

# **Final Recommendation Report**

## **Way2Go Pass Study**

August 30, 2021



# Way2Go Pass Study – Final Recommendation Report

Prepared for the San Mateo County Transit District

Prepared by Stantec

August 30, 2021



## Project Team

### Stantec

Sasha Pejic, Principal, Transportation

### SamTrans

Gwen Buckley, Senior Planner

Justin Horng, Planner

### Four Nines Technologies

Laura Wolfram, Fare Policy Lead

## Contents

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Executive Summary.....	4
1 Overview and Background.....	6
1.1 Current Way2Go Pass Program.....	7
1.2 Final Way2Go Pass Program.....	7
2 Existing Conditions Review.....	8
3 Best Practices and Needs Assessment.....	11
3.1 Peer Survey.....	11
3.2 Stakeholder Survey.....	14
4 Cost Structure Development and Analysis.....	15
4.1 Cost Structure Alternative Development.....	15
4.1.1 Cost Structure Alternatives.....	19
4.1.2 Contract Minimums.....	20
4.2 Revenue and Ridership Analysis.....	21
4.2.1 Ridership Growth Assumptions.....	21
4.2.2 Revenue Assumptions.....	22
4.2.3 Revenue and Ridership Impacts.....	23
5 Final Cost Structure and Title VI Analysis.....	25
5.1 Final Cost Structure.....	25
5.2 Title VI Analysis.....	26
5.2.1 Title VI Policies.....	26
5.2.2 Fare Equity Analysis Findings.....	27
6 Implementation Plan.....	28

## Executive Summary

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The San Mateo County Transit District (SamTrans) Way2Go Pass Program (“Way2Go”) allows residential complexes and employers to purchase annual unlimited-ride bus passes for all eligible residents or employees. Way2Go is a product on the regional Clipper card and is valid for travel on all SamTrans service. Currently, three residential properties participate in the program, all managed by MidPen Housing Corporation, for a total of 435 eligible residents. There are no employers currently enrolled in the program.

The purpose of the Way2Go Pass Study (“Study”) is to improve Way2Go, and make the cost structure and administration more efficient, effective, and attractive to existing and potential participants. To guide the study and development of a new program cost structure, SamTrans identified three main objectives:

1. Ensure pricing structures are equitable for partners and financially sustainable for SamTrans
2. Improve efficiency and effectiveness of Way2Go implementation and administration
3. Increase participation in the Way2Go and overall bus ridership

The Study includes an existing conditions review of Way2Go and an assessment of best practices and program needs. These tasks informed the development of two alternative program structures that define eligibility requirements, pricing tiers, technology requirements, and administrative processes. Based on feedback from stakeholders and SamTrans staff on the two alternatives, a revised program cost structure was identified. It was presented to the SamTrans Board of Directors at its July 2021 meeting and adopted at the August 2021 meeting, along with the Title VI fare equity analysis. Throughout the study, staff engaged and received guidance from stakeholders, including MidPen Housing and other non-profit developers, educational institutions, San Mateo County businesses, and peer transit agencies.

Based on technical and financial analysis conducted during the Study, as well as input received from stakeholders and from the SamTrans Board, the changes to Way2Go include:

- Add an additional category for educational institutions, which would allow colleges and K-12 schools to participate in the program;
- Adjust the per-pass price, making the program more affordable and better aligned with the bulk pass programs of peer agencies and the goals of increasing participation; and
- Reduce the contract minimum, in order to be more inclusive of smaller businesses, housing complexes, and other eligible groups.

The final adopted changes to the program’s structure are reflected in the table below. The revised pricing is effective January 1, 2022.

	<b>Pricing Category (Annual Price per Pass)</b>			<b>Contract Minimum</b>
	<b>Residential</b>	<b>Educational</b>	<b>Employer</b>	
<b>Current</b>	\$125	Not Eligible	\$125	\$12,500
<b>Revised</b>	\$40	\$35 per semester*	\$75	\$2,500

\*Semesters would be designed to cover the full calendar year (e.g., January through July, and August through December)

A Title VI fare equity analysis was conducted on the revised program cost structure. The Title VI fare equity analysis of the changes found that the cost structure does not result in a disparate impact on minority users or disproportionate burden on low-income users.

An implementation plan and schedule was developed to help guide SamTrans through the various aspects of updating the cost structure and the overall program.

# 1 Overview and Background

The San Mateo County Transit District (SamTrans) Way2Go Pass Program (“Way2Go”) allows residential complexes and employers (“participants”) to purchase annual unlimited ride passes for all eligible residents or employees (“users”). While the program is currently underutilized, it has the foundations of a successful pass program.

As part of the Way2Go Pass Study (“Study”), SamTrans explored opportunities to improve Way2Go through an existing conditions review and an assessment of best practices and program needs. These tasks informed the development of two alternative program structures that defined eligibility requirements, pricing tiers, technology requirements, and administrative processes. Table 1 (below) summarizes the tasks of the Study.

**Table 1: Way2Go Pass Study project overview**

<b>Existing Conditions Review</b>	<b>Best Practices and Needs Assessment</b>	<b>Cost Structure Alternatives</b>	<b>Recommended Cost Structure</b>
<ul style="list-style-type: none"><li>• Review existing Way2Go program and cost structure</li><li>• Data analysis</li></ul>	<ul style="list-style-type: none"><li>• Peer agency review of best practices</li><li>• Stakeholder engagement – survey &amp; interviews</li></ul>	<ul style="list-style-type: none"><li>• Development and evaluation of alternative cost structures</li><li>• Revenue and ridership analysis</li></ul>	<ul style="list-style-type: none"><li>• Revised cost structure</li><li>• Title VI fare equity analysis</li><li>• Recommendation report</li></ul>

To guide the Study and development of the revised program cost structure, SamTrans identified three major objectives:

1. Ensure pricing structures are equitable for partners and financially sustainable for SamTrans
2. Improve efficiency and effectiveness of Way2Go implementation and administration
3. Increase participation in the Way2Go and overall bus ridership

In addition to these objectives, the 2019 SamTrans Fare Policy helped guide the Study. The SamTrans Fare Policy is intended to assist SamTrans in balancing several competing priorities when considering changes to the existing fare structure, in a way that is consistent with the SamTrans Strategic Plan. The Fare Policy document covers five general topic areas: ridership, cost recovery, customer experience, administration and overhead, and strategic adjustments.

Overall, Way2Go offers opportunities to support SamTrans’ fare policies and the objectives for the study. It has the potential to provide a stable source of revenue and increase ridership by reducing barriers to transit as well as attracting new participants.



## 1.1 Current Way2Go Pass Program

Established in 2007, Way2Go allows residential complexes and businesses to purchase annual unlimited-ride bus passes for all eligible residents or employees. Way2Go passes are loaded onto Clipper cards and are valid for a single calendar year for use on all Local and Express services.

Way2Go generated \$48,625 in 2018, \$67,334 in 2019, and \$62,000 in 2020, for a total of \$177,959 over the past three years. The yearly revenue of Way2Go in 2019 was approximately 0.5% of SamTrans' FY 2019 farebox revenue. In 2021, Way2Go participants include three MidPen Housing Corporation properties (Delaware Pacific, Mosaic Gardens, and Peninsula Station) with a total of 435 eligible residents. No businesses currently participate in the program.

