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TCRP

SYNTHESIS 82

TRANSIT
COOPERATIVE
RESEARCH
PROGRAM

Transit Fare Arrangements for Public Employees

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A Synthesis of Transit Practice

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The nation's growth and the need to meet mobility, environmental, and energy objectives place demands on public transit systems. Current systems, some of which are old and in need of upgrading, must expand service area, increase service frequency, and improve efficiency to serve these demands. Research is necessary to solve operating problems, to adapt appropriate new technologies from other industries, and to introduce innovations into the transit industry. The Transit Cooperative Research Program (TCRP) serves as one of the principal means by which the transit industry can develop innovative near-term solutions to meet demands placed on it.

The need for TCRP was originally identified in *TRB Special Report 213—Research for Public Transit: New Directions*, published in 1987 and based on a study sponsored by the Federal Transit Administration (FTA). A report by the American Public Transportation Association (APTA), *Transportation 2000*, also recognized the need for local, problem-solving research. TCRP, modeled after the long-standing and successful National Cooperative Highway Research Program, undertakes research and other technical activities in response to the needs of transit service providers. The scope of TCRP includes a variety of transit research fields including planning, service configuration, equipment, facilities, operations, human resources, maintenance, policy, and administrative practices.

TCRP was established under FTA sponsorship in July 1992. Proposed by the U.S. Department of Transportation, TCRP was authorized as part of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). On May 13, 1992, a memorandum agreement outlining TCRP operating procedures was executed by the three cooperating organizations: FTA, the National Academy of Sciences, acting through the Transportation Research Board (TRB); and the Transit Development Corporation, Inc. (TDC), a nonprofit educational and research organization established by APTA. TDC is responsible for forming the independent governing board, designated as the TCRP Oversight and Project Selection (TOPS) Committee.

Research problem statements for TCRP are solicited periodically but may be submitted to TRB by anyone at any time. It is the responsibility of the TOPS Committee to formulate the research program by identifying the highest priority projects. As part of the evaluation, the TOPS Committee defines funding levels and expected products.

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The TCRP provides a forum where transit agencies can cooperatively address common operational problems. The TCRP results support and complement other ongoing transit research and training programs.

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FOREWORD

Transit administrators, engineers, and researchers often face problems for which information already exists, either in documented form or as undocumented experience and practice. This information may be fragmented, scattered, and unevaluated. As a consequence, full knowledge of what has been learned about a problem may not be brought to bear on its solution. Costly research findings may go unused, valuable experience may be overlooked, and due consideration may not be given to recommended practices for solving or alleviating the problem.

There is information on nearly every subject of concern to the transit industry. Much of it derives from research or from the work of practitioners faced with problems in their day-to-day work. To provide a systematic means for assembling and evaluating such useful information and to make it available to the entire transit community, the Transit Cooperative Research Program Oversight and Project Selection (TOPS) Committee authorized the Transportation Research Board to undertake a continuing study. This study, TCRP Project J-7, "Synthesis of Information Related to Transit Problems," searches out and synthesizes useful knowledge from all available sources and prepares concise, documented reports on specific topics. Reports from this endeavor constitute a TCRP report series, *Synthesis of Transit Practice*.

This synthesis series reports on current knowledge and practice, in a compact format, without the detailed directions usually found in handbooks or design manuals. Each report in the series provides a compendium of the best knowledge available on those measures found to be the most successful in resolving specific problems.

PREFACE

*By Donna Vlasak
Senior Program Officer
Transportation
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The purpose of this synthesis is to document the state of the practice for transit agencies in terms of fare arrangements for public employees. Results of a cross-section survey of transit agencies in North America yielded information on important issues such as leadership of the program; barriers, obstacles, and constraints; administrative procedures; implementation; lessons learned; cost, financing, and pricing; and program evaluation.

Thirty-one completed surveys were received from 43 transit agencies, yielding a 72% response rate. Twelve transit agencies shared lessons learned from the implementation of 18 fare programs for public employees. Six case study agencies provide additional details on innovative and successful practices, as well as comments on other issues related to public employee pass programs.

This synthesis was prepared by Dan Boyle, Dan Boyle & Associates, Inc., San Diego, California, under the guidance of a panel of experts in the subject area. The members of the topic panel are acknowledged on the preceding page. This synthesis is an immediately useful document that records the practices that were acceptable within the limitations of the knowledge available at the time of its preparation. As progress in research and practice continues, new knowledge will be added to that now at hand.

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TRANSIT FARE ARRANGEMENTS FOR PUBLIC EMPLOYEES

SUMMARY Previous TCRP studies, especially *TCRP Report 87, Strategies for Increasing the Effectiveness of Commuter Benefits Programs* and *TCRP Report 107, Analyzing the Effectiveness of Commuter Benefits Programs* have analyzed employer pass programs in the broader context of commuter benefits. Most of the examples and case studies in these reports involve the private sector, because the tax advantages of participating in these programs are an obvious incentive for private-sector employers. A few examples mention public-sector participation, but a systematic analysis of employer pass programs has not been conducted in the public sector.

The purpose of this synthesis is to document the state of the practice in terms of fare arrangements for public employees. Results of a cross section survey of transit agencies in North America are used to document important issues such as the following:

- Genesis and leadership of the program (who initiated and why)
- Barriers, obstacles, and constraints
- Administrative procedures
- Implementation
- Lessons learned (If you had it to do over again, what would you do differently?)
- Cost, financing, and pricing (for example, cost neutral versus subsidized policy)
- Program evaluation.

The most important findings of this synthesis are listed here, followed by a summary of survey results and the experiences of six transit agencies that served as case studies. Major findings include:

- *A champion within the public employer is extremely helpful in generating interest in an employer pass program.* This is true for both public and private employers, but the transit agency might assume that another public agency naturally would be interested. Many public employers are committed to reducing the single-occupant automobile travel to and from work, but a champion within the public employer is instrumental in converting this commitment to action. A member of the board of directors who works at a public agency has been the champion in several case study examples. This suggests that board diversification can have unexpected benefits for the transit agency.
- *Public employers need to be convinced of the benefits of an employer pass program.* The genesis of the case study programs varied. Several grew out of a U-pass program for students. Others built on past partnerships, had a board member as the champion within the public agency, or drew attention because of state laws or rules regarding trip reduction. Once the agency has the attention of the public employer, the emphasis shifts to how an employer pass program will help the employer (through increased employee morale, reduced need for parking, congruence with state or local goals, and ease of administration). Ideally, all levels of the public agency are involved in program design and publicity.

- *Public employers are not monolithic.* Most programs for municipal employees involve all municipal employees, although the definition of “municipal employee” is not always as obvious as the transit agency might assume. State agencies appear to have more autonomy in terms of the decision to participate in employer fare programs. As the case studies demonstrate, some programs for state employers are only for specific state agencies and a specific state agency may emerge as the program champion.
- *There has been a shift in the reasons for transit agencies and public employers to establish an employer pass program.* The cost of providing parking for its employees continues to be a motivating factor for public employers, whereas the prospects of increased ridership and a stable source of revenue are appealing to transit agencies. Today, sustainability is an emerging goal in the public sector and can spur interest in establishing an employer pass program.
- *A defensible pricing methodology and a means of estimating (pre-program) and measuring impacts are important program elements.* Many agencies began by negotiating individual deals with specific employers; however this is not a sound approach as the program expands owing to the resulting administrative complexity. Surveys of employees are helpful in estimating costs before implementation and in measuring impacts. A pass that can be read and recorded by the farebox is also very useful in tracking transit use. Regular updates for participating employers regarding pass use by their employees keep the lines of communication open and remind employers of the value of the program.
- *Flexibility in program design allows the employer to tailor the program to meet its needs.* The ability to choose the level of subsidy offered and to define program eligibility is important for employers and encourages participation.
- *An important component of an agency strategy is to publicize its successes.* Word of mouth is a very effective way to encourage other public (and private) employers to participate. News features on the program will get the attention of other public employers and employees. Public employees can be very persuasive in convincing their agencies to participate.
- *An employer pass program provides an attractive employee benefit at relatively low cost.* At a time when sustainability and greenhouse gas reduction have emerged as important goals, public-sector employers are receptive to proven programs with a reasonable price tag. In times of tight public budgets, provision of a new benefit for employees is one means of boosting morale within the public agency.

Thirty-one completed surveys were received from the 43 transit agencies in the core sample, a response rate of 72%. Nine agencies not included in the core sample heard about the survey and also participated, for a total of 40 responding transit agencies. Survey results include transit agency assessments of the effectiveness of their programs, benefits, and drawbacks from the perspective of the transit agency and of the public employer, desired changes, and lessons learned. Agencies that have not adopted employer pass programs for public employees were also surveyed to gain an understanding of the reasoning behind the decision not to undertake such a program.

Key survey findings include:

- The primary goals cited by the majority of respondents are to increase ridership and build partnerships for transit.
- A program champion is very helpful and even necessary in establishing a successful program.
- Transit agencies are satisfied with their public employee fare programs.
- The primary benefits of these programs to the transit agency include ridership increases, revenue increases, and increased awareness of transit.
- Constraints mentioned in a majority of programs are the availability of free parking for employees and lack of attention from the employer.

- Drawbacks to these programs to the transit agency include administrative complexity, fare abuse, under-pricing or limits to revenue, and inadequate access to riders.
- The most frequently mentioned aspects of program design and implementation that transit agencies would like to change include standardizing requirements for employers, making it easier for employees and employers to participate, and simplifying options and administration.
- The most common reason that agencies do not offer these programs is the lack of interest from public employers.
- In most programs, employees have the option of paying for their share of the program with pretax payroll deductions.
- Employers typically assume the responsibility for day-to-day program administration and are also heavily involved in publicizing the program to their employees.
- Marketing activity is greatest when the program is implemented, and spikes when a new employer joins the program.

Twelve transit agencies shared lessons learned from the implementation of 18 fare programs for public employers. Lessons regarding relationships with public employers led the list of topic areas, followed by program procedures, funding, and marketing.

- The involvement of multiple levels of the public employer's organization in program design and marketing is important.
- Frequently, the transit agency uses its own media and relies on the public employer for distribution.
- A strong marketing and public relations campaign at the outset is very important to spread the word among employees and also among other employers.
- Size of the system and the amount that can be invested in the program are limiting factors.

The case studies are intended to provide additional details on innovative and successful practices as well as on issues related to public employer pass programs. The six case study agencies are:

- Capital Metro, Austin, TX
- King County Metro, Seattle, WA
- Monroe County Transportation Authority, Monroe County, PA
- Nashville Metropolitan Transportation Authority, Nashville, TN
- Intercity Transit, Olympia, WA
- TriMet (Tri-County Metropolitan Transportation District of Oregon), Portland, OR.

The case study agencies offered the following items as important to lessons learned:

- A strong relationship with the department responsible for administering the program.
- Responsibilities defined for marketing the program as part of the agreement.
- Avoid flash passes.
- Simple procedures for both the customer and for internal administration.
- A champion within the public employer, as stated earlier.
- Keeping in mind that the public employer benefits not only through reduced parking needs but also through increased employee morale.
- A flexible program the employer tailors to meet its needs.
- Working with groups to brainstorm ideas for improving mobility.
- All scenarios regarding employee eligibility addressed in the contract.
- A standard pricing methodology developed based on current transit use by employees to justify costs to employers.

