023

Phase 1

Pilot with over 50,000 university students
and affordable housing residents

Randomized controlled trial

Funded by transit operators and MTC

2022-2025

Phase 2

Pilot with ~82,000 Employees, Students,
and Residents

Funded by Payments from Participating
Employers/Institutions (19 active contracts)

2024-2027

The BayPass Effect

BayPass is growing customer base, riders, and generating new revenues



Riders report improved experience and increased access to transit

"BayPass helps me stress less about my financial situation. It makes me feel like my employer cares about me and my commute"

"Whenever I considered using taxi/ride share, I thought, why bother when I can get anywhere on transit. BayPass has massively shifted my attitude toward taking public transit."

Quotes from BayPass survey respondents

"The Bay Pass has saved me a tremendous amount of money. I use it to commute to several jobs and it has been an absolute game changer for me"



Existing Clipper BayPass employer/institutional customers

Social media posts by BayPass users



Existing Participation Agreement Overview

The BayPass Participation Agreement is signed by and among MTC and all Transit Operators:

- Authorizes sale of BayPass through summer 2027
- Outlines agreements for the sale of an unlimited regional transit pass to up to 80,000 individuals (excluding transitioned Phase 1 participants)*
- Summarizes key pilot parameters including:
 - Roles and responsibilities
 - Program revenues
 - Coordination with existing institutional programs
 - Evaluation

**Note: Cap amounts can be adjusted by a vote of the RNM Council*



Currently ~82K participants total in BayPass.

- **Phase 2: new participants: ~20K**
(remaining capacity is ~60K)
- **Phase 2: Transitioned Phase 1 participants: ~60K**
(excluded from Phase 2 participation cap)

*Because transitioned phase 1 (UCB/SFSU) participants do not count towards cap, currently can add **~60K participants***

Pilot Learnings:

Build on Success while Recognizing Challenges

There is significant interest from potential customers, but we need to address complexities of the pilot structure to further expand and learn more before transitioning to an ongoing program. Some of the successes and challenges addressed in the recommended update to the Participation Agreement include:

- **BayPass is growing steadily** → but authority to offer the pilot program will expire summer 2027 and no additional one-year contracts will be offered after summer 2026 unless the pilot is extended
- **BayPass is being sold to a diverse group of organizations** (educational institutions, affordable housing properties, etc.) → but many seeking to incorporate age-based/means-based discounts when appropriate
- **BayPass administration is lean and efficient** → but will need to scale and retain efficiency as program grows
- **Institutional customers are renewing contracts and looking to continue with the program** → but are seeking a simpler contracting process, particularly when they are purchasing multiple institutional and agency pass products

Proposed Updates to the Participation Agreement

Goal #1

Continue to operate the Clipper BayPass Pilot and expand program

Challenge

Authority to offer the pilot program will expire summer 2027 and no additional one-year contracts will be offered after summer 2026 unless the pilot is extended

Recommendation #1

Extend the agreement for 3 years (to December 31, 2030) while continuing to refine administration, grow participation, and ultimately work towards transitioning to an ongoing program.

Proposed Updates to the Participation Agreement

Goal #2

Continue to attract a diverse range of partner organizations

Challenge

Many partners would like to incorporate age-based/means-based discounts when appropriate, but current agreement requires reimbursing operators for BayPass trips at full Adult Clipper fare for each trip taken.

Recommendation #2

Reflect existing discounts (low-income, senior, youth and RTC) in reimbursements to operators. Discounts based on estimated percentage of trips made by discount group .

Notes:

- *Premised on requirement for institution to provide us with reasonable substantiation for the share of their eligible population that qualifies for discount.*
- *Operators can opt in or out of reflecting discounts. Reflecting discounts allows for a lower price for partners, potentially expanding the pilot and increasing ridership for operators.*

Proposed Updates to the Participation Agreement

Goal #3

Pair administrative costs to operational needs and scale with program expansion

Challenge

Current agreement sets a fixed amount of \$1M available to reimburse MTC for operations and maintenance of program subject to approval of administrative body

Recommendation #3

Capture BayPass administrative costs based on program operations and maintenance on an annual basis rather than a fixed amount of funding for the duration of the pilot. Staff would present an estimated administration budget to the RNM Council on an annual basis.