Participants must purchase a pass for all eligible users, as defined below:

- Residential: All residents five years old and older are considered "Way2Go Users."
- Business: All staff working more than 20 hours per week, excluding temporary employees, interns, contractors and consultants, are considered "Way2Go Users."

The 2021 Way2Go agreement specifies that employees of residential complexes and temporary employees or contractors of businesses are not eligible for the program.

The annual cost of Way2Go passes is \$125 per resident or employee (i.e., per user) with a contract minimum of \$12,500, which equates to 100 passes. The cost is prorated if the participant joins the program or adds a user for less than a full year. The initial sign-up fee is paid upfront prior to Way2Go start date. In January 2020, the Way2Go pass transitioned to the Clipper Card. Residential complexes and employers are responsible for issuing, tracking, and distributing Way2Go passes, using the online Clipper Institutional Portal.

## 1.2 Final Way2Go Pass Program

Based on the results of the tasks described in Section 2 through Section 4, the Study proposed and finalized the following changes to Way2Go, effective January 1, 2022:

- Add an additional category for educational institutions, which would allow colleges and K-12 schools to participate in the program
- Adjust the per-pass price, making the program more affordable and better aligned with the bulk pass programs of peer agencies and the goals of increasing participation
- Reduce the contract minimum, in order to be more inclusive of smaller businesses, housing complexes, and other eligible groups

The changes are outlined in Table 2.

**Table 2: Current and Revised Way2Go Pass Pricing and Contract Minimum**

	Pricing Category (Annual Price per Pass)			Contract Minimum
	Residential	Educational	Employer	
<b>Current</b>	\$125	Not Eligible	\$125	\$12,500
<b>Revised</b>	\$40	\$35 per semester*	\$75	\$2,500

\*Semesters are defined so as to cover the full calendar year (e.g., January through July, and August through December)

Additionally, small organizations that are part of a larger property (e.g., multi-use development) can enter into an agreement together to meet the minimum provided they meet certain requirements. Small organizations may meet the contract minimum by signing a Way2Go contract and purchasing passes for multiple years at once.

## 2 Existing Conditions Review

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This task evaluated the existing conditions of Way2Go and SamTrans' transit service to provide context and describe opportunities and challenges for the overall study.

The existing conditions review began with an understanding of the SamTrans mission and vision, SamTrans services, SamTrans Fare Policy, fare structure and interagency agreements, Way2Go program and related pass programs including Clipper Direct and Caltrain Go Pass programs, SamTrans and regional planning initiatives, and other related programs. The existing conditions review also include data analysis of SamTrans ridership using farebox and survey data.

The existing conditions review builds upon previous and current planning efforts relevant to the program, including documents and surveys listed below:

- **SamTrans Business Plan (2018):** identifies specific initiatives for SamTrans to expand mobility options
- **Fare Study (2018):** develops a fare policy to navigate competing priorities when making changes to the existing fare structure
- **Reimagine SamTrans (2019-Present):** analyzing the SamTrans' services in-depth as part of a Comprehensive Operational Analysis
- **SamTrans Short-Range Transit Plan (2019):** details SamTrans' assets, capital and operating costs, ridership, and programs for the last three fiscal years and includes projections for the next ten years
- **Youth Mobility Plan (2017):** explores strategies to address mobility needs of youth in San Mateo County and cultivate the next generation of transit customers, including expanding Way2Go to include colleges



- **Peninsula Shuttle Study (2020-Present):** exploring ways the shuttle program could adapt to the impacts of COVID-19, Caltrain Electrification, Reimagine SamTrans, and long-term corridor changes
- **SamTrans Express Bus Feasibility Study (2018):** examines financial and operational feasibility of a network of long-distance express buses operating on US-101 through San Mateo County
- **Get Us Moving San Mateo County (2018):** increased community awareness of existing transportation conditions, services, and solutions in preparation of the successful one half-cent sales tax for 30 years to fund road improvements, transit services, and implementation of the San Mateo County Congestion Relief Plan

Data related to SamTrans ridership were also analyzed, including:

- **Fiscal Year 2019 (FY 2019) Farebox:** ridership data by fare payment method
- **Reimagine SamTrans Market Research (2019):** in-depth analysis of SamTrans market segments
- **2018 SamTrans Triennial Customer Survey:** detailed demographic and fare payment information to understand potential equity considerations
- **Way2Go User Survey:** before and after transit usage data for users of Way2Go Passes

In addition to plans and surveys, the existing conditions review also explored regional initiatives and programs. SamTrans has been involved in several regional initiatives, including the Task Force for the Regional Transit Fare Coordination and Integration Study, and the Clipper START pilot program to enable adult low-income customers to receive a 50% discount on single ride fares. There are also regional programs related to congestion management, transportation demand management, commuter tax benefits, and affordable housing credits that can influence the success of Way2Go.

These materials provide valuable insight into the characteristics of SamTrans ridership, SamTrans' long-term vision, planned changes for future service, and regional initiatives that could impact SamTrans' service and fares. Overall, these materials helped identify opportunities and potential equity considerations as alternative structures and pricing are explored.

Based on the existing conditions review, there are several strengths and opportunities for Way2Go. Way2Go has the ability to provide individuals with an unlimited access pass, which can encourage transit use of existing riders and attract new transit riders by eliminating barriers to using transit. Nonetheless, the review identified the need for SamTrans to explore opportunities to make the program more broadly attractive. Key weaknesses and challenges for Way2Go include the limited marketing of the program, the regional nature of the transit in the Bay Area that necessitate multi-agency travel, and the current cost structure that has a high contract minimum and requires inclusion of all employees/residents. Way2Go presents opportunities to expand beyond just residential

properties and employers and include other institutions and organizations, such as educational institutions.

Figure 1 summarizes the strengths, weaknesses, opportunities, and challenges (SWOC) identified during the existing conditions review.

**Figure 1: SWOC Analysis Summary of Existing Way2Go Program**

STRENGTHS	WEAKNESSES	OPPORTUNITIES	CHALLENGES
Users view their Way2Go pass as a benefit/amenity	The pass program currently has low participation	Program could provide a stable source of revenue based on annual contracts	Must couple with meaningful bus service improvements
Way2Go encourages transit use by providing users with an unlimited access pass	There has been limited marketing of the pass	Expanding program eligibility and flexibility could attract new participating organizations	Successful expansion will require additional administrative resources and marketing investment
Passes are administered through Clipper, minimizing administrative burden for SamTrans	Program pricing is based on the same user rate for all types of participants and is inflexible	TDM requirements and grants increasingly encourage or mandate participation in transit pass programs	The value of the pass is limited for employers with employees living throughout the region
Participants can share the cost of the program with its users	Current residential requirement of one pass per resident (not unit) is seen as barrier to entry	Opportunity to re-energize program as employees return to the office and students return to colleges post COVID-19	The pass is not valid on other transit systems, only SamTrans
Pass is accepted on all SamTrans fixed-route bus service	High per-pass price compared to other programs	Opportunity to attract new participants as new bus service is introduced through Reimagine SamTrans	Free shuttles that provide connections from BART and Caltrain stations limit attractiveness to potential employer participants
	Significant contract minimum poses barrier to participation for smaller agencies		

### 3 Best Practices and Needs Assessment

Following the review of existing conditions, stakeholder and peer outreach provided an understanding of best practices of peer agencies, and the needs of stakeholders throughout the county. This task included the following activities:

- A review of bulk transit pass programs from peer agencies across North America to understand best practices in creation, conception, administration, and cost structures of bulk pass programs provided by transit agencies. This was completed through a peer survey and targeted follow-up interviews with six agencies.
- A stakeholder survey followed by targeted interviews to understand what current and potential program participants would like to see in a bulk transit pass program. The survey and interviews involved stakeholders from residential developments, educational institutions, and employers to gain a comprehensive view of how to best structure the program in a way that is attractive to potential program participants.