- A means of measuring program impacts such as ridership and mode split and report these impacts on a regular basis.
- Factors outside of the agency's control, particularly the availability and cost of parking, are critical aspects of program success.
- An "Emergency Ride Home" program is a critical component that provides employees with the assurance that if they use alternative transportation they can get back home if the need arises.

Findings from this synthesis suggest six major areas of future study:

- *The most appealing aspects of an employer pass program to the public employer.*
- *Differences between public-sector and private-sector employers.*
- *Accounting for externalities.*
- *Pricing.*
- *Finding and encouraging program champions at public agencies.*
- *Measuring the value of public employer pass programs.*

CHAPTER ONE

INTRODUCTION**PROJECT BACKGROUND AND OBJECTIVES**

Previous TCRP studies, especially *TCRP Report 87: Strategies for Increasing the Effectiveness of Commuter Benefits Programs* and *TCRP Report 107: Analyzing the Effectiveness of Commuter Benefits Programs* have analyzed employer pass programs in the broader context of commuter benefits. Most of the examples and case studies in these reports involve the private sector, because the tax advantages of participating in these programs are an obvious incentive for private-sector employers. A few examples mention public-sector participation, but a systematic analysis of employer pass programs has not been conducted in the public sector.

In many cities, one of the largest local employers is the federal, state, municipal, or other government entity. These employers have several incentives to encourage their employees to use public transit. For example, when employees purchase transit tickets and passes with pretax income, the employer saves on Federal Insurance Contributions Act (FICA) taxes. Other reasons for public-sector employers to promote transit use include setting a good example for other employers in the community, furthering public policy goals for air quality and energy conservation, reducing traffic congestion, and reducing the need to provide parking. These reasons continue to be important, but today, sustainability is an emerging goal in the public sector. Employer pass programs are an effective tool to help achieve the goal of sustainability.

In several high-profile instances, public employees have been encouraged to use transit by subsidizing transit fares. Generally, however, government agencies have been less proactive in promoting transit ridership by employees. Some agencies simply offer their public employees the ability to purchase prepaid transit fare media using pretax earnings. Others actively subsidize the cost of transit fares up to the maximum amount allowed under current tax law. Others may negotiate “U-Pass-type” arrangements with the local transit operators that subsidize free rides by employees who show a special identification (ID) card.

The purpose of this synthesis is to document the state of the practice in terms of fare arrangements for public employees. Results of a web-based survey of a cross section of transit agencies in North America are used to document important issues such as the following:

- Genesis and leadership of the program (who initiated and why)
- Barriers, obstacles, and constraints
- Administrative procedures
- Implementation
- Lessons learned (If you had it to do over again, what would you do differently?)
- Cost, financing, and pricing (for example, cost neutral versus subsidized policy)
- Program evaluation.

Survey results include transit agency assessments of the effectiveness of their programs, benefits and drawbacks from the perspective of the transit agency and of the public employer, desired changes, and lessons learned. Agencies that have not adopted employer pass programs for public employees were surveyed to gain an understanding of the reasoning behind the decision not to undertake such a program.

This report includes a review of the relevant literature in the field, concentrating on material published since 1999. An important element of this synthesis is the chapter documenting case studies, based on interviews with key personnel at selected agencies, to profile innovative and successful practices and to explore ongoing issues. Findings from all these efforts are combined to summarize lessons learned, gaps in information and knowledge, and research needs.

TECHNICAL APPROACH

The approach to this synthesis included a literature review, a survey of transit agencies, and telephone interviews with six agencies selected as case studies. A Transportation Research Information Services (TRIS) search using several different keywords was conducted to aid the literature review.

The survey on public employee fare programs was designed to elicit information on program type, structure, and administration; barriers, constraints, and obstacles to success; and an assessment of how well the program met its objectives. Once finalized by the panel, the survey was posted on a website and pretested by two transit agencies. The pretest resulted in minor changes to survey logic and flow.

The sampling plan involved a “core” sample of transit agencies that offer employer-based fare programs, have participated in similar studies, or were recommended by panel members or other survey participants. The core sample included 43 transit agencies. The project manager sent an e-mail with an attachment from the TCRP program manager explaining the importance of the survey and a link to the online survey site to each of the 43 agencies. In most cases, a known contact had been identified; otherwise, the e-mail was sent to the marketing director or the general manager with a request to forward the message to the most appropriate staff member. Follow-up e-mails were sent approximately 2 and 4 weeks after the original contact to encourage response.

To guard against missing any agencies that have implemented interesting programs and to ensure a broader sample, an identical e-mail message was sent to all APTA transit agency members inviting their participation in the survey. These agencies did not receive follow-up e-mails because of the sheer number of agencies.

Thirty-one completed surveys were received from the 43 transit agencies in the core sample, a response rate of 72%. Nine agencies not included in the core sample heard about the survey and also participated, for a total of 40 transit agencies in the final sample. These 40 agencies range in size from less than 25 to more than 9,000 vehicles, including the bus, light rail, heavy rail, and commuter rail modes.

Table 1 presents the distribution of responding agencies by size. More than half of all responding agencies operate fewer than 250 vehicles in peak service. Most of these smaller agencies were not included in the core sample.

TABLE 1
TRANSIT AGENCIES BY SIZE

# Vehicles Operated in Maximum Service	# Agencies Responding	% Agencies Responding
Less than 250	22	55%
250 to 999	11	28%
1,000 or more	7	18%
Total	40	—

Table 2 shows the transit modes operated by responding agencies. Nearly all responding agencies operate buses, and between 15% and 25% operate other modes.

TABLE 2
TRANSIT AGENCIES BY MODE OF OPERATION

Mode of Operation	# Agencies Responding	% Agencies Responding
Bus	37	93%
Vanpool	9	23%
Light Rail	8	20%
Heavy Rail	7	18%
Commuter Rail	6	15%
Total	40	—

Table 3 shows the distribution of responding agencies by FTA region. Regions IX, III, and IV led in terms of agencies responding. Figure 1 is a map of FTA regions.

TABLE 3
TRANSIT AGENCIES BY FTA REGION

FTA Region	# Agencies Responding	% Agencies Responding
I	2	5%
II	3	8%
III	7	18%
IV	7	18%
V	4	10%
VI	2	5%
VII	0	0%
VIII	2	5%
IX	8	2%
X	5	13%
Total	40	100%



FIGURE 1 Map of FTA Regions.

ORGANIZATION OF THIS REPORT

Following this introductory chapter, chapter two summarizes the findings of the literature review. Chapter three, the first of two chapters to present the results of the survey, focuses on types of programs, the impetus for beginning (or not beginning) a fare program oriented toward public-sector employees, and program administration.

Chapter four discusses the responding agencies' assessment of their public employee fare programs. This chapter summarizes agency satisfaction with current methods, potential improvements, and lessons learned.

Chapter five reports detailed findings from each of the six case studies. Agencies were selected for the case studies as

“best practices.” Some had differing levels of success with different programs. All provided thoughtful responses to the issues associated with design and implementation of public employee fare programs.

Chapter six summarizes the findings, presents conclusions from this synthesis project, and offers future research needs. Findings from the surveys and particularly the case studies provide an assessment of strengths and weaknesses and likely future directions.

Appendix A presents a copy of the survey as it appeared online. Appendix B provides survey results by question. Appendix C lists all transit agencies participating in the survey.

CHAPTER TWO

LITERATURE REVIEW**INTRODUCTION**

This chapter summarizes findings from a literature review related to employer pass programs. A TRIS search was conducted to aid the literature review. The literature review focuses on studies completed since 1999. Most published studies address private-sector employers.

PREVIOUS TCRP STUDIES

TCRP Report 87: Strategies for Increasing the Effectiveness of Commuter Benefits Programs helped transit agencies and other organizations to improve commuter benefits programs to meet employer needs and to increase participation through more effective marketing (1). Important conclusions include the following:

- Agencies need to understand and be able to explain clearly tax ramifications of these programs. Proximity to transit and lack of parking increase the receptivity of businesses toward commuter benefits programs. Small employers and employers with a single location can more easily implement new benefits. Employers that pride themselves on being good places to work are interested in new benefits programs.
- Agencies also need to understand the hurdles and legal concerns employers may have. These could include how to integrate a program of this type into their existing benefits package and perceptions of equity among employees regarding the program.
- It is important that the program be flexible and easily tailored to an individual employer's needs.
- The program needs to be easy to use by employees and easy to administer.

TCRP Report 107: Analyzing the Effectiveness of Commuter Benefits Programs summarized research on the impacts of transit benefits programs, included a guide to the evaluation of these programs, and provided information on the design and implementation of these programs to meet goals and objectives in the most effective manner (2). *TCRP Report 107* was a companion document to *TCRP Report 87*. This report found that most programs were successful in increasing transit ridership, attracting drive-alone commuters to transit, and changing both commute and noncommute

behavior. Workplace location was an important factor, as was the level of subsidy offered by the employer.

The appendixes to *TCRP Report 107* present survey results and case studies undertaken for this project (3). Several case studies mention public-sector participation in specific commuter benefits programs, but the purpose of the report was broader. One of the case studies reported on a General Accounting Office (now known as the U.S. Government Accountability Office) survey of federal employee participation in commuter benefits programs. The survey was conducted nationally, but three-quarters of all participating employees worked in the Washington, D.C., area.

An earlier TCRP report, *TCRP Report 51: A Guidebook for Marketing Transit Services to Business*, provided information on successful business-to-business marketing techniques with applications to transit (4). This report included an approach to the development and implementation of a transit-to-business marketing plan.

PROGRAM SURVEYS

Studies in this section review different types of employer pass programs. Block-Schachter and Attanucci (2008) review previous research into group transit purchase programs in which employers purchase transit passes for all their employees (5). The motivations for employees and employers to participate are different depending on existing transit mode share. The issues are explored in a university context, but the authors state that the conclusions are broadly applicable to other organizations and their employees.

Zuehlke and Guensler (2007) survey employer transportation demand management strategies in the Atlanta area (6). Few employers have adopted transit-related strategies, whereas free parking for employees was nearly universal. Barriers to implementation of transit programs include distance from the office to the nearest transit stop, lack of upper management support, minimal perceived benefits for the company, and insufficient employee interest.

A good summary of early employer pass programs may be found in a report authored by the Texas Transportation Institute (7). This 1988 report reviews employer pass pro-

grams in major Texas cities as well as in Denver, Seattle, and other locations with pilot projects.

SPECIFIC PROGRAMS

Several studies and articles have reported on the details of specific employer pass programs. Lambert and Beaudoin (2006) discuss several innovative programs implemented by TransLink, the regional transportation authority in Vancouver, British Columbia, Canada (8). The report analyzes universal pass, community pass, and employer pass programs and concludes that all of these passes can increase transit ridership and build community partnerships. Senft (2005) focuses specifically on the universal pass program implemented at the University of British Columbia (9).

