

***Conduct Public  
Hearing and Adopt  
Fare Structure  
Change Regarding  
GoPass and  
Partnerships***

***JPB Finance Committee  
March 24, 2025***



# Agenda

- Strategic Objectives
- Background/Current Challenge
- Proposed Changes
- Next Steps
- Recommended Action
- Q&A and Discussion

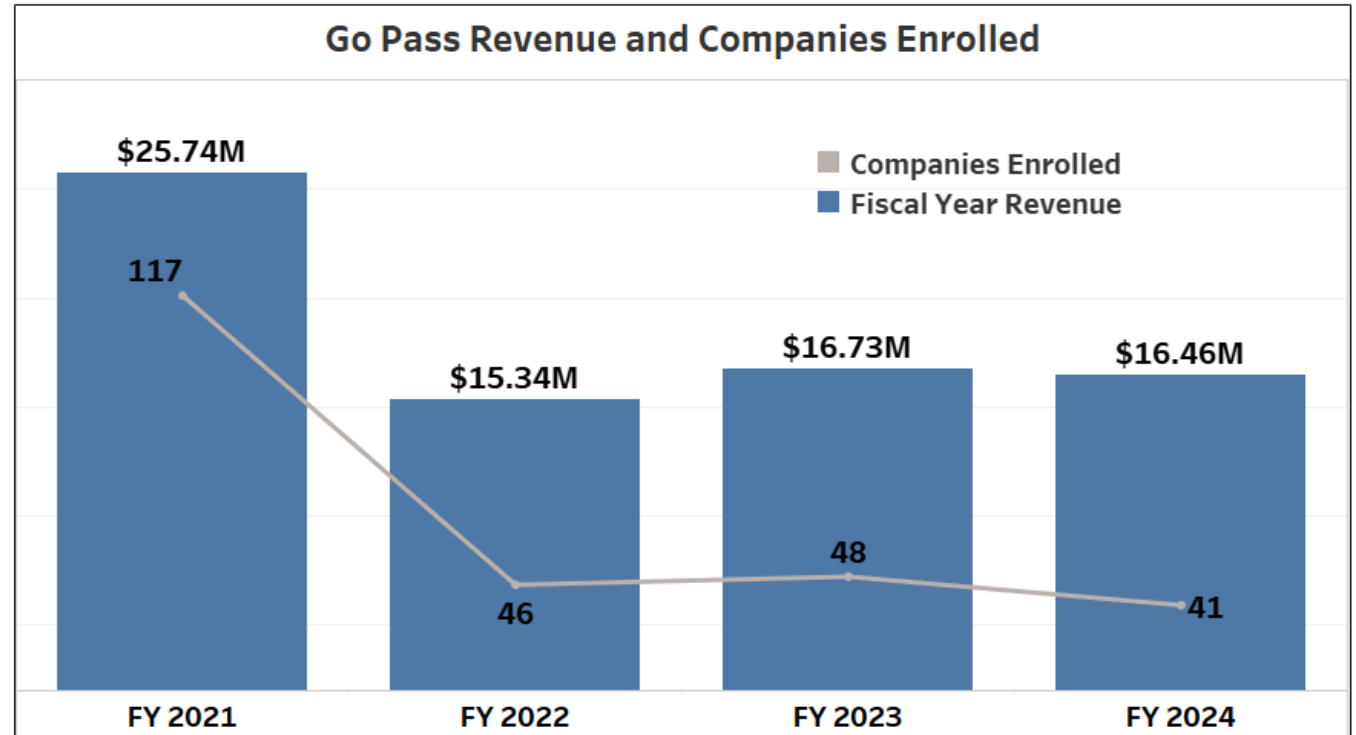
# Strategic Objectives

- Connection to the Caltrain Mission/Vision
- Responsive to a changing market and commute patterns
- Reverse ridership and revenue loss and build new ridership and grow/diversify revenue base
- Embed GoPass as a core part of City development and TDM policies

# Background

# Background/Current Challenges

- GoPass is currently priced at \$275 per employee for organizations and \$99 per student for schools, requiring full enrollment of all eligible participants.
- Since FY21, revenue has declined 36% and participating companies have dropped 65%.