#### 3.1 Peer Survey

The peer survey was hosted online through Survey Monkey. Stantec and SamTrans shared the survey with peer agencies directly, and it was also posted to the American Public Transportation Association (APTA) Connect service so that any interested transit agency could complete the survey. In total, 14 agencies responded to the survey. These agencies provide a variety of different bulk pass programs to different organizational types. Table 3 provides a summary of transit agencies that responded, including the name of their bulk pass program and the types of organizations that can participate.

**Table 3: Summary of respondent agencies and their pass programs**

		Participating organizations				
Agency	Bulk Pass name(s)	Employers	Residential complexes	Educational institutions	TMA's	Other
<b>AC Transit,</b> (Alameda County, CA)	EasyPass	X	X	X	X	Umbrella groups
<b>Big Blue Bus</b> (Santa Monica, CA)	Blue to Business, Any Line Any Time	X		X		
<b>Denver RTD</b> (Denver Metro, CO)	EcoPass, CollegePass, Neighborhood EcoPass, Bulk Mobile Partner Portal	X	X	X	X	

		Participating organizations				
Agency	Bulk Pass name(s)	Employers	Residential complexes	Educational institutions	TMA's	Other
<b>Massachusetts Bay Transportation Authority</b> (Boston Area, MA)	Perq, Semester, Group	X	X	X		Third-party benefits resellers
<b>Metro Transit</b> (Minneapolis–Saint Paul Metro Area)	Residential Pass		X			
<b>Monterey-Salinas Transit</b> (Monterey County, CA)	Group Discount Program	X	X	X	X	
<b>Mountain Line</b> (Missoula, MT)	EcoPass	X				
<b>New Jersey Transit</b>	New Jersey Transit Bulk Sales	X	X	X	X	
<b>San Diego MTS</b> (San Diego, CA)	ECO Pass	X	X	X	X	
<b>Sound Transit</b> (Seattle Metro Area, WA)	ORCA Business Choice and Business Passport	X	X	X		
<b>TriMet</b> (Portland Metro Area, OR)	Universal Annual Pass, Universal Term Pass, TMA program for districts	X		X	X	
<b>Utah Transit Authority</b>	Eco Pass, Low Income Fare Pilot, Ed Pass	X	X	X	X	Human services providers
<b>Valley Transportation Authority</b> (Santa Clara County, CA)	SmartPass	X	X	X		
<b>York Region Transit</b> (Ontario, Canada)	YRT@work	X	X	X	X	

In addition to completing the online survey, follow-up interviews were completed with the following agencies to dig deeper into the survey answers and learn more about how their bulk pass programs are structured: AC Transit, Big Blue Bus, Metro Transit, New Jersey Transit, TriMet, and Valley

Transportation Authority. The major findings and best practices from both the online survey and follow-up interviews include:

- For residential units, it can be better to require the purchase of one pass per unit, with the option to purchase more, as opposed to one pass per resident. This makes it easier for developers to budget for passes and for property managers to administer. However, some developers shared that they are required, sometimes by city policies or by grants, to purchase for each resident.
- Several agencies have seen success through a tiered pricing, either by percent of participation, type of participating agency, level of transit service, or a combination. While these are attractive to stakeholders and can incentivize the purchase of more passes (as higher participation comes with a lower per-pass price), it is important to make sure the tiers and structure is not overly complicated, which can discourage participation.
- Pass sales to market-rate housing developments and for-profit corporations can help subsidize lower pass costs for students, non-profits, and affordable housing developments whose participants are likely to use the passes more or are already regular riders.
- Purchase minimums that are too high can discourage or make it impossible for smaller stakeholders to participate.
- Providing post-billing options (as seen with TriMet and New Jersey Transit) is another way to offer flexibility to stakeholders.
- “A card in every hand” – peer agencies (such as Big Blue Bus and Metro Transit) have seen increases in ridership as a result of these programs, especially among choice riders who may not otherwise choose transit. Studies from agencies including Metro Transit and AC Transit show that if people have these passes at their disposal, they are much more likely to use transit, and it can aid in creating long-term behavioral change and mode shifts.
- Develop meaningful relationships with important stakeholders and meet with them on a regular basis to make sure their needs are being met. Especially for stakeholders with many participants, trying to be flexible to accommodate their needs is seen as a best practice among peer agencies.
- Flexibility is key. Peer agencies noted that being as flexible as possible and tailoring the program to fit the needs of the stakeholders is key to attracting and maintaining high participation in the program, which can lead to results such as increased ridership and revenue for the agency.
- Providing program administrators with an easy-to-use online portal makes it easier to participate in the program and reduces the time it takes to administer the program. The ability for program administrators to access ridership reports and other data on the use of the pass among their participants is also useful to stakeholders.

## 3.2 Stakeholder Survey

In addition to the peer survey, a stakeholder survey was also distributed to determine how Way2Go can be improved to better fit the needs of both current participants and potential future participants. Stakeholders include employers, educational institutions, and real estate developers/property management firms. The stakeholder survey was distributed online via Survey Monkey in November 2020. SamTrans staff reached out directly to twenty stakeholders, and some of which shared with their members and networks. The survey received complete responses from eight stakeholders. Table 4 provides a summary of stakeholders that responded. Follow-up interviews were completed with all stakeholders listed below with the exception of LinkedIn and Sares Regis Group.

**Table 4: Summary of respondent stakeholders**

Organization	Sector	Current Way2Go participant?
<b>San Mateo County Community College District (SMCCCD)</b>	Educational institution	No
<b>Stanford University</b>	Educational institution/employer	No
<b>Google</b>	Employer	No
<b>LinkedIn</b>	Employer	No
<b>Stanford Health Care</b>	Employer	No
<b>Eden Housing</b>	Real estate/residential developer	No
<b>MidPen Housing Corporation</b>	Real estate/residential developer	Yes
<b>Sares Regis Group</b>	Real estate/residential developer	No

Major program wants, needs, concerns, and considerations learned from these stakeholder outreach activities are summarized below.

- Flexibility is key. Each stakeholder is different and has unique needs. Structuring a flexible program that can accommodate these diverse needs will help to reduce barriers to program participation.
- Compared with other programs these agencies do or have participated in, the cost per pass is very high and can box out nonprofit housing developers and others working with limited budgets. Developing pricing that allow for lower per pass costs would open the program up to more participants.



- The current participants participate in Way2Go because it is a TDM requirement enacted by the City of San Mateo. Working to get this requirement in to more developments would help to increase participation.
- Overall, stakeholders responded positively to tiered pricing, and appreciated the flexibility to only enroll a portion of their employees/residents/students.
- Many employees/students/residents do not both live and work in San Mateo County. Purchasing passes for the percentage of people who live in SamTrans service area would be beneficial, or providing a larger regional pass that involves multiple transit agencies.
- Stakeholders noted that post-billing options were interesting, but many prefer to have price certainty so the cost can be worked into annual budgets.
- Multiple stakeholders noted that access to a data dashboard would be very useful so they can make data-driven decisions regarding program participation. This data can also help to justify continued use of the program.
- While there are other ways in which SamTrans can make the pass more attractive, if it isn't coupled with high-quality, convenient transit service, stakeholders will not want to participate. However, it is evident that SamTrans recognizes this, as most of the stakeholders interviewed are also involved in the Reimagine SamTrans project. Working with these stakeholders to fill in these service gaps will make a significant difference in participation and interest in the program.
- Overall, the three key factors that would make the most significant difference in program participation are affordability, connectivity, and flexibility. The pass must be affordable, robust and convenient SamTrans service must exist, and the program must be flexible enough to fit the unique needs of stakeholders throughout the county.