White et al. (2002) report on a “go! pass” program in Ann Arbor, Michigan, that provides a transit pass to every employee of participating businesses (10). An interesting aspect of this program is the involvement of the Chamber of Commerce and the Downtown Development Authority (DDA) along with the city of Ann Arbor and the Ann Arbor Transit Authority (AATA). The program was successful in reducing the number of private vehicles entering downtown and in increasing transit usage. The authors note two program design issues that may have affected program effectiveness and acceptance. The city and the DDA opted to pay for the employer’s share of the cost during the first 2 years of the program. Although this created the desired “big splash” with extensive involvement, employers had no stake in the program and many were reluctant to continue after the first 2 years. As a result of the number of employers involved, AATA issued a generic pass instead of the preferred picture ID card. This led to a perception of abuse that affected the agency’s acceptance of the program.

Gray and Strauss (2000) describe a 100% transit subsidy program in the Longwood Medical and Academic area in Boston (11). The “Three for Free” program was successful in

switching drive-alone commuters to public transportation. Employee savings and parking impacts were key benefits.

A multiagency report presents information on commuter pass programs offered by King County Metro in Seattle (12). A good summary of the U-pass program with the University of Washington may be found in Dewey and Rutherford (2000) (13). The case study on King County Metro provides updated information on both programs (see chapter five).

Denver’s Regional Transportation District’s Eco Pass program is one of the best-known examples of an employer pass program that covers all employees of a participating employer. *TCRP Report 31, Volume 2* includes a section with a detailed description of the Eco Pass program (14). The Denver Eco Pass program is one of three universal employer pass programs reviewed by Nuworsoo (2005) (15); the others are the city of Berkeley (California) Eco Pass program and the University of California Berkeley Student Class Pass program.

SUMMARY

The literature review reveals several successful examples of employer-based fare programs. The purposes of these programs are to increase transit ridership and build support for transit throughout the community. Public-sector employers participate in many programs, but these programs have not been a particular focus of most assessments. Thus, the literature review supports one of the major reasons for this synthesis: to understand how to design employer fare programs that attract participation by public-sector employers.

Chapters three and four present the results of a survey of transit agencies regarding employer-based fare programs for public employers. Survey results provide a snapshot of the state of the art as it exists today with regard to public employer participation in these programs.

CHAPTER THREE

SURVEY RESULTS: PUBLIC EMPLOYEE FARE PROGRAMS**INTRODUCTION**

This is the first of two chapters presenting the results of a survey of transit agencies regarding fare programs for public employees. The survey was designed to elicit information on program type, structure, and administration; barriers, constraints, and obstacles to success; and to conduct an assessment of how well the program met its objectives.

Thirty-one completed surveys were received from the 43 transit agencies in the core sample, a response rate of 72%. Nine agencies not included in the core sample heard about the survey and also participated, for a total of 40 transit agencies in the final sample. These agencies range in size from less than 25 to more than 9,000 fixed-route transit vehicles.

This chapter analyzes survey results related to the types of programs, the impetus for beginning (or not beginning) a fare program oriented toward public-sector employees, and how the program is administered. Chapter four discusses survey results related to the responding agencies' assessment of their programs.

TYPE OF PROGRAMS

Table 4 summarizes survey responses regarding fare programs oriented toward employers. Almost three-quarters of responding agencies do offer some type of program, with most of these including both public and private employers.

TABLE 4
AGENCIES WITH FARE PROGRAMS ORIENTED TOWARD EMPLOYERS

Fare Program	# Agencies Responding	% Agencies Responding
For public and private-sector employers	24	60%
Public-sector employers only	4	10%
Private-sector employers only	1	3%
No program	11	28%
Total Responding	40	—

Among agencies that do not offer programs to employers, the most common reason was a lack of interest from employers. Other reasons cited were (1) too complex or not enough staff to administer and reach out to employers; (2) previously tried and failed; (3) lack of interest within the agency; (4) few large employers within the service area; (5) agency policy of not offering fare discounts; and (6) board decision. A few agencies in this category reported that they do participate in pretax or transit benefit programs. This result highlights a semantic difference: these agencies do not view the programs as “theirs,” because someone else administers the program. This result is interesting because most prior studies related to employer-oriented fare programs have not surveyed transit agencies, but instead have focused on program administrators. The one agency that reported a program for private-sector employers noted that public-sector employers were not interested.

The remainder of this chapter focuses on the 28 agencies with fare programs for public employers and their employees. These 28 agencies provided information on a total of 40 programs. Three agencies offer three types of programs, seven offer two types, and the remaining 18 offer one program. The tables in the remainder of this chapter use the 40 programs as the basis for analysis, because respondents answered questions about a specific program.

Table 5 indicates the types of programs that have been implemented. A universal pass program in which all employees of a participating public employer receive a pass was the most frequently mentioned program, accounting for 20% of all programs.

The 28 agencies who offer some type of fare program for public employees provided detailed information about a total of 40 programs. As shown in Table 6, 80% of these programs are not specific to the public sector but also are open to private-sector employees.

PROGRAM GOALS

Respondents were asked to identify the three most important goals for public employee fare programs. Table 7 shows that the primary goals are to increase ridership and to build partnerships in support of transit.

TABLE 5
TARGET GROUPS FOR FARE PROGRAMS FOR PUBLIC
SECTOR EMPLOYEES

Type of Program	# Programs	% Programs
Universal pass — ALL employees of participating employers receive a pass	8	20%
Municipal/County employees only	5	13%
Federal employees only	5	13%
University pass programs with employees also eligible only	5	13%
Program for public employees at multiple levels of government	5	13%
Employer based program, but not universal (i.e., employees opt in)	4	10%
State employees only	3	8%
Other	5	13%
Total Programs	40	—

TABLE 6
PROGRAM ELIGIBILITY

Eligibility	# Programs	% Programs
Public and private-sector employees	32	80%
Public-sector employees only; other programs for private sector	6	15%
Public-sector employees only; no programs for private sector	2	5%
Total Programs	40	100%

TABLE 7
PROGRAM GOALS

Goal	# Programs	% Programs
Increase ridership	29	81%
Build partnerships in support of transit	26	72%
Increase revenue	13	36%
Reduce highway congestion	10	28%
Improve air quality	10	28%
Other	4	11%
Total Programs	36	—

Note: Multiple responses allowed, percentages do not add to 100%; no response for four programs

It is often helpful and even necessary to have a program champion to achieve the program goals. Table 8 indicates that a champion for a public employee fare program can come from a variety of places. No single source accounted for as much as 25% of all responses. Examples of multiple champions include the following: the agency Marketing and Finance Department and the public-sector employers;

public employees participating in the program, Transportation Management Associations, and agency board members; Market Development and Commute Trip Reduction (CTR) Services; originally the former general manager, now the marketing department; and word of mouth. Third parties include the City and County Department of the Environment and the FTA, Department of Transportation, and Internal Revenue Service (this response could have been recorded under multiple champions). “Other” includes unspecified agency departments and elected officials (specifically the mayor).

TABLE 8
PROGRAM CHAMPION

Program Champion	# Programs	% Programs
Agency general manager	8	21%
Agency marketing/sales/business development department	8	21%
Public employers	6	14%
Multiple champions	5	13%
Program manager	4	10%
Third party	2	5%
Other	6	15%
Total Programs	39	100%

Note: No response for one program

PROGRAM ADMINISTRATION

Table 9 indicates whether employees have the option of paying for their share of the program with pretax payroll deductions. Most programs feature this option. The public employer pays the entire cost in 12 of the 17 programs that do not include payroll deduction as an option. Among the three “other” responses, either most employers pay for the entire cost or the respondent was unsure.

TABLE 9
AVAILABILITY OF PRETAX PAYROLL DEDUCTION AS AN
OPTION FOR EMPLOYEES

Pretax Payroll Deduction	# Programs	% Programs
Available	21	58%
No, employer pays entire cost	12	33%
No, not available	2	6%
Other	3	8%
Total Programs	38	—

Note: No response for two programs

Table 10 presents the fare media used for the program. The most prevalent fare medium is an employee ID card, followed

by a magnetic strip pass. Most “other” responses refer to van-pool programs where employers and employees split costs.

TABLE 10
FARE MEDIA USED IN PUBLIC EMPLOYEE FARE PROGRAMS

Fare Media	# Programs	% Programs
Employee ID card	15	38%
Magnetic strip pass	13	33%
Voucher that can be exchanged for fare media	10	25%
Smart card	10	25%
Other regular fare media (paper passes, tickets, tokens)	6	15%
Other	3	8%
Total Programs	40	—

Note: Multiple responses allowed; percentages do not add to 100%

Table 11 shows who pays for the fare media. Multiple responses were acceptable, especially because different employers in a given program may choose different types of payment. The most common arrangements are for the employer to pay all or part of the cost, although the employees can pay their share with pretax dollars. In more than one-quarter of all programs, the transit agency matches part of the cost. “Other” responses include the employer choosing the level of subsidy and varying arrangements.

TABLE 11
WHO PAYS FOR THE FARE MEDIA?

Who Pays	# Programs	% Programs
Employer pays all costs	22	55%
Employer pays part of the cost	18	45%
Employees pay all or part of the cost with pretax dollars	16	40%
Transit agency matches part of the cost	11	28%
Third party purchases in bulk for distribution to public employees	4	10%
Other	8	20%
Total Programs	40	—

Note: Multiple responses allowed; percentages do not add to 100%

The number of programs in which the employer pays all costs is different in Tables 9 and 11. Table 11 allowed multiple responses. In several programs, some employers pay all costs, whereas others share costs with employees. In these

programs, the respondents did not answer “employer pays entire cost,” because some employers use pretax payroll deduction (see Table 9), but they did list “employer pays all costs” as one of the multiple answers (see Table 11).

Employers typically assume the responsibility for day-to-day program administration (signing up employees, distributing fare media, handling other financial arrangements). The majority of respondents reported that employers have primary responsibility, as shown in Table 12. Few transit agencies have assumed primary responsibility for programs of this type.

TABLE 12
RESPONSIBILITY FOR DAY-TO-DAY PROGRAM ADMINISTRATION

Responsible Party	# Programs	% Programs
Employers	27	68%
Shared responsibility	4	10%
Third party	3	8%
Transit agency	2	8%
Other	4	10%
Total Programs	40	—

Employees sign up through their employers in 90% of the programs (see Table 13). In some cases, employees are included automatically in the program when their employer joins.

TABLE 13
SIGN-UP PROCEDURES FOR EMPLOYEES

Sign-up Procedure	# Programs	% Programs
Through their employers	36	90%
Through a third party	8	20%
Automatically part of the program when their employer joins	6	15%
Through the transit agency	6	15%
Other	2	5%
Total Programs	40	—

Note: Multiple responses allowed; percentages do not add to 100%

Table 14 presents eligibility requirements for program participation, beyond working for the employer. Almost half of the programs do not have additional requirements. Eligibility requirements are the prerogative of the employer in 30% of the programs. Some “other” responses include surrendering a parking pass, affirming use of transit, and requiring that all employees work at least 20 hours a week be enrolled.

TABLE 14
ELIGIBILITY REQUIREMENTS FOR PROGRAM PARTICIPATION

Requirement	# Programs	% Programs
None	19	48%
Depends on the employer	13	33%
Employer must have minimum number of employees to participate	6	15%
Open to full-time employees only	3	8%
Must be working for a specified period of time	2	5%
Other	5	13%
Total Programs	40	—

Note: Multiple responses allowed; percentages do not add to 100%

Program benefits (primarily fare media) are distributed to employees in a number of ways, as shown in Table 15. The most frequently mentioned means of distribution are at the employer's centralized location, at the employer's branch locations, and by means of mail.

