

Adopt Proposed Fare Structure FY27-30 and Caltrain Charter Train, Bike Locker, and Parking Fee Document Changes

**December JPB Meeting
December 4, 2025**



Recommended Action

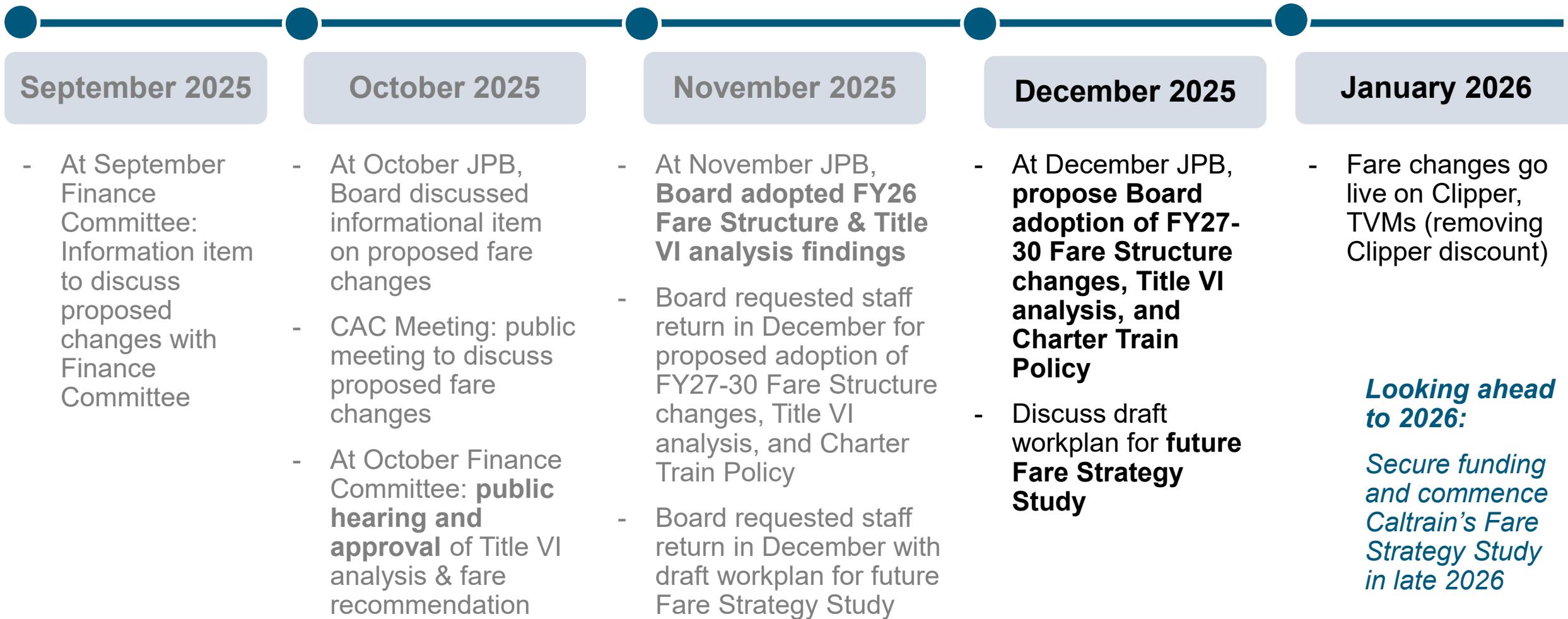
1. Adopt the updated Caltrain Charter Train, Bike Lockers and Parking Fees Document effective upon Board approval (12/4/2025) which provides the Executive Director or designee the authority to set charter train prices
2. Adopt two updated Fare Structures with the recommended fare changes integrated for FY27-30:
 - A Pre-Clipper Next Generation Fare Structure, effective 1/1/2026
 - A Post-Clipper Next Generation Fare Structure, effective upon MTC Clipper Next Generation execution
3. Approve the Title VI Analysis