# Background/Current Challenges

**Attempts to bring in new businesses with current structure were unsuccessful**

## Targeted Campaign

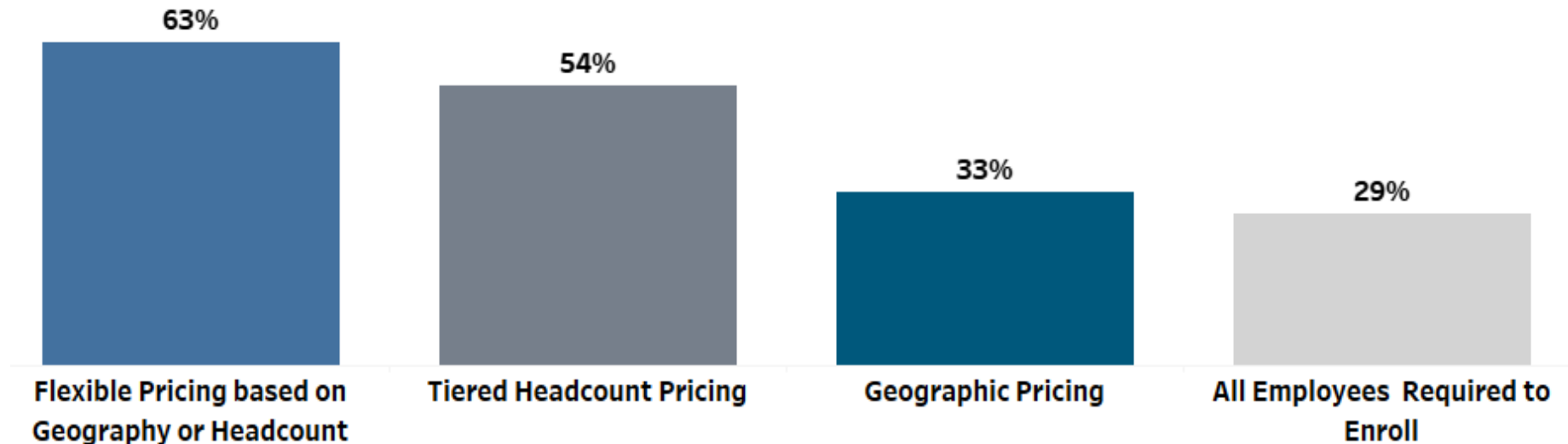
- In 2023-24 over 70 former and potential participants were targeted for new business development.
- Campaign resulted in only 4 new enrollments and \$36,000 in annual revenue

## Key Feedback

- The all-in requirement is outdated and does not align with hybrid work models.
- The cost is too high relative to actual usage.
- Not financially viable for large student bodies with low pass utilization.
- Strong interest in a tiered pricing system for better flexibility.

# Comparison with Peer Agencies

- A study of 24 transit agencies' pass programs found that nearly **two-thirds offer flexible institutional pricing**.
- Only 29% of researched require full employee participation
- Best practices from peer agencies indicate that greater flexibility leads to increased participation.



# Proposed Changes



# Fare Structure Changes

- Establish a new “GoPass and Other Institutional Programs” section in the Fare Structure, granting the Executive Director or designee authority to set prices and terms for GoPass and other institutional pass programs.
- More flexibility to adjust framework and adapt pricing to market demand and employer needs, especially during the rollout of the new tiered pricing.
- Faster response to employer concerns and market trends.
- Fare Structure formal process is multiple month process and limits flexibility
- GoPass is an Institutional Program and not available to the general public. Pricing is not required to be in the Fare Structure and the program is not subject to Title VI analysis.

# Benefits

## **Businesses and institutions:**

- Flexible, cost-effective transit benefits that align with hybrid work models.

## **Students and future riders:**

- Expands access, builds lifelong transit habits, and supports educational institutions.

## **Caltrain:**

- Increases ridership, strengthens partnerships, and adapts to market demands.

## **For All:**

- Promote transit use, reduces congestion and helps fight climate change

# Proposed Flexible Pricing Structure

- **Create an Educational Institution Category**
  - Retain all-in requirement for admin staff and offer free transit passes to undergraduate students and those in lower grades as a benefit, encouraging travel behavior changes and building a future ridership base
- **Add option to provide flexible tiered pricing based on organizational size and number of passes administered by staff for:**
  - Businesses - various pricing by company size/headcounts
  - Non-Profits, TMAs, Municipalities, Housing developments
  - Students who are not covered under an educational institution GoPass program
- **Leave Bay Pass agreement in place with current all-in pricing**
  - Allow purchase of Caltrain monthly parking with a Bay Pass

# Proposed Flexible Pricing Structure

- Prices for Educational institution remain at \$275 and students \$99
- Will continue to offer the current “all-in” at \$275 option to all
- Staff will administer the program and perform analysis to set/adjust pricing
- Currently testing the pricing range from \$349 to \$599 depending on business category and enrollment levels.