Notes:

- *Cost of annual administration included in price of BayPass as an increment **above** the estimated cost of reimbursing operators for trips to not affect reimbursements.*
- *The estimated 2025 annual Clipper BayPass administrative budget is approximately \$1.2M and represents approximately 6% of total contract value.*

Proposed Updates to the Participation Agreement

Goal #4

Simplify the contracting process while protecting existing institutional pass products

Challenge

Current agreement requires BayPass as an add-on to existing pass products (requirements vary by operator). Institutions or employers are seeking a simpler contracting process when purchasing multiple pass products (example Caltrain GoPass + BayPass)

Recommendation #4

Streamline contracting structure and offer employers one BayPass contract that passes through costs for any existing AC Transit, Caltrain, SamTrans and VTA pass product. Currently, institutions must hold multiple contracts when purchasing multiple passes.

Notes:

- *Pass-through costs are determined by operator and any option to pursue a pass-through contract would be at the discretion of the transit operator that holds the preexisting institutional pass.*
- *Other requirements defined in the current Participation Agreement regarding existing institutional pass products remain unchanged at this time.*

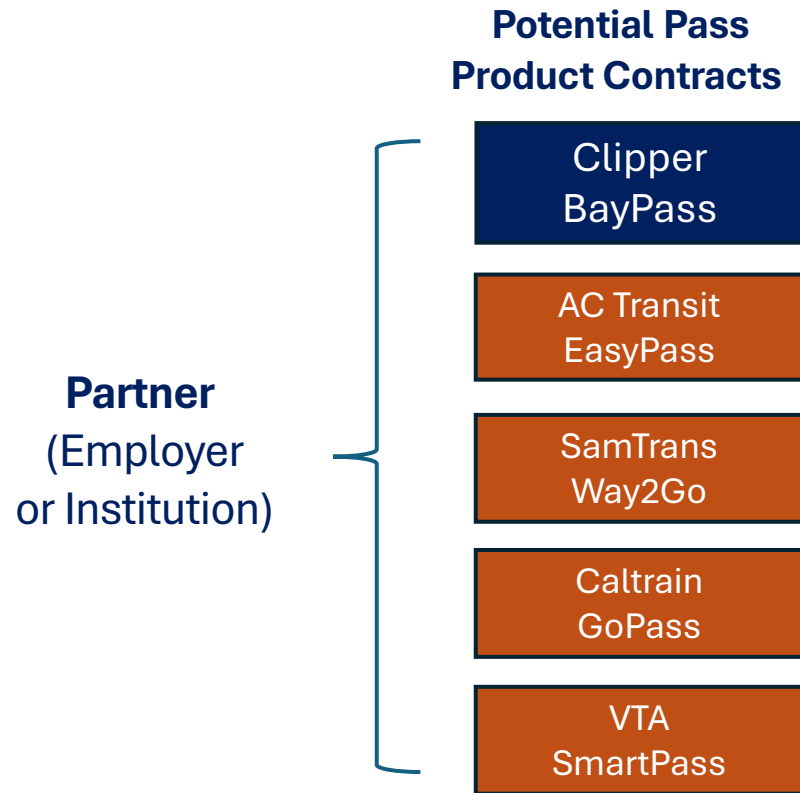
Streamlining Contracts: Current Requirements

BayPass Participation Agreement currently states that all existing institutional pass customers ***must keep existing contracts*** AND the following requirements apply:

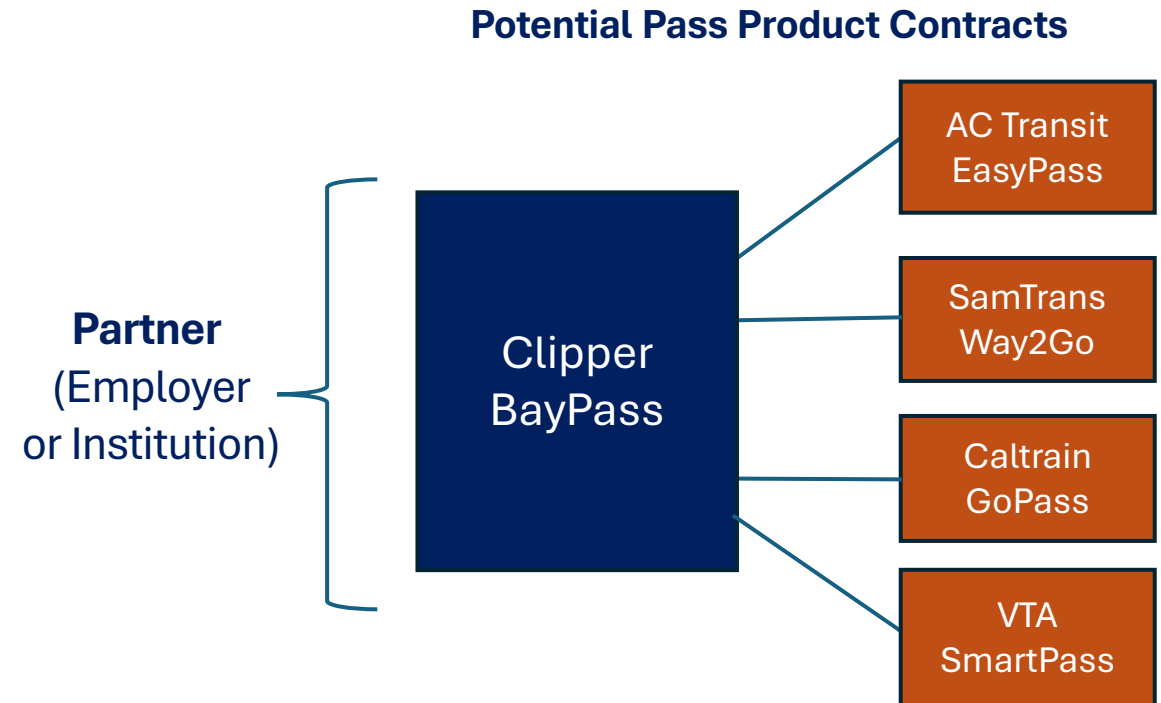
AC Transit	New partners that do not have AC Transit Easy Pass can sign up for BayPass directly.
SamTrans	New partners that do not have SamTrans Way2Go can sign up for BayPass directly.
Caltrain	New partners within three miles of Caltrain corridor in Santa Clara and San Mateo Counties must purchase both a Caltrain GoPass and a Clipper BayPass.
VTA	New BayPass partners outside of the three-mile Caltrain area in Santa Clara County must purchase both a VTA SmartPass and a Clipper BayPass

Streamlining Contracts: Proposed Changes

Staff is not proposing changes to existing contract requirements. However, for any situation where a partner must hold multiple contracts, we would like to allow partners to hold a single contract with BayPass that will account for cost/income from other passes on the back-end.

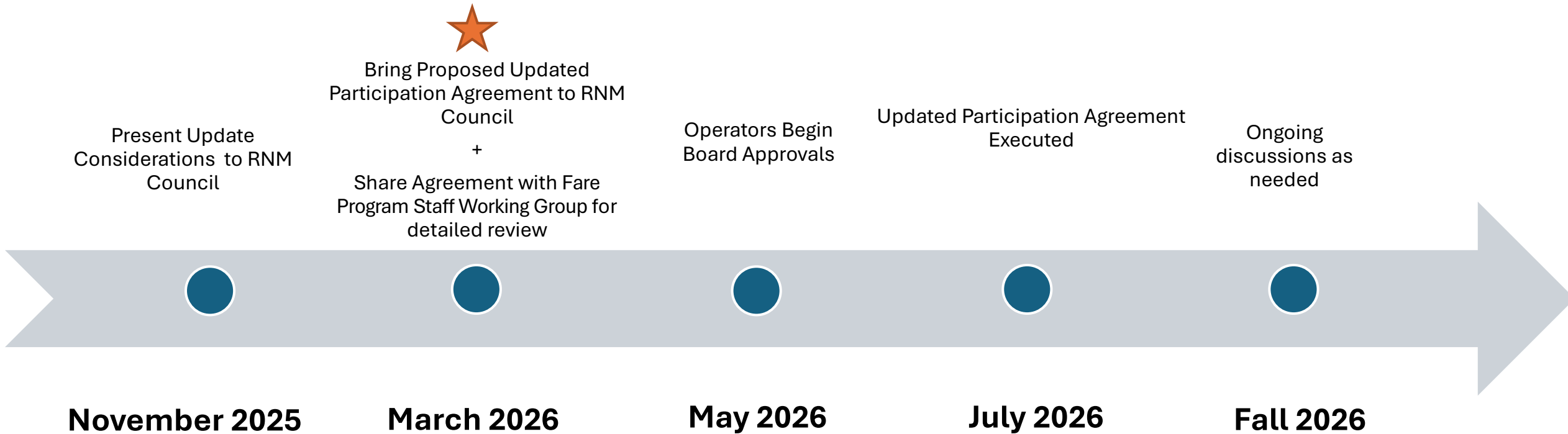


Current Contracting Process



Proposed Contracting Process

Roadmap to Updated Participation Agreement



Seek Action Item to Support Proposal