Charter Train Pricing – Delegation of Authority

- **Current Status:** Minimal charter train activity under fixed-rate structure
- **Rationale:** Charter train fares require flexibility in price negotiation based on customer needs are essential to build charters as a revenue source
- **Delegation:** Executive Director, or designee, authorized to set charter train rates case-by-case
- **Safeguards:**
 - Bi-annual reporting to the Board on charter activity
 - Rates must aim to recover full cost of service, reflect customers special service/ event needs, and align with agency financial and revenue generation objectives

Documents Change Process and Next Steps



Caltrain Prices: Recent History and Current Fare Structure

Caltrain's fare pricing is based on the number of zones in a passenger's trip:

- **Fare charged = Base Fare for first zone traveled + Zone Upgrade for each additional zone traveled.**
- **Caltrain has 6 zones from San Francisco to Gilroy.**

Timing	Fare Change	Change in Adult Clipper Pricing
Previously implemented change in 2017	Adult Zone Upgrade Fare Increased from \$2.00 to \$2.25	\$2.00 to \$2.25
Adopted, then delayed, and then cancelled fare increase for July 1, 2020, then 2022, then 2023	Base Fare Increase by \$0.50	\$3.20 to \$3.70
Adopted, then delayed, and then cancelled fare increase for July 1, 2022, then 2024, then 2025	Zone Upgrade Increase by \$0.25	\$2.25 to \$2.50
Adopted, then delayed, and then cancelled fare increase for July 1, 2024, then 2025, then 2026	Base Fare Increase by \$0.50	\$3.70 to \$4.20
FY26 – July 1, 2025 – already implemented	Increase Base Fare by \$0.25	\$3.20 to \$3.45
FY26 – January 1, 2026 (adopted on 11/6/25 and in process of being implemented for 1/1/26 launch)	Remove Clipper Discount (\$0.55 off of Base Fare)	\$3.45 to \$4.00
FY27 – July 1, 2026 (adopted in 2023)	Zone Upgrade increases by \$0.25	\$2.25 to \$2.50
FY28 – July 1, 2027 (adopted in 2023)	Base Fare increases by \$0.25*	\$4.00 to \$4.25

*Note: Increase only applies to Full Fares due to rounding rules for discounted fares (Eligible Discount, Clipper START, and Youth fares).

This is a partial history; full fare history is available online: <https://www.caltrain.com/media/1535/download?inline>



Caltrain Prices: Recommended Fare Structure Adjustments

1. Gradual, incremental fare increases to occur on January 1st.
2. Extend schedule of increases through FY30.
 - Supports the agency's longer-term financial planning and budgeting
 - Consistent with Caltrain's Fare Policy and Board direction
 - Provides a baseline of increases to support future Caltrain's Fare Strategy Study (to commence late 2026; soonest any potential recommended changes could be adopted and implemented would likely be in 2028+)
3. Recommended pricing changes for Fare Structure:

Timing	Proposed Change	Change in Adult Clipper Pricing	Minimum Fare (1 Zone) – Maximum Fare (6 Zones)
FY27 – 1/1/2027	Zone Upgrade increases by \$0.25	\$2.25 to \$2.50	\$4.00 - \$16.50
FY28 – 1/1/2028	Base Fare increases by \$0.25*	\$4.00 to \$4.25	\$4.25 - \$16.75
FY29 – 1/1/2029	Zone Upgrade increases by \$0.25*	\$2.50 to \$2.75	\$4.25 - \$18.00
FY30 – 1/1/2030	Base Fare increases by \$0.25	\$4.25 to \$4.50	\$4.50 - \$18.25

*Note: Increase only applies to Full Fares due to rounding rules for discounted fares (Eligible Discount, Clipper START, and Youth fares).