TABLE 15
MEANS OF DISTRIBUTING PROGRAM BENEFITS

Means of Distribution	# Programs	% Programs
At employer's centralized location	29	74%
At employer's branch locations	22	56%
Via mail	12	31%
At transit agency's centralized location	8	21%
At point of sale	8	21%
At third party location	5	13%
Electronically	5	13%
Other	4	10%
Total Programs	39	—

Note: Multiple responses allowed; percentages do not add to 100%

PROGRAM IMPLEMENTATION

Public employers are involved heavily in publicizing the program to their employees, as shown in Table 16. Agencies participate in marketing through ads on vehicles and at stations and by direct contact with employers and employees through on-site presentations, transit fairs, and other means.

TABLE 16
MEANS OF PUBLICIZING FARE PROGRAM TO PUBLIC EMPLOYEES

Means of Publicity	# Programs	% Programs
Employer newsletters	27	71%
All new employees provided with information and an opportunity to sign up immediately	26	68%
Employer payroll departments	22	58%
Agency ads on vehicles/at stations (Ask your employer about...)	11	29%
Agency marketing to employers/employees	7	18%
Third party efforts	7	18%
Media advertising — print	4	11%
Media advertising — radio	2	5%
Media advertising — television	1	3%
Other	4	11%
Total Programs	38	—

Note: Multiple responses allowed; percentages do not add to 100%

Marketing activity is greatest when the program is implemented. Marketing efforts also take place when a new employer joins the program. Ongoing marketing efforts are characterized as minor or moderate during the first year of the program and as minor thereafter. The most typical activity levels are noted in bold in Table 17.

Some additional training is required for personnel involved in program administration, but the level of training is not extensive. Table 18 indicates that respondents noted a moderate level of training in half of the programs, whereas a need for extensive training was noted in only 11% of the programs. Training is important, but it is not a major issue.

The role of public employee unions in the program is minimal, with some exceptions. Respondents in almost two-thirds of the programs indicated that there was no union to deal with or that unions were not involved. Table 19 presents these results. Most "other" responses noted that the unions dealt directly with the employers, and thus the transit agency was not involved.

Survey respondents described various aspects of the programs in terms of whether they were constraining factors in the start-up and ongoing administration of a particular program. Table 20 summarizes the results. The availability of free parking for employees and lack of attention from the employer are the only two aspects characterized as major or (usually) minor constraints at a majority of programs.

TABLE 17
LEVEL OF MARKETING EFFORT AT VARIOUS POINTS IN THE PROGRAM

Time	Significant Activity	Moderate Activity	Minor Activity	Don't Know	# Programs
At original implementation	65%	19%	5%	11%	37
When a new employer joins	36%	28%	17%	19%	36
Ongoing within the first year of implementation	5%	32%	46%	16%	37
Ongoing after the first year of implementation	3%	14%	61%	22%	36

TABLE 18
TRAINING REQUIRED FOR PERSONNEL INVOLVED IN PROGRAM ADMINISTRATION

Level of Training	# Programs	% Programs
Extensive — many new procedures	4	11%
Moderate — some new procedures	19	50%
Minor	11	29%
No additional training	4	11%
Total Programs	38	—

TABLE 19
ROLE OF PUBLIC EMPLOYEE UNIONS IN THE PROGRAM

Role of the Union	# Programs	% Programs
Not involved	14	36%
No union to deal with	12	31%
Neither supported nor opposed	6	15%
Program negotiated with unions	3	8%
Strong support	2	5%
Suggested the program	1	3%
Opposition	0	0%
Other	5	13%
Total Programs	39	—

Note: Multiple responses allowed; percentages do not add to 100%

Respondents also answered an open-ended question to describe the major constraint affecting a given program. Table 21 summarizes the responses. A concern about the adequacy of existing service levels to accommodate increased demand was not included among the choices regarding potential constraints, but this issue was not raised by any respondent in the open-ended question.

Respondents provide the following specific responses regarding constraints:

Local ordinances ensure that there is plenty of parking for all employees and many areas don't have traffic congestion. Bus service is not very frequent, hourly or half hourly, so convenience is also a factor.

The higher education institution provides free parking, but charges for the bus passes.

The city has the attitude that employees can use it or not use it. They don't really care about it one way or the other. This apathy makes it difficult to promote to city employees.

Current fare media technology is antiquated and fare evasion is rampant. Currently in the process of implementing smart card fare media to simplify the process and increase revenue.

The concern by some Board members that people working for companies that provide passes may have a disparate perk over lower income/transit dependent riders who may or may not be employed. In other words, the ones most likely to be able to afford transportation get a price break.

SUMMARY

A total of 28 agencies reported 40 fare programs oriented toward public-sector employees. A universal pass program in which all employees of a given public employer receive a pass was the most frequently mentioned program. Programs for municipal and county employees, federal employees, multiple groups of public employees, and public university employees (eligible as part of a university pass program) also were mentioned by at least five agencies. Eighty percent of these programs are not specific to the public sector but also are open to private-sector employees.

The primary program goals are to increase ridership and to build partnerships in support of transit. A program champion is usually helpful in achieving these program goals. Respondents indicate that public employee fare programs do not have a "typical" champion.

In most programs, employees have the option of paying for their share of the program with pretax payroll deductions. The public employer pays the entire cost in 12 of the 17 programs that do not include payroll deduction as an option. In more than one-quarter of all programs, the transit agency matches part of the cost. The most prevalent fare medium is an employee ID card, followed by a magnetic strip pass.

TABLE 20
RATINGS OF POTENTIAL PROGRAM CONSTRAINTS

Potential Constraint	Major Constraint	Minor Constraint	Not a Constraint	# Programs
Availability of free parking for employees	22%	57%	22%	37
Lack of attention from employer	14%	46%	41%	37
Multi-site public employers	5%	37%	57%	35
Existing fare collection technology	14%	25%	61%	36
Internal agency resistance	6%	19%	75%	36
Legal or tax issues	0%	17%	83%	36
Not the sole transit operator in the area	5%	11%	84%	37
Union resistance	0%	3%	97%	36

Note: No responses for three programs

TABLE 21
MAJOR CONSTRAINTS FACING PUBLIC EMPLOYEE FARE PROGRAMS

Constraint	# Programs	% Programs
Free parking	5	24%
Employer issues	4	19%
Farebox/fare evasion	3	15%
Internal/Board issues	3	15%
Caps on program cost/voucher value	2	10%
Multiple transit providers/coordination	2	10%
Inadequate service levels, especially in suburban locations	2	10%
Total Programs	21	100%

Note: No responses for three of 24 programs reporting major constraints

Employers typically assume the responsibility for day-to-day program administration (signing up employees, distributing fare media, handling other financial arrangements). Employees sign up through their employers in 90% of the programs. Almost half of the programs do not have additional eligibility requirements. Eligibility requirements are the prerogative of the employer in 30% of the programs. One

program requires participating employees to surrender his or her parking pass. The role of public employee unions in the program is minimal.

Program benefits (primarily fare media) are distributed to employees in a variety of ways. The most frequently mentioned means of distribution are at the employer's centralized location, at the employer's branch locations, and by means of mail.

Public employers are heavily involved in publicizing the program to their employees. Transit agencies participate in marketing by means of ads on vehicles and at stations and by direct contact with employers and employees through on-site presentations, transit fairs, and other means. Marketing activity is greatest when the program is implemented. Marketing efforts also take place when a new employer joins the program. Ongoing marketing efforts are characterized as minor or moderate during the first year of the program and as minor thereafter. Some additional training is required for personnel involved in program administration, but the level of training is not extensive.

Constraints mentioned in a majority of programs include the availability of free parking for employees and lack of attention from the employer.

CHAPTER FOUR

AGENCY ASSESSMENT OF PUBLIC EMPLOYEE FARE PROGRAMS**INTRODUCTION**

This is the second of two chapters presenting the results of a survey of transit agencies regarding public employee fare programs. The previous chapter addressed the “nuts and bolts” of how these programs are set up and administered. This chapter’s focus is on agencies’ evaluations of the programs. Specific topics include agency satisfaction with current methods, potential improvements, and lessons learned.

SATISFACTION WITH PUBLIC EMPLOYEE FARE PROGRAMS

Table 22 shows transit agency satisfaction with public employee fare programs. Most respondents (92%) are either very satisfied or somewhat satisfied with the programs. Interestingly, two agencies with multiple programs, and thus firsthand knowledge of the differences among different types of programs, reported different levels of satisfaction

TABLE 22
AGENCY SATISFACTION WITH PUBLIC EMPLOYEE FARE PROGRAMS

Level of Satisfaction	# Programs	% Programs
Very satisfied	21	57%
Somewhat satisfied	13	35%
Somewhat dissatisfied	2	5%
Very dissatisfied	1	3%
Total Responding	37	100%

Note: No response for three programs

Why were agencies dissatisfied with three programs? A lack of ongoing interest in the program on the part of the public employer was a common theme among the dissatisfied agencies. In two cases, the public employer did not allow direct contact between the transit agency and employees, thus limiting the ability of the transit agency to promote the program and its services. In one case, a mandated discount reduced revenue.

Table 23 presents the primary benefits of public employee fare programs for the agency. These are responses to an open-ended question. The most frequently cited benefits

include ridership increases, revenue increases, and increased awareness of transit. Other responses mentioned for more than one program include cash flow, simple distribution of fare media, and the ability to reach people who otherwise would not try transit.

TABLE 23
PRIMARY BENEFITS OF PUBLIC EMPLOYEE FARE PROGRAMS TO TRANSIT AGENCIES

Benefit to Transit Agency	# Programs	% Programs
Ridership increases	15	48%
Revenue increases	7	23%
Increased exposure/awareness	5	16%
Improved partnership with local government	3	10%
New sources of support for transit	3	10%
Steady revenue stream	3	10%
Other	21	68%
Total Responding	31	—

Note: Multiple responses allowed; no response for nine programs

Table 24 presents responses to a specific question regarding the impacts of public employee fare programs on revenue. Almost half of the programs resulted in increased revenue. In 85% of the programs, the revenue impact was expected given the design of the program. One program reported decreased revenue, but noted that it was a very minor decrease and that it was expected given the discounts involved in the program.

TABLE 24
EFFECT OF PUBLIC EMPLOYEE FARE PROGRAMS ON TRANSIT AGENCY REVENUE

Revenue Effect	# Programs	% Programs
Revenue has increased	17	47%
Don’t know	10	28%
Cost-neutral; no change in revenue	8	22%
Revenue has decreased	1	3%
Total Responding	36	100%

Note: No response for four programs

Table 25 summarizes benefits of these programs to the public employer. These are responses from the transit agency perspective, not the public employer. The programs provide a valuable employee benefit, reduce the demand and need for parking, and offer transportation options. Other benefits noted include broadening the pool of job applicants, encouraging use of transit, reducing congestion and automobile emissions, and doing something positive for public employees in a time of wage freezes.