## 4 Cost Structure Development and Analysis

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SamTrans explored a variety of ways to structure the pricing of Way2Go. The process included developing two cost structure alternatives, evaluating each alternative's impact on revenue and ridership, and ultimately selecting and refining the parameters of a new program cost structure.

### 4.1 Cost Structure Alternative Development

Development of cost structure alternatives involved defining the pricing categories, pricing factors, and pricing levels.

- Pricing categories allow for different pricing for different types of participants, such as educational institutions, residential complexes, employers, and umbrella groups. Umbrella groups include organizations that encompass multiple pricing categories (e.g., mixed use developments).

- Pricing factors provide the ability to use a variety of inputs to determine the pricing, such as pricing based on the number of passes or units, number of boardings, participation levels, service levels, organization size, nonprofit status, etc.
- Pricing levels are the actual dollar amount assigned to the different categories and factors.

The two cost structure alternatives both include categories for educational, residential, and employer participants. The addition of educational as a category is in response to interest from colleges and K-12 schools, specifically the San Mateo County Community College District. Due to the absence of interested from “umbrella groups”, there is not a separate category this type of organization. Rather, pricing for umbrella organizations is based on the applicable pricing category for the number of users in each category. For example, mixed-use developments would be priced both based on the number of employees and the number of residents that are onsite.

The cost structure alternatives incorporate four pricing factors into the two alternatives: price per pass, price per unit, price based on percent participation, and price per boarding. In findings from peer review, pricing based on service level and organization size is typically reserved for larger transit agencies that offer a variety of services (light rail, express bus, local, etc.), which is why these factors aren’t reflected in the alternatives. Table 5 provides an overview of each pricing factor, their associated advantages and disadvantages, and common types of programs for peers.

**Table 5: Pricing Factors Considered – Advantages and Disadvantages**

<b>Price per Pass</b>	<b>Participant purchases a pass for each eligible user</b>	
	<u>Advantages:</u> <ul style="list-style-type: none"> <li>• Easy to communicate</li> <li>• Price per pass is fixed and pricing is available upfront</li> <li>• Everyone receives a pass, maximizing the potential to increase ridership</li> <li>• Incentive for participant to promote program since participant pays fixed price</li> </ul>	<u>Disadvantages:</u> <ul style="list-style-type: none"> <li>• Reporting on number of users required for pricing</li> <li>• Variability in headcount makes contract pricing more difficult</li> </ul>
	Common Types of Programs: all program types (most common type)	
<b>Price per Unit</b>	<b>Price varies based on the percent of eligible users that receive a pass</b>	
	<u>Advantages:</u> <ul style="list-style-type: none"> <li>• Easier for the participant to determine the number of units than number of residents</li> </ul>	<u>Disadvantages:</u> <ul style="list-style-type: none"> <li>• If more than one resident per unit wants pass, requires the resident to request and purchase of an additional pass</li> <li>• Some developments are required to purchase on a per-user basis to</li> </ul>

		fulfill city TDM or grant requirements
	Common Types of Programs: residential programs	
<b>Price based on Percent Participation</b>	<b>Price varies based on the percent of eligible users that receive a pass</b>	
	<u>Advantages:</u> <ul style="list-style-type: none"> <li>Ability to purchase for subset of users provides flexibility to purchase for only some employees or students</li> </ul>	<u>Disadvantages:</u> <ul style="list-style-type: none"> <li>Challenging for participants to estimate the potential number of users to select the participation rate</li> <li>More complex for SamTrans to price and administer than flat price per pass model</li> </ul>
	Common Types of Programs: employer programs	
<b>Price per Boarding</b>	<b>Participant pays based on number of boardings made by their users and an established reimbursement rate</b>	
	<u>Advantages:</u> <ul style="list-style-type: none"> <li>Participant pays for the service its users consume</li> <li>Reduced revenue risk for SamTrans</li> <li>Onus is on the participant to manage the right to ride list</li> <li>Flexibility to encompass a variety of types of users (e.g., employees, students, and residents)</li> </ul>	<u>Disadvantages:</u> <ul style="list-style-type: none"> <li>Uncertainty in potential cost to participant as the amount invoiced varies based on boardings (as program becomes more established fewer risks and more certainty based on historical data)</li> <li>Some additional administrative work for SamTrans (invoicing, etc.)</li> </ul>
	Common Types of Programs: umbrella groups, large employers, student programs	

Pricing per unit was considered in response to feedback from residential stakeholders. It can simplify the process for determining the cost of Way2Go passes in advance, as the number of units does not change over time while the number of residents can change.

Pricing based on percent participating and per boarding were considered in response to the hesitancy of potential participants to pay for their entire population of residents, students, and/or employees regardless. It is important to note that the pricing for Way2Go and other similar programs offered by peers is based on the assumption that not all users will use their passes and/or use them less frequently. This is an underlying assumption of insurance-based universal transit pass programs. However, this concept is often misunderstood by potential participants who do not want to purchase a pass for all residents, students, and/or employees.

The pricing objectives, listed in Table 6, were used to develop pass pricing for each pricing category and factor for the two alternatives.

**Table 6: Pricing Objectives by Pricing Category**

<b>Pricing Category</b>	<b>Average Fare per Boarding Pricing Objective</b>
<b>Residential</b>	\$1.00 per boarding <i>Assumes a blend of rider categories including full fare, youth, and eligible discount riders</i>
<b>Educational</b>	\$1.25 per boarding <i>Based on slight discount on the average fare for full fare riders</i>
<b>Employer</b>	\$1.50 per boarding <i>Based on estimated the average fare for full fare riders</i>

The pricing for the categories and specific factors is based on the number of boardings that would be made with a given pass. The number of boardings per user varies between pricing categories (e.g., residential, educational, employer) and among each participant's users. The pricing based on percent participation assumes that the first tier (25% participation) accounts for the majority of the core transit users and that the higher percent participation tiers (e.g., 75% participation) result in diminishing increases in transit ridership.

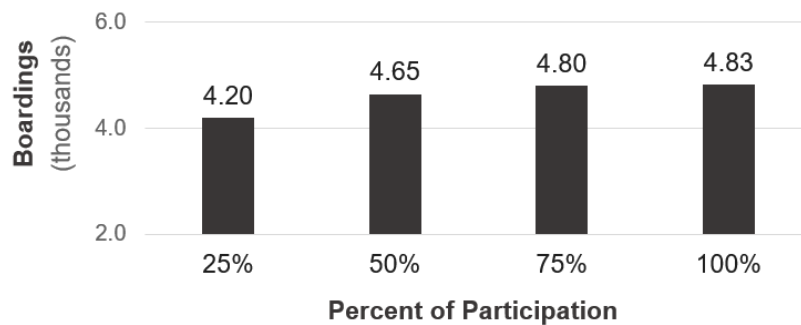
For the residential pass, the projected average number of boardings per pass was based on February 2020 usage and extrapolated for an entire year. For the educational pass, the projected average number of boardings was estimated using data from a two-week long Try Transit pilot program in 2019, which offered free SamTrans bus service for students at SMCCCD. For the employer pass, the projected average number of boardings was based on research and estimates from other transit agencies with similar employer pass programs. These usage rates also assume an increase in transit ridership with the introduction of the pass, which is discussed further in Section 3.1.4.1 Ridership Growth Assumptions. The pass usage assumptions used in determining pricing are shown in Table 7.