Draft Projected Non-Go Pass Annual Revenue

The budget impact of the fare increases is expected to be positive; however, full impact is unknown due to uncertainty with riders' price elasticity of demand, future ridership trends, and economic conditions. **Revenue growth is primarily driven by ridership growth, not fare increases.**

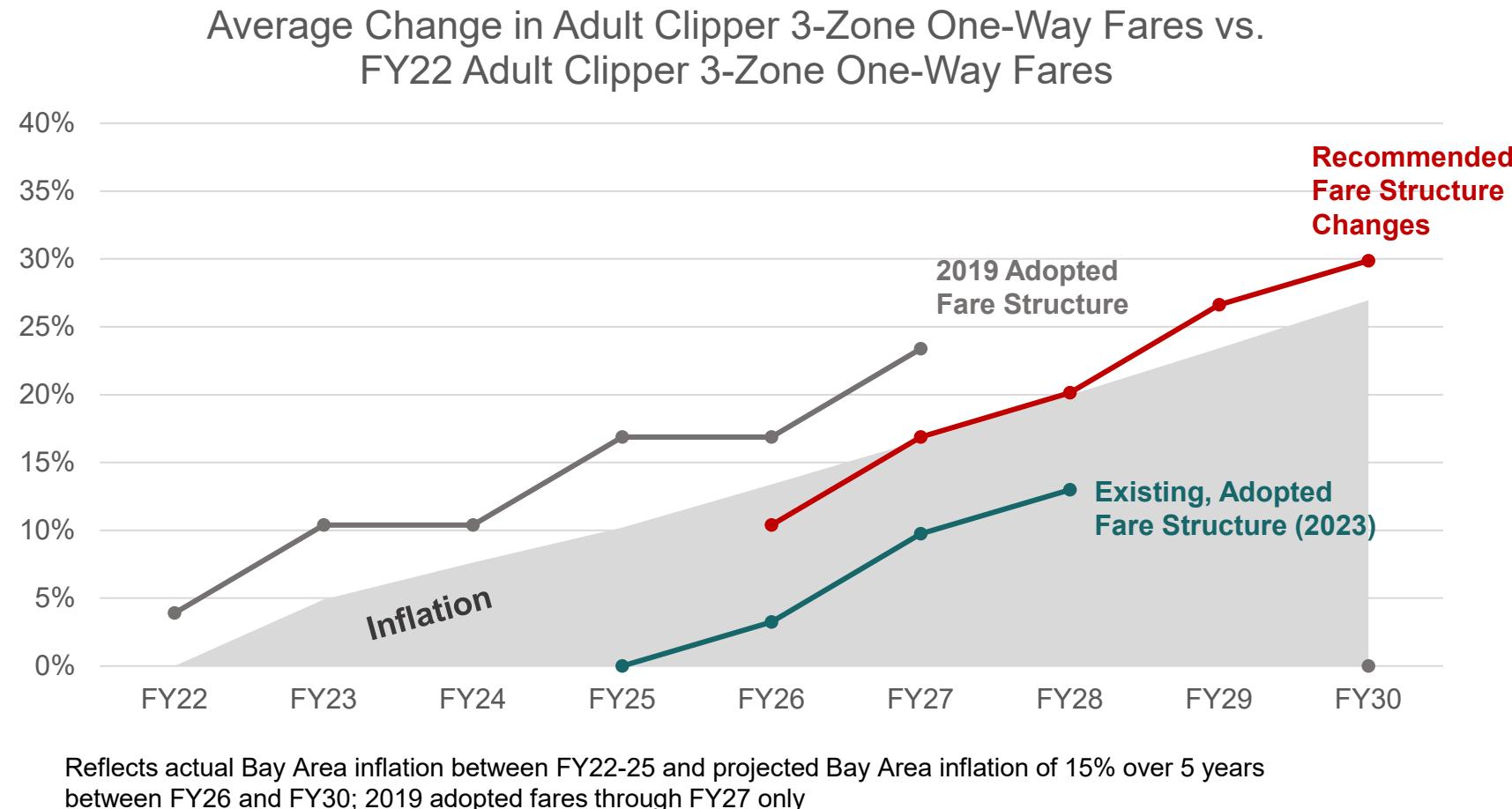
FY	Draft Projected Revenue Range (Non-Go Pass)			
	Baseline Revenue	Revenue from Ridership Growth	Revenue from Fare Increases	Total Revenue
FY27	\$47.1M - \$52.3M	\$2.9M - \$3.2M	\$1.6M - \$2.4M	\$52.1M - \$58.0M
FY28	\$52.1M - \$57.8M	\$4.9M - \$5.5M	\$1.6M - \$1.8M	\$57.9M - \$65.1M
FY29	\$58.8M - \$65.3M	\$3.7M - \$4.5M	\$1.5M - \$1.7M	\$64.0M - \$71.0M
FY30	\$64.2M - \$71.3M	\$4.6M - \$5.1M	\$1.5M - \$1.7M	\$70.3M - \$78.1M