TABLE 25
PRIMARY BENEFITS OF PUBLIC EMPLOYEE FARE PROGRAMS TO PUBLIC EMPLOYERS

Benefit to Public Employer	# Programs	% Programs
Valuable employee benefit	13	43%
Reduced parking demand	9	30%
Enhanced transportation options	6	20%
Easy to administer	4	13%
“Green” benefit	3	10%
Other	10	33%
Total Responding	30	—

Note: Multiple responses allowed; no response for 10 programs

Table 26 summarizes the drawbacks of public employee fare programs for transit agencies, also representing responses to an open-ended question. The most frequently cited problems involve administrative complexity, fare abuse, underpricing or limits to revenue, and the lack of access to riders. One-quarter of all respondents reported no drawbacks. Other issues noted include equity concerns, lack of resources to promote the program, and inability to track use by public employees in a statistically valid manner.

TABLE 26
DRAWBACKS OF PUBLIC EMPLOYEE FARE PROGRAMS FOR TRANSIT AGENCIES

Drawback	# Programs	% Programs
None	8	28%
Complexity of managing a broad array of products (distribution, operator confusion)	5	17%
Actual/potential fare abuse	3	10%
Program underpriced/revenue limited by cap	3	10%
Relies on employer/lack of access to riders	3	10%
Total Responding	29	100%

Note: Multiple responses allowed; no response for 11 programs

Table 27 summarizes the drawbacks of public employee fare programs for the public employers. The most frequently

cited problems involve administrative complexity and cost. Thirty percent of all respondents reported no drawbacks. Again, these are responses from the transit agency perspective, not the public employer. Other issues include lack of understanding of the program and its benefits and confusion in programs with multiple transit providers.

TABLE 27
DRAWBACKS OF PUBLIC EMPLOYEE FARE PROGRAMS FOR PUBLIC EMPLOYERS

Drawback	# Programs	% Programs
None	9	30%
Complex to administer	4	13%
Cost	4	13%
Other	10	33%
Total Responding	30	100%

Note: Multiple responses allowed; no response for 10 programs

Table 28 presents transit agency ratings of program performance in several areas. “Met expectations” was the most common response for all program elements. Level of participation and ridership were the elements most likely to have exceeded expectations (29% of the programs). Respondents at well-established programs sometimes reported difficulty remembering exactly what the expectations had been.

Respondents were asked, “If you could go back in time and change ONLY ONE aspect in the process of designing and implementing the program, what would you change?” Table 29 summarizes the results.

Improvements related to administrative requirements and procedures were the most frequently mentioned responses. These improvements included standardizing requirements for employers, making it easier for employees and employers to participate, and simplifying options and administration. The administrative improvements target all parties in a public employer fare program: the transit agency, the public employer, and a regional agency administering the program. A variety of other responses were also received, including an outreach packet to deliver the message to employers and employees, mandated participation by all state agencies, and greater flexibility in setting costs and receiving revenues (i.e., no cap on revenues), and a higher upper limit on voucher amounts.

LESSONS LEARNED

Twelve transit agencies shared lessons learned from the implementation of 18 fare programs for public employers. The lessons learned can be grouped into eight broad categories, as shown in Table 30. Lessons regarding relationships with public employers led the list of topic areas, followed by program procedures, funding, and marketing. Responses are presented by category.

TABLE 28
TRANSIT AGENCY RATING OF PROGRAM PERFORMANCE

Element	Exceeded Expectations	Met Expectations	Fell Below Expectations	Don't Know	# Programs
Level of participation	29%	51%	11%	9%	35
Ridership	29%	47%	9%	15%	34
Revenue	18%	62%	6%	15%	34
Benefits to employers	23%	60%	9%	9%	35

TABLE 29
ONE IMPROVEMENT TO DESIGNING AND IMPLEMENTING THE PROGRAM

Improvement	# Programs	% Programs
Streamlined/simplified administrative requirements and procedures	5	22%
Direct access to employees	2	9%
Integrated program with other transit agencies in the region	2	9%
Smart card for greater flexibility and ability to track ridership	2	9%
No change	2	9%
Other	9	39%
Total Responding	23	100%

Note: No response for 17 programs

Relationships with Public Employers

- Meet with upper management within the employer groups at the outset to convince them of the benefits of the program. They may not see the benefits immediately.
- Stay in touch with upper management within the employer groups throughout the program and listen to their comments and suggestions.
- Be sure to build a good relationship with the client's administering group (human resources, benefits, parking). If the program is set up at higher levels, these people may be initially hostile, and you need their support to succeed.
- Take advantage of the public employer market—they love the program.
- Access to employees is important. Be sure that the employers allow this access.
- Be aware of state-required oversight requirements that can become burdensome if you let them. This lesson learned was offered by a program in which state employees' use of transit was restricted to commuting to and from work.

TABLE 30
LESSONS LEARNED

Lessons Learned	# Programs	% Programs
Relationships with public employers	6	33%
Program procedures	5	28%
Marketing	4	22%
Funding	4	22%
Data	3	17%
Contract	2	11%
Pricing	2	11%
Program design	2	11%
Total Responding	18	—

Note: No response for 22 programs

Program Procedures

- Fare integration between transit systems can become a sticking point.
- Do not mail passes directly to employees. Distribute them through the employer.
- Standardize procedures regarding transit passes or ID cards—how are cards returned or how are stickers removed?
- Whenever possible, use your own fare media and avoid flash passes.

Marketing

- Concentrate on excellent public relations at the rollout of the program, emphasizing the program's contribution to reducing congestion.
- A plan for informing and marketing to employees is important at the outset.
- Determine cost per parking space accurately and compare with cost per employee in your program. Not having to build or maintain expensive parking facilities is a significant selling point to employers.
- Statewide "commuter trip reduction" laws can provide a strong impetus for employer-based programs.

Funding

- Size of the system and the amount that can be invested in the program can be limiting factors.
- If you cannot fund the program sufficiently, do not create embarrassment. Do it right if you are going to do it.
- Know and make sure others know who pays for the program upfront.
- Do not put an artificial cap on program revenues. This lesson learned was offered by a program in which the municipal government set a maximum contribution level. When the program proved to be more popular than expected, the agency accepted a revenue loss.

Data

- It is helpful to have a way to measure ridership changes.
- Be sure you have a way to count program ridership.
- Develop and share ongoing or readily available performance reports.

Contracts

- It is important to address scenarios contractually, even though it can result in complex administrative requirements.
- Add flexibility in the contract to increase the cost to the employers in the event of extreme situations (e.g., dramatic gas price increases).

Pricing

- Develop a pricing mechanism that can be applied to all public employers rather than be negotiated individually.
- Maximize flexibility by working with individual public employers to design a program that meets their needs and budget. Individual negotiation may be more appropriate at start-up, but as additional employers sign on, a consistent pricing mechanism becomes important.
- Offer a pretax option and a quantity discount to employers.

Program Design

- Balance the desire to offer a broad array of products and services with the need to limit administrative requirements.
- Simplify the program design wherever possible.

SUMMARY

This chapter described agency assessments of public employee fare programs. Findings include the following:

- Results regarding agency satisfaction with the public employee fare programs are positive. Fifty-seven percent were very satisfied and 35% were somewhat satisfied.
- The primary benefits of these programs to the transit agency include ridership increases, revenue increases, and increased awareness of transit. Primary benefits to public employers (as reported by transit agencies) include a valuable employee benefit, reduction in the demand and need for parking, and ability to provide transportation options to their employees.
- Drawbacks to these programs to the transit agency include administrative complexity, fare abuse, underpricing or limits to revenue, and the lack of access to riders. One-quarter of all respondents reported no drawbacks. The most frequently cited drawbacks for the public employers (as reported by transit agencies) involve administrative complexity and cost.
- Transit agency ratings of program performance are generally positive (“met expectations” was the most common response for all program elements). Level of participation and ridership were the elements most likely to have exceeded expectations.
- Improvements related to administrative requirements and procedures were the most frequently mentioned aspects of the process of designing and implementing public employee fare programs that transit agencies would like to change. These improvements include standardizing requirements for employers, making it easier for employees and employers to participate, and simplifying options and administration. The administrative improvements target all parties in a public employer fare program: the transit agency, the public employer, and a regional agency administering the program.
- Twelve transit agencies shared lessons learned from the implementation of 18 fare programs for public employers. Lessons regarding relationships with public employers led the list of topic areas, followed by program procedures, funding, and marketing.

Chapter five describes findings from six case studies that explore issues related to employer pass programs in greater detail.

CHAPTER FIVE

CASE STUDIES**INTRODUCTION**

Survey results provide an excellent overview of the major issues regarding public employer pass programs. Following a review of these results, six agencies were selected as case study sites. Personnel directly involved with these programs agreed to be interviewed by telephone. In some cases, more than one person at an agency either participated in the interviews or reviewed the draft summary of the case study. The case studies are intended to provide additional details on innovative and successful practices as well as on issues related to public employer pass programs.

The selection process for case studies had several criteria: (1) to include transit agencies of various sizes in different parts of the country; (2) to include agencies that have achieved success in the implementation of a public employer pass program; and (3) to select agencies with varied levels of reported satisfaction with their programs so that ongoing issues can be better understood. More than 70% of responding agencies offered to serve as a case study and, as shown by examples from non-case-study respondents in chapters three and four, these agencies offered interesting responses based on their experiences. The Pacific Northwest is home to three of the six case study agencies, but each of these agencies has had success in implementing employer fare programs in the public sector. The six agencies chosen do not necessarily consider themselves to be examples of best practices, but together they provide a representative overview of the state of public employer pass programs.

The six case study agencies include:

- Capital Metro, Austin, Texas
- King County Metro, Seattle, Washington
- Monroe County Transportation Authority, Monroe County, Pennsylvania
- Nashville Metropolitan Transportation Authority, Nashville, Tennessee
- Intercity Transit, Olympia, Washington
- TriMet (Tri-County Metropolitan Transportation District of Oregon), Portland, Oregon

The case studies summarize survey responses and interview observations from each agency. The introduction to each case study includes a basic description of the system,

with data taken from fiscal year (FY) 2007 National Transit Database reports or provided directly by the agency. The interviews explored issues raised by the survey responses in greater depth.

**CAPITAL METRO, AUSTIN, TEXAS**

Capital Metro is the transit operator in Austin, Texas (the state capital), and the surrounding area. The service area population is 1 million. Capital Metro operates 341 peak buses (212 directly). Annual ridership on all services operated is 34 million. Capital Metro uses the General Fare Industries (GFI) Genfare farebox.

Capital Metro reported two employer-based fare programs. The first is a University Pass (U-pass) program with the University of Texas. The second is a program for city of Austin employees.

U-pass Program

In 1989, Capital Metro entered into an interlocal agreement with the University of Texas to operate the shuttle bus service. These shuttle routes had been operated by a private contractor using yellow school buses, and Capital Metro's ability to access federal funds for the purchase of accessible buses was one reason for the university's interest, along with the limited amount of parking on campus. As part of the agreement, Capital Metro provided university students with access to all Capital Metro routes.

Students used their university ID cards as flash passes when the program began. After Capital Metro acquired new fareboxes, students would swipe their ID cards. The fareboxes could read the 18-digit university ID number, which was located in a different place on the magnetic strip than on a credit card.