**Table 7: Pass Usage Assumptions for Alternative Pricing Levels**

<b>Pricing Category</b>	<b>Percent of participation</b>	<b>Number of Boardings per User per Month</b>
<b>Residential</b>	Per Unit	9.1
	Per User	3.4
<b>Educational</b>	25%	23.0
	50%	13.5
	75%	9.7
	100%	7.4
<b>Employer</b>	25%	14.0
	50%	7.8
	75%	5.3
	100%	4.0

For the percent of participation model, as the percent of population receiving a pass increases there is a slight increase in the number of boardings. However, the pass usage rates assume that there is a non-linear increase. For example, at 75% participation, the average number of boardings per user will be lower than at 25% participation since a larger proportion of users will not use their pass or use it infrequently. Figure 2 illustrates for an employer with 100 employees how the increase in estimated number of annual boardings is expected to diminish as the percent of participation increases.

**Figure 2: Annual Boardings for Employer with 100 Employees by Percent of Participation**



#### 4.1.1 Cost Structure Alternatives

To arrive at the final cost structure outlined in section 5.1, the study evaluated two cost structure alternatives:

- Alternative 1: Pricing per Unit and by Participation
  - Residential programs priced per unit with an option to purchase additional passes at the same rate
  - Educational and Employer programs priced per pass based on percent of participation
- Alternative 2: Pricing by Category with Option for Pricing per Boarding
  - Option 1: All programs priced per pass
  - Option 2: Participants pay based on number of boardings made by their users and the established reimbursement rate

Table 8 lists the pricing for the two cost structure alternatives.

**Table 8: Cost Structure Alternatives Evaluated**

Category	Alternative 1		Alternative 2	
	Percent of Participation	Price per Pass or Unit	Option 1: Price per Pass	Option 2: Price per Boarding
Residential	\$110 per unit* *option to purchase additional passes at same rate (\$110 per pass)		\$40	\$1.50

Educational	25%	\$120	\$35 (per semester)	
	50%	\$65		
	75%	\$45		
	100%	\$35		
Employer	25%	\$254	\$73	
	50%	\$137		
	75%	\$95		
	100%	\$73		

For percent of participation, it is important to note that the pricing is based on the number of eligible users and minimum percent of participation. The pricing for each percent of participation tier is set to encourage participants to move up to the next tier when the number of active users approaches the minimum number of passes for the tier. For example, an employer with 100 employees that selects the 25% participation tier must purchase a minimum of 25 passes at \$254 (contract value of \$6,350). The employer can add additional employees in excess of the 25 passes through the year, and the employer would pay a prorated amount of the \$254 per pass based on when they join. If the employer has more than 27 users in the second year, it would be more beneficial for the employer to move up to the 50% participation tier as they could add 23 more users at no additional cost.

#### 4.1.2 Contract Minimums

The current Way2Go program has a contract minimum of 100 passes, which equates to \$12,500. This is substantially higher than many peer programs. Different contract minimums were considered as part of the cost structure alternative evaluation.

Contract minimums ensure that the transit agency breaks even for smaller participants with a large proportion of users who use transit. Contract minimums also help the agency minimize administrative costs to enroll new participants with few users. Administration requires contract set-up, survey of users, invoicing, ongoing communications and support, etc. For participants with fewer users, pass programs like Way2Go become less cost effective as the administrative cost per user will be higher than for larger participants with more users.

The Study proposed a revised contract minimum of \$2,500.

**Table 9** shows how a \$2,500 contract minimum aligns with peers, including VTA's SmartPass, and the equivalent number of annual Way2Go users for the three pricing categories based on the revised pricing in Table 8.



**Table 9: Contract Minimum Pricing Compared to Peers and Equivalent Number of Passes**

<b>Pricing Category</b>	<b>Peer Programs</b>	<b>Revised Contract Minimum</b>	<b>Equivalent Number of Users</b>
<b>Residential</b>	\$2,500 - \$7,000	\$2,500	62 residents
<b>Educational</b>	\$2,500 - \$15,600		35 students
<b>Employer</b>	\$1,100 - \$2,500		33 employees

Unlike the current contract minimum of \$12,500, the revised contract minimum of \$2,500 provides an attractive option for smaller participants to join Way2Go even if they pay the contract minimum instead of paying per user. A contract minimum of \$2,500 aligns with approximately three annual Local monthly passes (~12 x monthly pass price) or 1.6 annual express annual passes. Thus, smaller participants with even just some current or potential SamTrans users will be incentivized to participate in Way2Go.

## 4.2 Revenue and Ridership Analysis

The purpose of the revenue and ridership analysis is to understand the relationship and tradeoffs between farebox revenue and ridership changes for the two cost structure alternatives. Way2Go is designed to encourage transit use and attract new transit riders by putting a pass into the pockets of employees, students, and residents. The increase in ridership, however, can result in a loss of fare revenue if the programs are not priced correctly. As such, the revenue and ridership analysis estimates how the alternatives would impact both ridership and fare revenue collected before and after a program is implemented.

### 4.2.1 Ridership Growth Assumptions

Bulk pass programs, such as Way2Go, promote ridership by encouraging a mode shift from private automobile or other modes (mostly non-discretionary trips, such as work trips) and by inducing new trips (mostly discretionary trips). However, many of those that use the pass program would have still taken transit trips in the absence of the pass program.

Surveys taken by Way2Go users before receiving the pass indicate that most residents plan to use SamTrans more often once they receive the pass. Similar results were found for students who participated in the SamTrans' Try Transit Pilot. It is important to note that these data points only apply those who requested and received a pass through Way2Go or the Try Transit Pilot, which results in some bias in the results.

Nonetheless, these findings are supported by research conducted by peers and Transit Cooperative Research Program.

Table 10 lists relevant research and the ridership growth assumptions assumed in the revenue and ridership analysis. The revenue and ridership analysis assumes 20-35% increase in the number of boardings made by users from new participants.

**Table 10: Ridership Growth Assumptions for New Participants**

<b>Pricing Category</b>	<b>Research</b>	<b>Ridership Growth Assumptions</b>
<b>Residential</b>	Way2Go user surveys indicate that respondents plan to increase their use of SamTrans after receiving a pass. In 2019, 6% of respondents were not SamTrans riders. Further, 11% of infrequent riders who used SamTrans two or fewer days per week planned to increase their use of SamTrans.  Metro Transit in Minneapolis reported in their peer survey that the Phase I pilot resulted in a 78% increase in transit ridership from individuals who previously paid per trip, supporting the findings from the Way2Go user surveys that unlimited passes will increase use.	35%
<b>Educational</b>	The SamTrans Try Transit Pilot found 40% of post- pilot respondents said they "used SamTrans much more than they normally would" while another 30% used it "a little more".  <i>TCRP Synthesis 131: College Student Transit Pass Programs</i> found ridership increased by more than 35% with annual growth in subsequent years.	35%
<b>Employer</b>	<i>TCRP Report 107: Analyzing the Effectiveness of Commuter Benefits Programs</i> found a 10%+ increase in transit riders and an increase in transit trips of more than 18%.	20%

The pass pricing incorporates the projected increase in ridership so that SamTrans benefits from the ridership growth with increased fare revenue. In the future as Way2Go matures with increased data, it will be valuable to use ridership data in combination with pricing objectives to realign pass pricing as needed.