*Note: Figures may not add up precisely due to rounding. Projections are draft and may be subject to change.



Importance of Schedule for Increasing Fares

- Caltrain's operating costs are projected to grow approximately 5% a year, while other operating revenue sources are projected to stay relatively flat; **fares will remain a crucial budget component for sustaining operations.**
- **The Recommended Fare Structure will gradually increase fares to track projected inflation – providing longer-term financial stability for Caltrain.**
- Additionally, continuing to grow ridership – thereby growing fare revenue – will continue to be critical. Caltrain will continue its **equity programs and ridership growth strategies focus.**



Draft Workplan for Future Fare Strategy Study

Extensive Board discussion this fall has illuminated key questions to answer:

1. **Existing conditions:** What are current fare product, payment, revenue, and origin/destination trends across different rider groups?
2. **Goals and priorities:** What should Caltrain aim to achieve with changes to its fare strategy? What should be prioritized, and what tradeoffs could be considered?
3. **Price sensitivity:** How price sensitive are different rider groups?
4. **Pricing and product strategy:** What alternative pricing and product strategies could be considered? How could they impact ridership, finances, customer experience, and operations? Which fare strategy could best achieve the goals and priorities and would be preferred?
5. **Implementation actions and costs:** What would be required to implement the preferred fare strategy? How much would it cost in one-time and on-going costs?
6. **Public outreach:** What input can members of the community provide on Caltrain's current fare strategy (pricing and products) and potential changes?



Draft Workplan for Future Fare Strategy Study

DRAFT Tasks

1. Existing conditions
2. Goals and priorities
3. Price sensitivity analysis
4. Fare Strategy scenarios – pricing and product alternatives and analysis
5. Implementation actions and costs
6. Public outreach
7. Recommended Fare Structure

DRAFT Study Cost Estimate (consultant only): \$850,000

No funding sources currently identified for the study*; tentative funding sources to pursue: Caltrans Planning Strategic Partnerships Grant (competitive – max of \$500,000); JPB member contributions; Operating funds (fares or sales tax revenue); MTC funds

Schedule: Caltrain will commence the study once funds are secured; likely late fall 2026+

Time to Complete Study: 12-18 months

Tentative Schedule:

- Now – November 2026: Funding, Consultant Procurement (12 months)
- December 2026 – Spring 2028: Technical and Outreach Tasks (12-18 months) to Complete Study
- Summer – Fall 2028*: Title VI analysis, Potential Adoption of Recommended Fare Structure (4-6 months)
- Late 2028 – 2029*: Earliest potential implementation of new Fare Structure*

***Note:** Separate from the Fare Strategy Study, additional funds and time will be needed to complete Title VI analysis, adopt a new Fare Structure, and implement any recommended changes.