As the student program grew in popularity, the university wanted to expand the program to include faculty and staff. The success of the student program and the limited campus parking for faculty and staff created the interest on the part of the university in expanding the program.

Capital Metro began a pilot program for faculty and staff during the fall 2001 semester. It was a pilot program for several years and became a more formal and long-term agreement after the city program began. The city paid \$10 per employee (a rate based on all city employees), which served as the basis for structuring the university faculty-staff program. The pilot program convinced university employees that offered coveted benefits, and the university was amenable to paying its fair share.

In the fall 2005, Capital Metro and the university entered into a formal agreement covering faculty and staff, and agreed to a cost structure with annual increases through the academic year 2011–2012. The student program is funded through a student fee, but the university funded the faculty-staff program without levying a fee on employees.

The Parking and Transportation Department of the University of Texas did a good job marketing the program to employees. Capital Metro would prefer to have direct access to employees, but it credits Parking and Transportation with getting the word out and helping to make the employee program a success.

Capital Metro sends the swipe records to the university, and the university breaks down boardings by student, faculty, and staff. Capital Metro does not know the identity of any specific cardholder or whether the cardholder is a student or an employee. Thus, the agency cannot analyze student ridership trends or usage rates versus faculty and staff. Capital Metro envisions use of a smart card that would provide detailed information, but the university may not be willing to migrate to a smart card.

Capital Metro tried to start a vanpool program for employees who did not live within walking distance to a bus route. The university has 1,000 registered carpools. Capital Metro was willing to provide the vans and the insurance, but the vanpool program did not generate interest. Direct access to the employees might have helped the program.

City of Austin Employee Program

Two members of the Austin City Council are members of the Capital Metro Board and witnessed the success of the U-pass program. The city decided that it should have a similar plan, and negotiated a program for city employees with Capital Metro. Under this program, city employees would use their ID cards as flash passes, and the city would pay an annual fee of \$10 per employee (as noted earlier, based on all city employees) to Capital Metro.

The city was interested in the program for several reasons. One was the desire to be a “Green City.” Promoting transit use among its employees was seen as one way to achieve this. A second reason for the city’s interest was to reduce

the need for parking. A third reason was to provide a useful benefit to city employees.

The program was negotiated at the highest levels of city government and then turned over to the city’s Human Resources (HR) department to administer. The HR department viewed this as an added burden and did not see the benefits of the program. Without buy-in at the administrative level, the introduction of the program to employees was difficult. The agreement did not specify how the program would be marketed to the employees.

An added difficulty in marketing the program was that the city had 300 different employment sites scattered throughout Austin. Capital Metro would meet with employees at the invitation of a specific agency (Austin Energy was proactive in distributing news about the program), but many employees never realized that this was part of their benefits package.

The city ID cards differed by agency, with the city seal as the only common element. This made it challenging for bus operators to identify valid cards. As the program evolved, the city limited the program (and its contribution to Capital Metro) to 5,000 employees. Capital Metro agreed in exchange for the right to design the passes. These passes were designed as a distinctive blue pass, known as the I-Ride pass. The use of these passes provided much better information regarding employee ridership, a goal of both Capital Metro and the city of Austin.

By the second year of the program, the HR department distributed brochures only during the open enrollment periods. Capital Metro pushed unsuccessfully for a much more personalized trip planner program.

Another factor working against the program was the availability of plentiful parking at city employment sites at no cost to the employee. With no parking-related disincentive, the program lacked an important factor contributing to the success of the U-pass programs.

The city of Austin realized that the program was not working as desired and worked with Capital Metro on improvements. Sharing detailed ridership data helped both parties. Capital Metro also identified areas where employees could be riding. A new marketing program for the I-Ride pass has not yet been developed. The city now has departments focused on sustainability and other green issues. These new departments might serve as a better home for the I-Ride program than the HR department.

The struggles with the I-Ride program highlight the need for involvement across departments within the public agency when an employer pass program is initiated. The HR department that had the responsibility for program implementa-

tion was not involved in the development of the program and never saw itself as a stakeholder.

The I-Ride program is an example of adapting a U-pass program to serve other public and private employers. The success of the U-pass program generated interest among public-sector employers in a similar program. Ease of administration, reasonable cost, and the desire to be perceived as a “green” employer are major factors that generate interest in the program. The flexibility afforded by phasing in program costs is another important factor in maintaining public employer interest.

Other Programs

Austin is the capital of Texas. The state was a natural market for an employer pass program. Capital Metro had a pass program with the state in which it provided free passes for distribution to state employees. The passes were lightly used, primarily because plenty of free parking is available for state employees. In contrast, at the university, parking is limited and a parking permit can cost as much as \$408 per year for staff and \$602 per year for commuting students.

The local newspaper, the *Austin American-Statesman*, began a similar program with Capital Metro involving the distribution of free passes to its employees. The newspaper did not want to expand parking. As with the state, plenty of free parking was available for its employees.

Factors Contributing to Success

Capital Metro credits the following factors as contributing to the success of employer-based fare programs:

- Parking availability and cost. The University of Texas had the courage to restrict parking on campus. Capital Metro cites this as the biggest single factor contributing to the success of the U-pass program for both students and faculty and staff. By contrast, city and state employees had plentiful free parking.
- Affordability. The student program is funded by student fees, and the university funds the faculty and staff program. Students and university administrators view the programs as reasonably priced.
- Density of development. The university campus is densely developed, and the decreased need for parking structures frees up land for additional development on campus. City employment sites are scattered throughout Austin.
- Partnership. Capital Metro worked with the university to tailor routes to meet student needs. Capital Metro’s existing routes already served neighborhoods with high concentrations of staff residences. The city agreement was negotiated at the highest levels of city government,

which resulted in a lack of understanding of and stake in the program at the administrative level.

- Initial success. The success with the student program created interest in the faculty and staff program.

Sustainability has emerged as a factor supporting the employer pass programs, but Capital Metro views sustainability as the icing on the cake, not a key factor in getting the program to where it is today.

Lessons Learned

Capital Metro offered the following lessons learned:

- Develop a strong relationship with the department responsible for administering the program.
- Define responsibilities for marketing the program as part of the agreement. Ideally, the transit agency would be able to have direct contact with employees as part of the marketing plan.
- Avoid flash passes. If employee passes cannot be read by the farebox, use agency-developed fare media. This helps to track ridership data.
- Factors outside of the agency’s control, particularly the availability and cost of parking, are critical aspects of program success.



**KING COUNTY METRO,
SEATTLE, WASHINGTON**

King County Metro operates public transportation service in the greater Seattle area. The service area has a population of 1.9 million. King County Metro operates 966 peak buses (942 directly) and 120 peak trolleybuses. Annual ridership is 113.9 million, including all services operated (FY 2007). King County Metro uses the GFI cents-a-bill farebox, with no Ticket Reader/Issuer Machine unit.

King County Metro reported three employer-based fare programs, which evolved one out of another. It began with one of the first University Pass (U-pass) programs in the United States, migrated to a Flex Pass program, and eventually included the Puget Pass.

U-pass Program

King County Metro began a U-pass program with the University of Washington in 1991. The U-pass program was open to students, faculty, and staff on an opt-out basis. Students are given a U-pass sticker when they register, and if they do not want to pay the fee, they return the sticker to the office and request a refund. The University of Washington orders, prints, and distributes fare media on King County Metro’s behalf.

An important incentive for the University of Washington was that the city of Seattle withheld building permits for the campus because of concerns about traffic impacts. With the U-pass program, fewer cars are parked at the university than in 1991, despite an increase of 23% in the number of people on campus every day (campus daytime population is 70,000). A total of 45,000 students, faculty, and staff participate in U-pass, which has expanded to include neighboring transit agencies (Community Transit and Sound Transit).

Flex Pass

In 1992, after observing the success of the U-pass program, King County Metro saw an opportunity to expand the program to smaller-scale customers. The city of Bellevue had adopted an aggressive commuter trip reduction program in accordance with state regulations, but its transit benefit relied on monthly pass sales. King County Metro approached the city and proposed what became the Flex Pass program. All city employees would receive a Flex Pass that was good for 1 year in exchange for a fee paid by the city. The city estimated the initial fee after completing a survey of existing employee transit use, and the fee then would be adjusted in subsequent years based on actual Flex Pass usage.

King County Metro had a complex fare structure at the time of implementation, with zonal fares and express fares. To simplify administration and customer understanding, Flex Pass was designed as a single fare medium good on all King County Metro services. Two other benefits were assigned to enhance the value of the Flex Pass:

- Flex Pass could be used as a vanpool subsidy; it had a set value that would be credited to any city employee in a vanpool.
- Any Flex Pass customer could be part of a Guaranteed Ride Home program (not mandatory).

One challenge of implementing the Flex Pass program with the early participating public agencies and private companies was its success in gaining new ridership. Often in the first year of the program, market share tripled (i.e., from 5% to 15% of commuters). This led to a problem with sustainability, because the participating agencies and companies did not budget resources to sustain such cost increases. In more urban locations such as downtown Seattle, where baseline levels of transit use are higher, the market share for transit went from 45% to 55%.

From the city of Bellevue's point of view, Flex Pass offered several important benefits. It was simple to administer, with a single invoice and a single point of distribution. The program maximized access to the transit system at minimal cost (as employee benefits go, the Flex Pass is reasonably priced). It was flexible: employees could use the Flex Pass as partial payment for a vanpool program.

Even at a reasonable price, the Flex Pass was a new concept with a cost attached. To ease the acceptance of the program, King County Metro made the decision to phase in program costs over the first 3 years. It estimated first-year cost based on the value of existing employee use of transit. As an example, assume this is \$10,000. As the program generates ridership, the second-year cost could rise to \$30,000. King County Metro's Board decided to charge only one-third of the increased cost in the second year (in this case, the employer would pay \$17,000 for the second year, not \$30,000). In the third year, the employer would pay two-thirds of the increased cost (or \$23,000). This phasing in of program costs in the first 3 years kept employers interested.

In exchange for what some in the agency referred to as "discount pricing" (King County Metro never used that term officially), employers had to agree to two provisions. First, employers would not require employees to pay more than 50% of the cost of a Flex Pass. Second, employers would make the Flex Pass available to all employees. The employer had some leeway in defining "all employees"—for example, full-time only or no contracted employees. The agreed-on definition was included in the contract with King County Metro.

Within 7 to 8 years, 200 employers had signed up for the Flex Pass program, mostly public-sector employers such as cities and state agencies. The transit agency was beginning to drown in administration, because each contract had a separate negotiated cost. King County Metro adopted a philosophy that cost would depend on the level of service (measured by per capita ridership). The statewide CTR program produced a detailed longitudinal database that King County Metro used to calculate per capita use of transit within 15 areas of the county and to establish the program cost within each area. For companies with fewer than 500 employees, location within the county determined the per employee cost of the program, which ranges annually from \$65 in rural areas to \$390 in downtown Seattle.