Business Type	Minimum Enrollment	Tier Levels
Small -Total Headcount <100	14	30
	31	>31
Mid Size-Total Headcount >100 and <500	51	100
	101	>101
Large-Total Headcount >500	100	200
	201	500
	501	>501
Municipalities, TMA's, Housing Developments Non-Profits**	Minimum participation levels are determined on a case by case basis	
Educational Institutions and Subsidiaries Admin*	All Employees must enroll	
Student Pass	55	N/A

\* If all staff enroll, undergrad and below students are included at no additional cost

\*\*Non-Profits may be subject to maximum headcount limitations



# Due Diligence

Confirmed ongoing commitment with largest participant, Stanford (>70% of revenue) with opportunities for additional partnership

- Appreciated Go Passes for undergraduate students would be included which strengthens Stanford's leadership in sustainability, aligns with its broader mission of environmental stewardship and strengthens their partnership with Caltrain.
- Open to long term commitment and aligned that tiered pricing for businesses would promote program growth.

Met with additional top 5 participants and sent out ~200 emails resulting in 14 meetings with potential clients

- Highly in favor of the tiered pricing structure

# Financial Impact

- Short-term revenue loss risk from current customers switching to new category is \$200k-\$400k, however, revenue loss from companies leaving the program would be a much higher amount.
- Re-enrolling past participants and interested businesses at 5%-25% participation could add between \$800k to \$4.3M in new GoPass revenue

# Evaluation Criteria

- **Participation Growth**
  - Number of new participating organizations – Measures expansion of program adoption.
  - Renewal conversion rate – Tracks retention of current participants.
  - Re-enrollment of past participants – Assesses ability to win back former customers.
- **Financial Impact**
  - **Cost-benefit analysis of tiered pricing – Institutional level analysis of revenue vs actual utilization to mitigate risk and adjust pricing.**
  - Revenue retention – Measures how much existing revenue is maintained versus lost.
  - Revenue from new participants – Evaluates financial contribution from expanded participation.
- **Ridership and Utilization**
  - Pass usage rates – Tracks how frequently GoPass holders use Caltrain services.
  - Impact on system-wide ridership – Measures program's effect on total Caltrain ridership.

# Expanding Institutional Pass Agreements

- **Currently no mechanism to enter into agreements outside of GoPass**
- These agreements will provide flexibility to form community and organizational partnerships that may drive incremental revenue.
- While financial impacts are not yet quantifiable, targeted agreements can enhance Caltrain's visibility and attract new riders.
- High-profile and community-focused events present opportunities to expand ridership and strengthen Caltrain's presence.



# Next Steps

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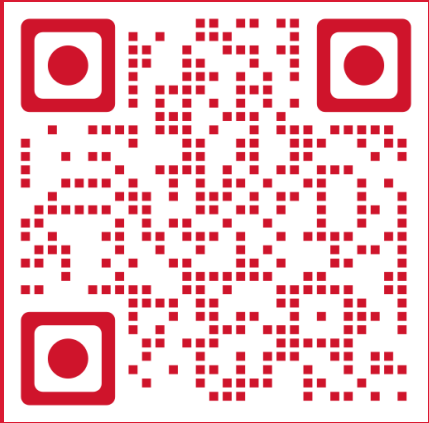
- **April – July:**
  - Business Development: Follow up with initial interested clients to secure enrollment and utilize client list from prior outreach.
  - Explore Intergration: Assess opportunities with transit benefit providers
  - Partnership Creation: Begin City partnership outreach and identify policy inclusion opportunities, as well as opportunities outside of GoPass.
- **August– December:**
  - Promote Flexible Structure: Market program flexibility to attract new businesses.
  - Current Client Outreach: Meet with and adjust agreements with current clients where applicable.
  - Program Analysis: Analyze utilization and pricing on individual clients and prepare reports for further program refinement.
  - Provide update to the board on progress including available evaluation criteria.
- **Bi-Annual Board Reporting**
  - Comprehensive program updates with reporting on all evaluation criteria.

# Recommended Action

# Recommended Action

- Remove GoPass pricing from Caltrain's fare table and fare type sections
- Establish a new "GoPass and Other Institutional Programs" section in the Fare Structure, granting the Executive Director or designee authority to set prices and terms for GoPass and other institutional pass programs
- Authorize the Executive Director, or designee, to enter into institutional pass agreements with other organizations, such as professional sports organizations, that do not participate in the current GoPass program to support Caltrain ridership growth, including through joint promotion activities
- Authorize Bay Pass companies to utilize Caltrain monthly permit parking

# Questions



FOR MORE INFORMATION  
[WWW.CALTRAIN.COM](http://WWW.CALTRAIN.COM)