Title VI Equity Analysis

Disparate Impact (DI) & Disproportionate Burden (DB) Policies

A threshold for determining when adverse effects of fare changes disproportionately affect protected populations

Caltrain's threshold is 10%

Disparate Impact

Minority vs. Non-Minority

If difference in fare change impacts minority users more than 10% compared with non-minority users

Disproportionate Burden

Low-Income vs. Non-low-income

If difference in fare change impacts low-income users more than 10% compared with non-low-income users



No Disparate Impact or Disproportionate Burden

Data Used

- **FY25 Systemwide Ridership**
- **2024 Caltrain Origin and Destination Customer Survey**
- **Current and Proposed Fare Structure**

FY2027

Zone Upgrade \$0.25

Minority: -0.01%

Low Income: -0.05%

FY2028

Base Fare Increase \$0.25

Minority: -0.01%

Low Income: 0.07%

FY2029

Zone Upgrade \$0.25

Minority: -0.01%

Low Income: -0.05%

FY2030

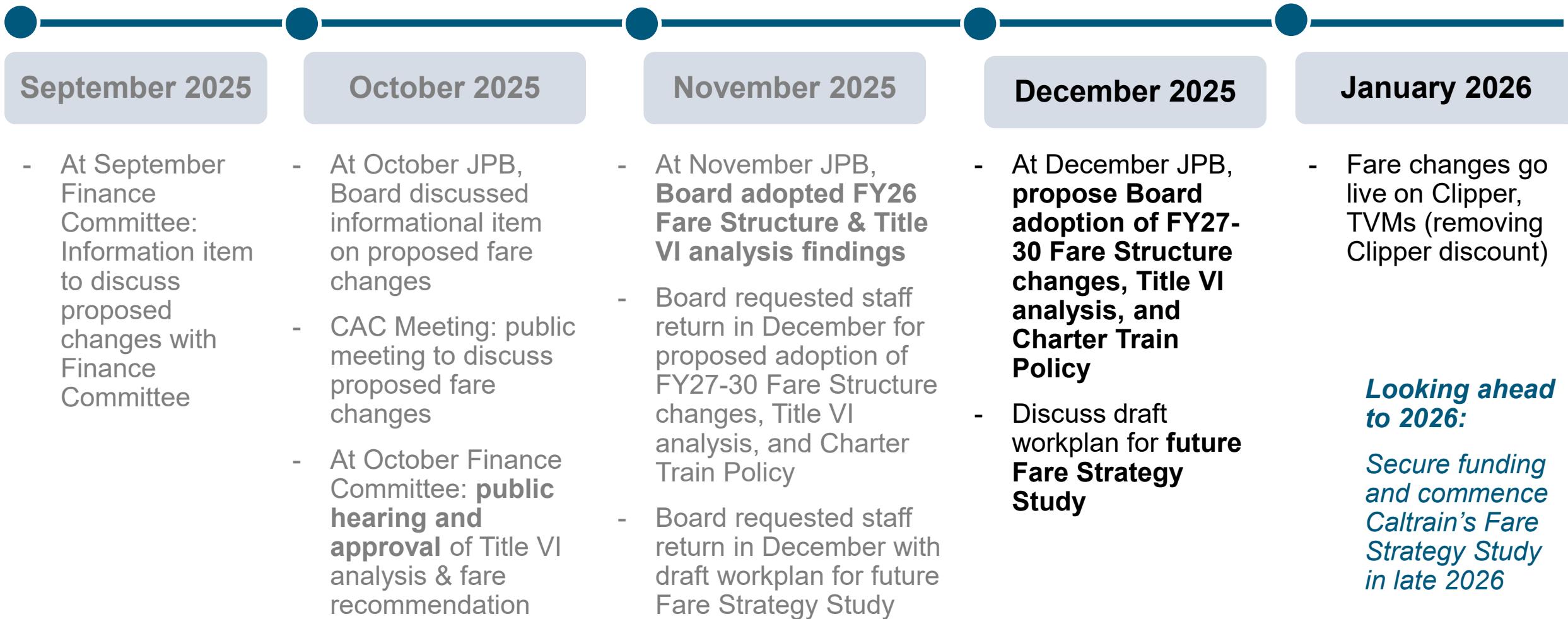
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Recommended Action

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FOR MORE INFORMATION

WWW.CALTRAIN.COM



APPENDIX

Overview of 2025 Fare Changes Work

May 2025

Board Budget Workshop

- Received Board direction to analyze additional potential fare changes that could drive revenue for the railroad (beyond already-adopted fare changes)