Although King County was the regional employment center, the Flex Pass was not accepted on other transit systems within the region, which presented another challenge. In 1999, Sound Transit began regional bus and train service and reached an agreement to participate in the Flex Pass program. King County Metro continued to handle all the program administration and would design custom passes good on Sound Transit and connecting local systems. King County Metro collected \$9 million in revenue for Sound Transit in 2008, and Sound Transit never "touches" the program. The employer is free to negotiate with other transit agencies to accept its Flex Pass.

King County Metro now manages 600 Flex Pass customers, and contracts 300 agreements with small employers to two business associations. This level of activity is difficult

to manage, even with simplified, consistent contracts. Total program revenue exceeded \$36 million in 2008.

How did King County Metro get so many public agencies to participate? The statewide CTR law helped, and King County Metro administers the law on behalf of many cities within the county and has coordinated with the cities in terms of different programs offered. The ease of administration of Flex Pass is a compelling argument to the cities, especially those that manage their own programs. In addition, with accurate pricing, the Flex Pass is a relatively inexpensive employee benefit.

These two reasons to participate (ease of administration and relatively low cost) apply to private- and public-sector employers. A third reason to participate among the cities might be termed “walk the walk.” A city that is encouraging reduced commuter trips should do its share by participating in the Flex Pass program. The success of the Flex Pass program is shown by a customer retention rate well over 90%.

King County Metro also worked with the state of Washington. Different departments within state government made different decisions regarding employee commuter benefits. All offices of the Washington State Department of Transportation (WSDOT) in King County are part of the Flex Pass program. In the current fiscal environment, WSDOT is considering an increase in the employee co-pay amount. Another department that participated in the Flex Pass program is discontinuing several employee benefit programs, including Flex Pass. One office of this department in downtown Seattle made the business case that its continued participation in Flex Pass made economic sense, but this was the only office of the department still enrolled in the Flex Pass program.

The Flex Pass program is an example of adapting a U-pass program to serve other public and private employers. The success of the U-pass program generated interest among public-sector employers in a similar program. Ease of administration, reasonable cost, and the desire to be perceived as a “green” employer are major factors that generate interest in the program. The flexibility afforded by phasing in program costs is an important factor in maintaining public employer interest.

Puget Pass

The U-pass and Flex Pass programs have been very successful, but King County Metro realizes that these programs are not appropriate for all employers. The third program is more traditional: selling monthly passes to employers through consignment. This pass is now known as the Puget Pass.

The CTR law has been an effective lever in encouraging employer participation, because all employers with more

than 100 employees are required to develop a program. The Puget Pass program, which originated in the late 1970s and early 1980s in a somewhat different form, was the first acknowledgment of employers as an important customer in the transit marketplace. In the mid-1990s, King County Metro realized the need for a voucher program to help employers. The Puget Pass can be used as a transit pass or can be treated as cash and applied to the cost of participating in a vanpool program.

The Puget Pass is accepted by all regional providers except for Kitsap Transit, which has a similar pass. The regional scope of the program appealed to employers with employees living outside of King County. An employer could meet the commuting needs of all its employees. The program provides a specific customer with a specific product appropriate to his or her needs, subsidized by the employer. All employers have to agree to subsidize the cost of a Puget Pass by at least \$5.00.

When an employer designs a program with high levels of subsidies for employees and widespread eligibility, ridership and revenue are maximized. King County Metro uses local and Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds to provide incentives to encourage employers to design an appealing program. For example, in the first year of program participation, the employer is asked to pay 85 cents on the dollar, with the remaining amount covered through local and CMAQ funds. Incentives such as these encourage employer participation and promote the provision of high subsidies to employees and universal distribution.

Migrating to a Smart Card

Each of the three programs in Seattle, Washington, has an analogue in the ORCA (One Regional Card for All) Smart Card program, which began a limited rollout in April 2009. The ORCA smart card will be used by all seven major transit agencies serving a four-county area in and around Seattle.

The U-pass program is unique and remains mostly the same. Kitsap, Pierce, and Everett Transit will now participate in U-pass.

The Flex Pass program will be known as Passport. The Passport is a fully regional card in King County, and is good on any transit provider within the region. Six transit agencies are participating in the Passport program.

The Puget Pass program will be known as Business Choice. Transit agencies also will provide vouchers that are good within the system. The employee can decide to which product to assign the voucher.

Factors Contributing to Success

Why did King County Metro build this array of products and why does it allow employers to obtain these products virtually free of charge?

- King County Metro can achieve higher ridership and revenue by improving ease of access to the transit system.
- Employer-based programs are more successful in terms of ridership and revenue if the employer provides a high subsidy to employees and widespread availability.
- Using CMAQ and local funds encourages employers to design programs that are more attractive to employees.
- Revenue foregone in early years is recouped in later years by higher program participation.

Today, King County Metro credits partnerships with employers as the cornerstone of its presence in the marketplace.

Lessons Learned

King County Metro offered a single lesson learned: Keep it simple, for the customer and for internal administration.



Monroe County Transportation Authority (MCTA, known locally as The Pocono Pony), provides transit service throughout Monroe County. The county is large (611 square miles) and primarily rural, with Stroudsburg and East Stroudsburg as its largest boroughs. The service area population is 165,000. MCTA operates 11 peak buses. Annual ridership is 382,000, including all services operated (FY 2008). MCTA uses the GFI cents-a-bill farebox.

MCTA reported one employer-based fare program for federal employees at the Tobyhanna Army Depot. The county's biggest employer, Tobyhanna Army Depot is located in the northwestern part of the county.

The Tobyhanna Express

One of the MCTA board members worked at Tobyhanna and raised the idea of express commuter service to this location. The board's question was, "Would we have enough riders to fill a bus?" MCTA found that more than 30 carpool/vanpool arrangements were funded through the federal commuter benefits program for Tobyhanna employees living in nearby counties (Luzerne and Lackawanna Counties to the north and Lehigh County to the south). The board member had

seniority at Tobyhanna and lobbied successfully for expansion of the voucher program to include transit.

It can be difficult in a large, rural county to design an express route that can provide direct service and serve neighborhoods where employees who work similar shifts reside. Fortunately, a number of employees live in East Stroudsburg and others are within a reasonable distance of State Route (SR) 611, the major north-south artery in the county. The long commuting distances also worked in MCTA's favor: a typical roundtrip commute is 40 miles to and from Tobyhanna. Most major employers are along or within 1 mile of SR-611, resulting in traffic congestion during the morning and afternoon peak periods.

MCTA designed The Tobyhanna Express route with stops in East Stroudsburg, Stroudsburg, Tannersville, and Tobyhanna on SR-611. Stop locations provide ample parking. The morning trip leaves East Stroudsburg at 5:35 a.m. and arrives at Tobyhanna 1 hour later. The return trip in the afternoon leaves Tobyhanna at 4:40 p.m. Monday through Thursday and 3:40 p.m. on Friday. The route is not scheduled as a standalone route but is interlined with other local routes to maximize operator usage. MCTA works with Tobyhanna to adjust the time of the afternoon trip in the event of an early closing caused by inclement winter weather.

Ridership is higher in warmer months. In the period from March through October 2008, ridership averaged 375 trips per month. In November 2009 through January 2009, monthly ridership fell off to 250 trips per month. MCTA attributes this to a preference among some riders not to wait for the bus in the dark in cold weather.

Tobyhanna employees obtain transportation vouchers for either the carpool/vanpool program or the Tobyhanna Express. The employees then purchase 20-ticket books from MCTA. Typically, an employee will purchase ticket books worth \$300 at one time. This may be the result of how Tobyhanna distributes vouchers to its employees (quarterly or possibly bimonthly).

MCTA has tried to expand this program to other employers in the county through an employer voucher program. As a small agency, MCTA does not have as much staff time as it would like to devote to this effort. MCTA did work on a shuttle with the Pocono Commuter Group, which was asking for a route from a gated community to a park-and-ride lot served by a commuter bus to New York City. After several meetings with the group's board of directors, MCTA agreed to a 3-month pilot project with the understanding that 11 riders were needed in each direction to break even. The shuttle was discontinued when ridership fell far below the group's projections.

As part of MCTA's vision as a mobility provider, the agency is looking for opportunities to build commuter ser-

vices within the county. One possibility is a voucher program with a local pharmaceutical company that is the largest private employer in the county. A new board member works at East Stroudsburg University and could renew discussions of a university pass program open to students, faculty, and staff.

Factors Contributing to Success

Several factors have contributed to the success of the employer voucher program for the Tobyhanna Express:

- *A champion within the public employer.* The board member who worked at Tobyhanna had seniority in his position and was able to work with upper management to expand the voucher program at Tobyhanna beyond carpools/vanpools to transit.
- *Participation by the MCTA Board.* The program began as a board initiative and thus had its full support in negotiations and ongoing implementation.
- *Communication with riders.* The board member who proposed the idea is a regular rider on the Tobyhanna Express. He serves an important role as a direct conduit regarding any problems or issues between MCTA and express riders.
- *Board diversification.* MCTA notes the importance of paying attention to how you diversify your board. If the Tobyhanna employee had not been recruited to be part of the board, the program might not have happened. A new board member from the university may play a similar role in encouraging interest in a university pass program.

Lessons Learned

The Tobyhanna Express is an example of a successful employer voucher program with a federal agency at a small transit system. Clearly, employer pass programs can be successful at a variety of agencies, not just at larger transit systems. MCTA offers a primary recommendation to those seeking to replicate its success: Find a champion within the public employer. As with many federal agencies, the Tobyhanna Army Depot is committed to reducing single-occupant automobile travel to and from work, because it will reduce parking needs and simply because it is a good policy. Even with this commitment, a champion within the public employer was instrumental in converting this commitment to action, especially in a rural community such as Monroe County.



**NASHVILLE METROPOLITAN
TRANSPORTATION
AUTHORITY, NASHVILLE,
TENNESSEE**

The Nashville Metropolitan Transit Authority (MTA) provides public transportation services in the city of Nashville and surrounding communities.

The service area has a population of 573,000. MTA operates 116 peak buses. Annual ridership across all services is 8.9 million (FY 2007). MTA uses the GFI Odyssey farebox.

The MTA reported three employer-based fare programs under its commuter benefits program known as EasyRide. EasyRide has evolved into a flexible program in which employers can tailor benefits to their needs.

U-pass Program

MTA worked with Vanderbilt University to develop a university pass (U-pass) program that targeted employees rather than students. This cooperative effort grew out of a relationship with an MTA board member. The university was interested because of serious parking issues. Vanderbilt had encouraged carpools and vanpools by providing preferential parking, but not under a broader umbrella with transit benefits.

The U-pass program uses existing employer identification cards that have been tested for compatibility with MTA's fareboxes. MTA does issue EasyRide cards for its other programs, but Vanderbilt controls the cards. The benefits of this arrangement are that MTA does not have to issue separate fare cards for Vanderbilt employees and the university does not have to share any personal data on its employees with MTA. The university receives a single bill each month from MTA based on a negotiated per swipe rate.

The U-pass program has expanded to include Medical Center employees, faculty, and graduate students. Undergraduate students quickly discovered that their ID cards also worked in the fareboxes. However, because Vanderbilt pays on a per swipe basis, the university has closely analyzed usage and reports any unauthorized use to MTA, which can then program its fareboxes not to accept an unauthorized ID.