#### 4.2.2 Revenue Assumptions

The estimated average fare per boarding and ridership can be used to project fare revenue before and after a user receives a Way2Go pass. In this analysis, the average fare for fare payment methods available to the public is used as a proxy for the estimated average fare received by SamTrans from users before receiving a Way2Go pass. Meanwhile, the revised pricing in Table 8, divided by the projected pass usage rates in Table 7, is used to calculate the estimated average fare that would be received from a user after receiving a Way2Go pass.

The average fare for the public varies based on service type (Local vs. Express service), rider category (full fare, youth, eligible discount), and fare payment method (e.g., cash, Clipper, day pass, monthly pass, etc.). Table 11 lists the estimated average fare received per boarding for full fare riders based on the current SamTrans fare structure as of January 2020. In addition to different fare payment methods, SamTrans offers a 50% discount on its fares and passes for youth and eligible discount riders. The average fare for these riders may deviate slightly from 50% of those for full fare riders given differences in transfer and pass usage rates.

**Table 11: Average Fare per Boarding for Full Fare Riders**

<b>Full Fare Payment Method</b>	<b>Avg. Fare</b>
Local - Cash / Token	\$2.25
Local - Clipper / Mobile	\$1.52
Local - Day Pass	\$1.44
Local - Monthly Pass	\$0.90
Express - Cash / Token	\$4.50
Express - Clipper / Mobile	\$2.97
Express - Monthly Pass	\$1.78
<b>Full Fare Average</b>	<b>\$1.51</b>

If the average fare received per boarding by SamTrans is lower after a user receives a Way2Go pass, SamTrans may experience a revenue loss. Ridership growth can help offset some potential revenue loss. However, whether the ridership growth will offset the revenue loss due to introducing a discount or underpricing the pass will depend on the size of the discount incorporated into the pricing. The revised pass pricing is intended to remain revenue neutral or result in an increase in fare revenue to align with the increase in ridership.

### 4.2.3 Revenue and Ridership Impacts

The revenue and ridership impacts vary by pricing category given differences in pricing and ridership growth. The following explores the different revenue and ridership impacts for current participants and new participants.

#### Current Participants

The Way2Go program generated \$48,625 in 2018, \$67,334 in 2019, and \$62,000 in 2020, for a total of \$177,959 over the past three years. The yearly revenue Way2Go generates is approximately 0.5% of the FY 2019 farebox revenue.

With the cost structure alternative pricing in Table 8 and lowering of the contract minimum from \$12,500 to \$2,500, the total annual revenue loss would be approximately -\$41,655 for Alternative 1 and -\$44,935 for Alternative 2 if SamTrans implements the alternatives with the current set of participants. However, the revised decrease in prices and planned marketing efforts will likely attract additional organizations to participate in the program, helping offset this revenue loss.

### New Participants

The analysis also explored how the enrollment of new participants would impact revenue and ridership for each of the three pricing categories: residential, educational, and employer. Table 12 illustrates the anticipated impacts of revising the pricing. For all three pricing categories, the participation is expected to result in an increase in ridership, while the impact on total fare revenue collected varies based on pricing category and pricing objectives. All three pricing categories are expected to generate an increase in fare revenue or remain revenue neutral.

**Table 12: Anticipated Revenue and Ridership Impacts of Revised Cost Structure**

<b>Pricing Category</b>	<b>Ridership</b>	<b>Average Fare</b>	<b>Fare Revenue</b>
<b>Residential</b>	35% increase	Decrease in average fare	Revenue neutral/ slight increase in fare revenue
<b>Educational</b>	35% increase	Decrease in average fare	Revenue neutral/ slight increase in fare revenue
<b>Employer</b>	20% increase	No change in average fare	Increase in fare revenue in line with ridership growth

For new residential and educational participants, the analysis of revenue and ridership assumes that ridership among residents/students will increase 35%. Depending on the proportion of users eligible for a discounted fare (e.g., youth, eligible discount) and those who pay full fare, it is possible that the average fare per boarding received by SamTrans will decrease. However, even with a decrease in the average fare received per boarding, it is anticipated that the ridership growth will offset this decrease, resulting in a slight increase in fare revenue or at minimum remaining revenue neutral.

For new employer participants, the analysis of revenue and ridership assumes that ridership among employees will increase 20%. The pricing objectives for the employer program is intended to set the pass pricing such that the average fare received through Way2Go aligns with the average fare per boarding for full fare riders. As a result, it is anticipated that new employer participants would result in an increase in revenue that aligns with the ridership increase.

### Comparison of Alternatives

Alternative 2 is projected to generate more ridership and consequently more revenue than Alternative 1. The primary reason behind this is that Alternative 1 provides greater flexibility for participants to select a percent of participation level and only purchase passes for a subset of their users compared to Alternative 2 which requires passes purchased for all eligible users. Part of the premise of programs like Way2Go is to offer all users a pass to promote transit use and encourage

occasional riders to use transit more and for new customers to try transit. The analysis of potential participants indicates that many participants would likely only want to purchase passes for a subset of their employees or students in Alternative 1. It is also likely that many of these users may already use SamTrans and thus may not generate a notable increase in ridership or revenue from expanding participation in Way2Go.

Based on the results of the analysis and discussions among the stakeholders, SamTrans Staff Working Group, and SamTrans Executive Leadership, the Study identified Alternative 2 with slight modifications (e.g., rounding employer pass price to \$75 per user) as the preferred alternative.

## 5 Final Cost Structure and Title VI Analysis

### 5.1 Final Cost Structure

SamTrans identified the final program cost structure based on the evaluation of the two cost structure alternatives that incorporated different pricing categories and pricing factors as described in the previous section. The final program cost structure retains the two pricing categories (residential and employer) and introduces a third pricing category (educational). It also retains the current approach of pricing based on number of eligible users. However, pricing per pass is updated and varies by pricing category.

The following changes were adopted for the Way2Go:

- Add an additional category for educational institutions, which would allow colleges and K-12 schools to participate in the program
- Adjust the per-pass price, making the program more affordable and better aligned with the bulk pass programs of peer agencies and the goals of increasing participation
- Reduce the contract minimum, in order to be more inclusive of smaller businesses, housing complexes, and other eligible groups

The changes are reflected in Table 13.

**Table 14: Current and Revised Way2Go Pricing and Contract Minimum**

	Pricing Category (Annual Price per Pass)			Contract Minimum
	Residential	Educational	Employer	
<b>Current</b>	\$125	Not Eligible	\$125	\$12,500
<b>Revised</b>	\$40	\$35 per semester*	\$75	\$2,500

*\*Semesters are defined so as to cover the full calendar year (e.g., January through July, and August through December)*

## 5.2 Title VI Analysis

A Title VI fare equity analysis was conducted on the revised program cost structure. The Title VI fare equity analysis of the revised changes found that the new program cost structure does not result in a disparate impact on minority users or disproportionate burden on low-income users.