Fall 2025

Recommended Changes to Caltrain's Fare Structure

- Proposed changes to Caltrain's existing Fare Structure, anticipated to be proposed for adoption at the October Finance Committee / November JPB Meeting

Late 2026 – 2027

Caltrain Fare Strategy Study

- Expected to consider significant fare strategy changes including:
 - New **pricing structure** (such as point-to-point pricing)
 - New **products** (accumulators, etc.)
 - Potentially supporting an updated Fare Structure for Caltrain
 - Ideally will use Clipper Next Generation (C2) trip data and EMU's Automated Passenger Counter (APC) data; also investigating other potential data sources (Streetlight data, etc.)
- The soonest any potential recommended changes could be adopted and implemented would likely be in 2028+.

Clipper Next Generation (C2)

- Clipper Executive Board and MTC have announced a launch of the new Clipper Next Generation System with customer transition beginning on December 10, 2025.
- Key changes include:
 - Open payment functionality
 - Regional transfer discounts
 - Instant value loading
 - Managing multiple accounts
 - Clipper START riders can purchase a discounted Monthly Pass (50%)
 - New “number of zones” Caltrain month pass



Goals for Proposed Fare Changes

Developed From Caltrain Board Discussion at May 2025 Budget Workshop

1. Given Caltrain's projected deficit and ongoing uncertainty surrounding future economic conditions, federal funding, and travel behavior, recommended fare changes should strive to **increase fare revenue**.
2. After increasing fare revenue, recommended fare changes should also strive to **increase ridership**.
3. While it is important for Caltrain to consider the potential impact of proposed fare changes to ridership and revenue, the agency should also strive to ensure the system is **accessible** to passengers at a broad range of income levels.
4. Lastly, Caltrain's fare changes should support the agency's efforts to **advance a potential regional funding measure**.



Caltrain Corridor Ridership and Fare Product Usage

Caltrain Corridor's Average Weekday Boardings in June 2025: 39,900 trips a day (NB & SB)

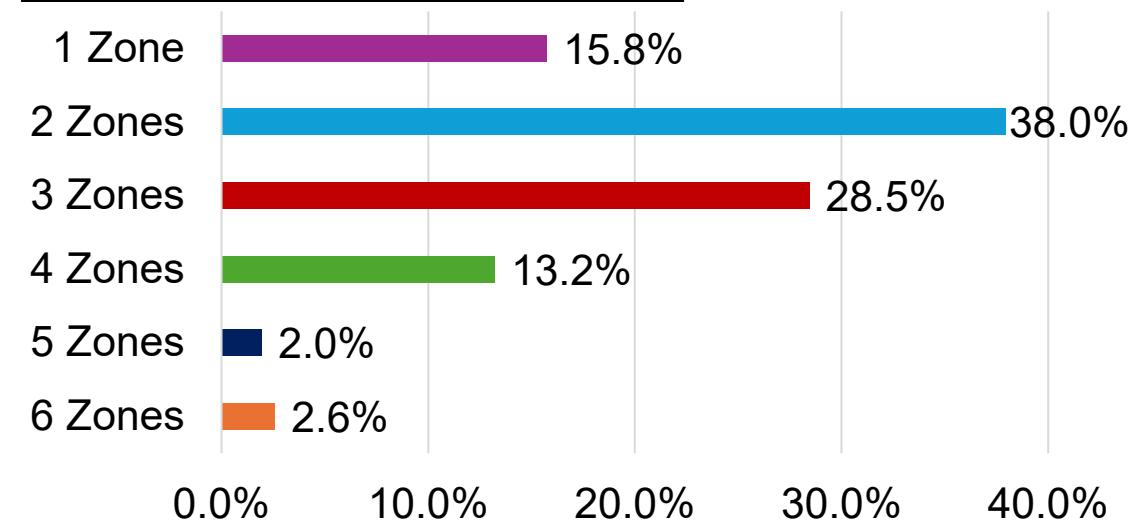
Source: Caltrain FY25 Ridership Report

FY25 Trip Distribution by Fare Distribution Channel and Ticket Type – Caltrain Corridor