### 5.2.1 Title VI Policies

Title VI of the Civil Rights Act of 1964 (Title VI) prohibits discrimination on the basis of race, color, and national origin in programs and activities receiving federal financial assistance. The Federal Transit Administration updated its Title VI of the Civil Rights Act of 1964 guidance in October 2012, through FTA Circular 4702.1B. This guidance requires that the governing authority of each federally assisted public transportation provider adopt three policies including:

- Major Service Change Policy
- Disparate Impact Policy
- Disproportionate Burden Policy

As a federal grant recipient, SamTrans is required to evaluate service and fare changes at the planning and programming stages to determine whether those changes have discriminatory impacts, including disparate impacts on minority populations and/or disproportionate burdens on low-income populations. The indices of discrimination that could be monitored for disparate impacts include fare structures that could consistently cause minority-group riders to bear a higher fare burden than the overall riding public.

SamTrans adopted Title VI policies based on a number of factors, including existing policies already in use, consultation with other transit agencies, and analysis of impacts of past service and fare change decisions. SamTrans published its policies for public review in January 2013 and conducted significant public outreach to solicit input. Following public engagement, SamTrans revised the policy proposals and the Board of Directors adopted the revised policies at the March 13, 2013 meeting.

As part of the Authority's Disparate Impact Policy and Disproportionate Burden Policy, SamTrans has adopted a 20 percent threshold based on the cumulative impact of the proposed service and/or fare changes. The threshold applies to the difference of the impacts borne by minority (or low-income) populations compared to the same impacts borne by non-minority (or non-low-income) populations.

In other words, if the difference in the percentage change experienced between minority riders and non-minority riders is greater than 20%, that would suggest that the fare change would result in disparate impacts on minority populations. Further, if the percentage difference in the change experienced between low-income riders and non-low-income riders is greater than 20%, that would suggest that the fare change would result in a disproportionate burden to low-income populations. A difference of less than 0% (any negative percentage) would indicate that the fare change would benefit those populations more than the others.



## 5.2.2 Fare Equity Analysis Findings

The fare equity analysis analyzed the impact of the fare proposals on minority populations compared to non-minority populations and low-income populations compared to non-low-income populations. Minority is defined as anyone who self-identified as any ethnicity other than “white” alone or indicated that they are of Hispanic, Latino, or Spanish origin. Low income is defined as anyone with an annual household income at or below 200 percent of the federal poverty guidelines. (Note: for potential employer pass users, low income is defined as anyone with an annual household income at or below 150 percent of the federal poverty guidelines due to the limitation of the data available.)

A variety of data sources were used to develop a breakdown of fare payment and average fare paid by minority and low-income riders, versus non-minority and non-low-income riders. Data sources included the SamTrans 2019 Origin-Destination Survey, 2020 Way2Go User Survey, 2019 American Community Survey 5-Year Data, and the SamTrans 2018 Triennial Survey.

In addition to the overall demographics of overall SamTrans ridership (i.e., 19% non-minority/81% minority and 52% low-income/48% non-low-income), the relationship between fare payment methods (e.g., cash, Clipper, day pass, monthly pass) for different populations was explored. While minority and non-minority riders have similar distribution among fare payment methods, low-income riders are more likely to use cash and less likely to use a monthly pass compared to non-low-income riders.

For each of the three pricing categories, the Title VI fare equity analysis explored the demographics of current users (Way2Go users participating in residential pass) and potential users (educational and employer pass), comparing these to system-wide ridership demographics, as shown in Table 15. These demographics were important in considering the pricing of the programs. For the residential pass, users are more likely to be minority and low income than the system-wide SamTrans ridership. For the educational pass, the demographics of potential users are projected to be very similar to the system-wide SamTrans ridership with a slightly higher proportion of users being low income. For the employer pass, the demographics of potential users are projected to be very different than the system-wide SamTrans ridership. Potential users of an employer pass are expected to be more likely non-minority and non-low income than the system-wide SamTrans ridership.

**Table 15: Projected Demographics of Different Pass Programs**

Population	Minority	Non-Minority	Low-Income	Non-Low-Income
<b>Residential Pass</b>	96%	4%	82%	18%
<b>Educational Pass</b>	83%	17%	57%	43%
<b>Employer Pass</b>	61%	39%	6%	94%
<b>System-wide SamTrans Ridership</b>	81%	19%	52%	48%

Sources: 1) Residential Pass – 2020 Way2Go User Survey; 2) Educational Pass – SamTrans 2019 Origin-Destination Survey, Fall 2019 (full fare riders on routes serving campuses); 3) Employer Pass – 2019 ACS, 5-Year, *Table S0804: Means of Transportation to Work by Selected Characteristics for Workplace Geography*; 4) System-wide SamTrans Ridership – SamTrans 2019 Origin-Destination Survey, Fall 2019.

The analysis also explored how the new program cost structure would affect the average fare received by SamTrans before and after the changes. The relationship between fare payment methods for different populations was accounted for when determining the average fare for minority, non-minority, low-income, and non-low-income populations. The analysis concluded that the pricing for the revised program cost structure would not have a disparate impact on minority users or impose a disproportionate burden on low-income users based on the SamTrans Policies.

**Table 16: Average Fare Analysis for the Three Pricing Categories**

Pricing Category	Average Fare		Unit Change		% Difference between Protected and Non-Protected
	Before	After	\$	%	
Residential					
Minority User	\$3.64	\$0.98	-\$2.66	-73%	0%
Non-Minority User	\$3.64	\$0.98	-\$2.66	-73%	
Low-Income User	\$3.64	\$0.98	-\$2.66	-73%	0%
Non-Low-Income User	\$3.64	\$0.98	-\$2.66	-73%	
Educational					
Minority User	\$1.52	\$1.18	-\$0.34	-22%	0%
Non-Minority User	\$1.51	\$1.18	-\$0.33	-22%	
Low-Income User	\$1.59	\$1.18	-\$0.41	-26%	-6%
Non-Low-Income User	\$1.48	\$1.18	-\$0.30	-20%	
Employer					
Minority User	\$1.52	\$1.56	+\$0.04	+3%	0%
Non-Minority User	\$1.51	\$1.56	+\$0.05	+3%	
Low-Income User	\$1.59	\$1.56	-\$0.03	-2%	-7%
Non-Low-Income User	\$1.48	\$1.56	+\$0.08	+5%	

## 6 Implementation Plan

The implementation plan in Table 17 serves as a guide for SamTrans in implementing changes to Way2Go, by outlining action items, responsible party (or parties), and timeline. The implementation plan begins in July 2021 to align with the presentation of the new cost structure to the SamTrans Board of Directors

**Table 17: Way2Go New Cost Structure Implementation Plan**

<b>Time frame</b>	<b>Action Item</b>	<b>Responsible party (or parties)</b>	<b>When</b>	<b>Notes</b>
Before new cost structure implementation	Conduct Title VI fare equity analysis	Office of Civil Rights	July 2021	As federal grant recipient, SamTrans is required to evaluate fare changes to determine whether those changes have discriminatory impacts on minorities and/or low-income populations prior to Board adoption. The analysis found that the revised program cost structure does not result in a disparate impact or disproportionate burden.
	Update SamTrans Fare Structure document	Planning Department, Financial Planning and Analysis	July 2021	The SamTrans Fare Structure document needed to be updated to reflect these new changes prior to Board adoption in August 2021.
	Adopt new Way2Go Pass cost structure	Board of Directors	August 2021	Adoption of the new Way2Go Pass program cost structure included the approval of the changes to the Fare Structure.
	Update Way2Go contract terms	B2B Staff	August 2021	Prior to new cost structure implementation, the Way2Go contract terms will need to be updated to reflect the new pricing and other program changes (such as new institutions able to participate, rules for mixed-use developments and small organizations, etc.). This will need to take place in August 2021, as contract renewals begin in September.
	Designate project lead for action item implementation	Planning Department	August 2021	Whenever an agency embarks on implementing changes to a program, it is important to designate someone internally to act as project lead. Specifically, the project lead will be in charge assigning task ownership, developing a detailed implementation plan and schedule, and adjusting the schedule over time as needed.
	Inform MTC of new changes	Financial Planning and Analysis	August 2021	SamTrans should inform MTC of the new changes taking place to identify any changes needed to the Clipper system. This is also an opportunity to work with MTC to identify opportunities for MTC to help advertise the Way2Go Pass to Bay Area customers.

Time frame	Action Item	Responsible party (or parties)	When	Notes
	Update participant survey to reflect new changes	Market Research	September 2021	Every participant is required to fill out a survey prior to receiving their Way2Go pass. The survey should be updated to reflect the new program pricing, as well as any other necessary changes.
	Create sample packages for renewing and inquiring participants	B2B Staff	September 2021	Sample package includes steps on how to get started, sample agreement, Intent to Participate Form, sample tracking log and sample survey.
	Develop KPIs	Planning Department, B2B Staff, Financial Planning and Analysis	Fall/Winter 2021	<p>To be able to accurately track Way2Go performance, SamTrans should develop KPIs to measure program performance over time. KPIs can also be developed as a part of the internal guidance policies for Way2Go. Some example KPIs include:</p> <ul style="list-style-type: none"> <li>• Number of eligible users</li> <li>• Number of eligible users per pricing category (residential, employer, educational)</li> <li>• Number of unique users (number of users using the pass out of all eligible users)</li> <li>• Number of unique users per pricing category (residential, employer, educational)</li> <li>• Number of unique users based on number of monthly trips (1-10 boardings a month, 11-20, 21-40, 40 and over)</li> <li>• Participation level (unique users / eligible users)</li> <li>• Average monthly boardings per unique user</li> <li>• Average fare per boarding per pricing category</li> </ul>
	Determine internal guidance policies	Planning Department, B2B Staff	Fall/Winter 2021	Prior to new cost structure implementation, it will be important to update and document internal guidance policies regarding details of Way2Go. For example, these could include considerations for any sub-group eligibility, guiding policies for umbrella organizations or sub-groups, etc.
	Develop/update guidance for Clipper Portal	B2B Staff, Cubix	Fall/Winter 2021	To assist new participants in implementing Way2Go more easily among their users, SamTrans and Cubix should develop external policies and documents that clearly outline program rules, how to set up the program, how to use the Clipper portal, and more.

Time frame	Action Item	Responsible party (or parties)	When	Notes
	Create new Way2Go marketing materials	Marketing Department	Fall/Winter 2021	<p>As part of the implementation of the new cost structure, SamTrans should develop new marketing materials that clearly communicate the benefits of participating in the program. This could include:</p> <ul style="list-style-type: none"> <li>• A PowerPoint summarizing the program</li> <li>• Updated website – revise and reformat for clarity</li> <li>• A "packet" for new program participants and users with SamTrans maps and schedules.</li> </ul>
	Increase market outreach to promote program	Marketing Department, B2B Staff	Beginning in winter 2021 and ongoing – marketing “blitz” every fall	<p>This should begin prior to January 2022 and should be a continuous effort so that potential participants remain aware of the program and its benefits. SamTrans should follow-up with organizations that were involved in the Way2Go Study survey and interviews (such as SMCCCD and Stanford). SamTrans also should work with cities and Commute.org to advertise Way2Go.</p> <p>SamTrans should conduct outreach with K-12 schools that are currently participating in the vendor program through the purchasing of monthly passes for students enrolled in the free or reduced school lunch program to inform them that they are now eligible for Way2Go, as this may be a cheaper alternative.</p> <p>SamTrans should conduct outreach after implementation of the Reimagine SamTrans service recommendations, especially to organizations that were hesitant to enroll due to a low level of service around their location.</p>
Implementation	Implement new Way2Go pass structure	B2B Staff	January 2022	

Time frame	Action Item	Responsible party (or parties)	When	Notes
After new cost structure implementation	Quantify and understand administrative staff time and resources required to administer program	Planning Department, B2B Staff	Beginning in January 2022	As participation in the program increases, it is important to continuously monitor and quantify the administrative time and resources required to administer the program. This will help SamTrans in its ability to identify if and when additional staff resources are needed to help support the program as it grows.
	Review Way2Go program, performance, and participation	Planning Department	January 2022 and ongoing	In addition to monitoring the program's KPIs throughout the year (e.g., quarterly), it is recommended that after one year (January 2023), SamTrans staff perform a review of the program, noting how participation has trended over the one year that the new cost structure has been in place. This will also be an optimal time to review any comments, complaints, or requests from participating or potential organizations to understand if these can be accommodated. This Clipper data can also help SamTrans price the program in the future. As the Way2Go program pricing is set in the SamTrans Fare Structure, changes to the cost structure require Board approval and it would be a significant staff undertaking to get changes approved. Thus, SamTrans should conduct a more in-depth program review once more data is available that may result in cost structure changes on a less frequent basis.
	Understand how the program will adapt with Clipper 2.0	B2B Staff, Financial Planning and Analysis	1-3 years after implementation	It is expected that Clipper 2.0 will be rolled out within the next 2-3 years. It will be important for SamTrans staff to determine how Clipper 2.0 could affect the Way2Go program and prepare participants for any changes prior to the rollout of Clipper 2.0 and be actively engaged prior to the rollout.

Figure 3 presents a summary of the implementation plan schedule between July 2021 and 2024.

		SamTrans Way2Go New Cost Structure Implementation Plan									
		July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	2022	2023	2024
Before new cost structure implementation	Action Item										
	Complete Title VI fare equity analysis										
	Update Fare Structure document										
	Adopt new Way2Go Pass program cost structure										
	Update Way2Go contract terms										
	Designate project lead										
	Inform MTC of changes										
	Develop KPIs										
	Determine internal guidance policies										
	Develop external guidance policies and materials										
	Create new marketing materials										
	Increase outreach and marketing										
Implementation	Implement new Way2Go pass structure							*			
	Quantify administrative time and resources										
After implementation	Review program performance										
	Understand program changes with Clipper 2.0										

**Figure 3: SamTrans Way2Go New Cost Structure Implementation Plan Schedule**

The implementation plan should serve as a starting point and general guide towards the development of a more detailed implementation and action plan. This new pass structure has the potential to be a very attractive option for organizations to participate in; thus, it is important that SamTrans commits to implementing these action items, as well as any others identified by the agency as important for program success. This includes investing staff resources to market and promote the Way2Go Pass. Finally, as implementation continues over time, it is important for SamTrans to continually keep the three main objectives for this project in mind: ensuring pricing is equitable for partners and financially sustainable for SamTrans, improving efficiency and effectiveness of pass implementation and administration, and increasing participation in the program and overall bus ridership.