Ticket Type	Fare Distribution Channel				
	Clipper	Mobile App*	Sticker	Ticket Vending Machine	TOTAL
Day Pass	-	4.4%	-	6.3%	10.7%
Go Pass	13.7%	-	3.9%	-	17.6%
Monthly Pass	18.1%	-	-	-	18.1%
One-Way	39.8%	5.6%	-	7.4%	52.8%
TOTAL	71.6%	10.0%	3.9%	13.6%	100.0%

Source: Caltrain FY25 Ridership Report

FY25 % of Total Tickets by Number of Zones Traveled - Caltrain Corridor



Source: Caltrain FY25 Ticket Data. Numbers may not add up due to rounding.

* Caltrain's Mobile App was discontinued on October 31, 2025. Customers can use Clipper and the Ticket Vending Machines to pay for tickets, and parking can be paid for at the Ticket Vending Machines currently and also via ParkMobile in the near future.

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Bay Area Rail Agency Prices

Rail Agency	Pricing Structure	Recent Fare Changes	Current Price per Mile for Longest Distance Trip
BART	Distance-based by mile	January 1, 2025 - \$0.25 increase to average fare January 1, 2026 - \$0.15 to \$0.55 increase to average fare	\$0.18/mile
SMART	Distance-based with Zones (5 total zones)	April 2024 – June 2026: Fare-free pilot for youth and seniors	\$0.15/mile
Caltrain	Distance-based with Zones (6 total zones)	July 1, 2025 – \$0.25 increase to Base Fare	\$0.19/mile
ACE	Distance-based with Zones (5 total zones)	None	\$0.18/mile
Capitol Corridor	Distance-based with Station-to-Station	April 2025 – Reduced fares for short-distance trips; 3% increase for longer distance trips	\$0.30/mile



Proposed Fare Changes: Alignment with Caltrain's Fare Policy

Caltrain's Fare Policy sets high level goals for Caltrain's fares.

Caltrain Fare Policy Goal	Recommended Fare Structure's Potential Impact	Potential Impacts	Mitigations
Financial Sustainability	Positive Potential Impacts	<ul style="list-style-type: none">Increasing the price of fares and thus increasing fare revenue will help to keep up with inflation, supporting the agency's ongoing efforts to achieve financial sustainability	<ul style="list-style-type: none">None expected
Customer Experience	Mixed Potential Impacts	<ul style="list-style-type: none">Provides consistent, predictable, and gradual fare increases.Enhanced customer experience and greatly improved legibility of Fare Structure with alignment of all prices.Some riders may be frustrated by higher fares.	<ul style="list-style-type: none">None expected
Ridership and Operations	Mixed Potential Impacts	<ul style="list-style-type: none">Ridership may be slightly impacted by fare increases.Need to communicate fare changes to the public and to TASI staff.	<ul style="list-style-type: none">Coordinate with TASI and Caltrain staff to train operators and conductors.

Proposed Fare Changes: Alignment with Caltrain's Fare Policy

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Caltrain Fare Policy Goal	Recommended Fare Structure's Potential Impact	Potential Impacts	Mitigations
Equity	Mixed Potential Impacts	<ul style="list-style-type: none">Aligning Clipper and TVM fare prices will create consistency and fairness in pricing – and will provide a greatly simplified fare chart.Recommended Fare Structure would have higher prices than the Existing Fare Structure; Clipper START fares would increase with elimination of Clipper discount.	<ul style="list-style-type: none">Commitment to continue making Caltrain accessible and providing fare options for all customers.Continue to participate in and market Clipper START, the region's program to provide discounted fares for low-income riders (already adopted).Continue Caltrain \$1 Youth Fares (already adopted).Continue to administer Caltrain's Pass Forward Program, a community partnership program to provide Go Pass to qualified riders.