Monthly ridership in the U-pass program began at 14,000 in 2004. In 2008, ridership reached 56,000 in a month in which gasoline prices were near their peak.

Vanderbilt is a private university, and so the U-pass program is not a true example of a public employee pass program. By stepping up as a major employer in Nashville willing to take the lead in establishing an employer-based fare program, Vanderbilt set an example that other public employers soon followed. MTA emphasizes the importance of the U-pass program in generating interest among other major employers, including the state and the city.

State Employees

The second EasyRide program described by MTA is with the state of Tennessee. The state is the biggest employer in Nashville, with several state agencies housed in downtown, and

the state had been providing an employee shuttle between these offices and parking lots across downtown. State officials read media reports about the Vanderbilt program, and asked how they could get a similar deal for their employees.

This interest led MTA to consider how to price the EasyRide program. MTA mirrored the state program on the approach taken with Vanderbilt, realizing that the EasyRide program needed to be flexible because each employer is different. MTA sets prices based on proximity to transit, origin–destination patterns, and transfer rates. Higher prices are associated with greater proximity, more origin–destination patterns that can be served by transit, and lower transfer rates. The state legislature provided a sizable sum to pay for the program.

Transit was generally a convenient option for state employees, because most state agencies are located downtown and the primary hub for MTA's route network is downtown, with few transfers required. As a free benefit for participating in the EasyRide program, MTA maps employee residences by zip code, which enables the employer to estimate participation levels for employer budgeting.

As with Vanderbilt, the state receives a single monthly bill from MTA based on the negotiated per swipe rate. A major difference is that MTA issues EasyRide cards for all state employees. The state is responsible for distribution. In the event of a lost card, MTA will produce a new card on its existing production schedule (generally within 1 week of receipt). Cards for newly hired employees also are produced on this schedule. MTA will bill \$10 to replace a lost card. An employee who leaves the state turns in his or her EasyRide pass before leaving employment of the state. The cards expire in 999 days (related to farebox technology), but it takes only a second to reprogram an expired card.

The state's Department of General Services (DGS) is MTA's point of contact. DGS enters the data on state employees and sends it to MTA. MTA prints and tests the EasyRide passes. DGS then distributes the passes through individual departments to the employees. DGS added one staff person to oversee the program and analyze monthly reports.

Through its fareboxes, MTA obtains and provides data on employee use of the program to employers. Employers differ in their interest in analyzing employee use. The state of Tennessee established this program for work commute trips only, not for general use. Thus, the state monitors the details of employee use and calls in employees who ride during noncommute times to clarify the program's intent. The state warns the employee the first time, but repeat offenders can lose their passes.

This is an example of MTA's guiding philosophy for the EasyRide program: the employers decide the details, including how employees can use the pass. Employers pay on a per

swipe basis, not a per employee basis, and have a greater incentive to control costs by controlling usage. Under this philosophy, card design is based on employer specifications. The state design features a striking photograph on the pass card.

Municipal Employees

Once the state program was implemented, MTA found that other public-sector employees requested a similar program. Metropolitan Nashville government (the municipal government in Nashville) put a small amount of money aside to fund a program of some type.

The first step with Metro Nashville was to establish a pre-tax program under which Metro Nashville employees purchased an EasyRide 31-day card. Other municipal employees became aware of this (the employees are the major impetus for this program) and again wanted cards similar to what they knew was available to Vanderbilt and the state. The Metro Council set aside \$50,000 to fund an EasyRide program for General Service employees (GSE) only, at which point MTA moved to the broader EasyRide program for these employees. Other municipal employees with the airport, hospital and housing authorities, and Metro Nashville schools are not in the category of GSE and thus are not eligible. As did the state, the Metro Council limited the use of EasyRide solely for work commutes.

MTA issues the EasyRide cards for GSE employees. Part of the challenge in the Metro Nashville program is that city employment sites are less centralized.

The Metro Council has set aside \$75,000 for the EasyRide program in the upcoming year. The non-GSE employees at "cousin" agencies are now coming to the table to develop their own programs. MTA is in various stages of enrolling or working to enroll these employees. MTA and the hospital authority have signed a memorandum of understanding, but a \$3 million cut in the hospital authority's budget put the memorandum on hold.

An individual employer not in the EasyRide program can purchase individual passes and take advantage of pre-tax benefits. MTA prints and issues Mobility Checks, which serve as transit currency within the Nashville region. With the recent increase in the federal cap to \$230 per month, even the most expensive pass on the commuter rail system now falls within the cap.

Factors Contributing to Success

The following factors have contributed to the success of the MTA EasyRide program:

- Role of the media. Several well-placed stories created a buzz and led to other employers calling MTA.

The state became interested as a result of publicity surrounding the Vanderbilt University program, and Metro Nashville became interested as a result of publicity surrounding the state program.

- Changed perceptions about transit. The EasyRide program cuts across socioeconomic lines and helps MTA promote its services to a broader market. One result is a perception throughout all segments of the community that “people like us” ride transit.
- Public employer perceptions. Public employers view EasyRide as a cost-effective benefit to provide to their employers.
- Flexibility. Employers can tailor the program to meet their needs. An emergency ride home program is helpful in this regard.
- A proactive approach. MTA organized a half-day symposium at Vanderbilt University to introduce the concept to university personnel. MTA staff worked extensively with GSA and the state before GSA decided that it was ready to participate. MTA continues to take an aggressive approach to seeking new employers, in both the public and the private sectors.
- Program champions. The MTA chief executive officer has championed the program for the agency, but several other champions have emerged on the employer side. Vanderbilt’s chancellor at the time came from Ohio State and was familiar with the benefits of a U-pass program. The Tennessee Department of Transportation (TDOT) strongly encouraged the state and GSA to adopt the EasyRide program. The mayor of Nashville is a regular bus rider and a strong environmental advocate.

Resistance can arise with a decision maker who has no experience with transit. Positive stories in the news media once the Vanderbilt program was up and running and program champions at public agencies helped to overcome this resistance in Nashville. A willingness to design the program with flexibility is helpful for employers who are not familiar with transit. Even with the Mayor as a champion, the municipal program began as a more limited benefit program for 31-day passes. MTA was flexible enough to accommodate the City in small steps.

Public employers can be reluctant to commit funds, especially in the current fiscal environment. The state of Tennessee set up a budget of \$500,000 for its EasyRide program, and later raised the amount to \$750,000 once it was clearly successful. Metro Nashville had a \$50,000 budget cap for the first year, and MTA had an open dialogue with Metro regarding how fast they were spending money on the program. Because 42% of MTA’s budget (\$18.4 million) comes from Metro and the program supported the mayor’s efforts, MTA did not bill Metro for costs above the cap. Metro increased the cap to \$75,000 for the coming year.

Budget crises can serve as a litmus test for program success. DGS proposed cancellation of the state EasyRide program in FY 2010 because of budget considerations. After meetings with MTA senior staff, the Tennessee Department of Transportation negotiated a new contract with MTA in which TDOT will not only cover the expense of state employees’ work commute aboard all MTA fixed-route bus services, but also include the Regional Transportation Authority’s (RTA) commuter rail and commuter bus services. Under the terms of a multiyear contract (modeled on the MTA/Metro Nashville government contract), MTA will receive a lump sum to cover both MTA and RTA services. Working on a monthly draw-down, MTA and TDOT will reconcile program expenses at the end of the fiscal year to program adequate funding for the subsequent year.

In addition, TDOT is expanding the program statewide. TDOT plans to negotiate a similar contract with the transit authorities of the cities of Memphis, Chattanooga, and Knoxville. With the commissioner of TDOT championing the program, EasyRide has moved from facing discontinuation because of budget concerns to serving as the model for an expanded statewide program.

Lessons Learned

MTA is an excellent example of a successful program for both the state and Metro Nashville as well as for private-sector employers such as Vanderbilt University. Lessons learned include the following:

- *Find a champion and a corporate leader who will pave the way.*
- *Design a flexible program that the employer can tailor to meet its needs.*
- *Start wherever you can and build on successes.* The Vanderbilt program sparked interest in the public sector. Success with the state program encouraged Metro Nashville to become involved, first with a pretax program for 31-day passes and then with a full EasyRide program.
- *State government is not a monolithic entity.* When DGS was prepared to discontinue the program, TDOT stepped in with expanded funding and plans to establish similar programs elsewhere in the state.

**INTERcity
TRANSIT**

**INTERCITY
TRANSIT,
OLYMPIA,
WASHINGTON**

Intercity Transit is the local transit system based in Olympia, Washington, the capital of Washington. The service area has a population of 147,000. Intercity Transit operates 50 peak

buses. Annual ridership is 4.3 million, including all services operated (FY 2007). Intercity Transit uses the GFI cents-a-bill farebox.

The state of Washington is the largest employer in the Olympia area, including the surrounding Thurston County. Intercity Transit and the state of Washington offer a “free” transit pass program known as the STAR Pass to state employees. STAR (State Agency Rider) began in early 2000 and is available to any state employee working within the county. This includes state agency employees and state-funded colleges whose faculty and staff are also state employees.

The partnership between Intercity Transit and the state has evolved over the past 17 years. The earliest form of the program began in the early 1990s with the state, the city of Olympia, and Thurston County (county government is located in Olympia, too) helping to fund an Intercity Transit fare-free, high-frequency, weekday shuttle service. Four shuttle routes connected state agency office complexes in the city of Olympia and two neighboring cities, Lacey and Tumwater. The shuttles also served the Thurston County Courthouse complex and city of Olympia offices. Service was open to the general public and operational costs were split among the parties. The state’s portion of the funding was acquired through a fund that each state agency in Thurston County paid into on a full-time equivalent basis. The state legislature then allocated a portion of this fund to the Department of General Administration (GA) for the shuttle service. Intercity Transit’s funding of this service, and all of its services, mainly came from the local motor vehicle excise tax (MVET), with a smaller portion coming from local sales tax, fares, and advertising on buses.

The MVET, an annual vehicle licensing renewal process that was based on vehicle value and that could amount to hundreds of dollars for a new vehicle, spurred a taxpayer initiative in 1999. As a result, the state legislature amended the state law in early 2000 to reduce the MVET, which in turn cut funding to transit systems and other community-based public services. Intercity Transit lost almost 45% of its operating revenue and, as a result, instituted service reductions, including the discontinuation of the state shuttle routes.

STAR Pass

GA proposed that the state funds allocated for the shuttle service be used to provide a fare-free transit pass to all state employees working in Thurston County. GA and Intercity Transit made the proposal to the State Office of Financial Management, which agreed with the analysis. The STAR Pass was born.

The new employer-based transit pass actually provides more service options for state employees, who now can use

any Intercity Transit route for any purpose on any day. This includes employees who use Intercity Transit’s “Dial-A-Lift” paratransit service.

The STAR Pass program uses employee photo ID cards with a transit validation sticker affixed to the front. Use of state agency photo ID cards is a key component of the program and lessens the risk of misuse. The stickers tear apart if a rider attempts to remove them. For further security, the stickers are changed every 4 years. GA provides its own version of a state photo ID with a STAR Pass sticker to employees of a few small state agencies that do not provide photo IDs. Employees retiring or leaving state employment are required to turn in their agency ID cards. Agencies have processes in place to ensure that all ID cards are returned. Between 7,000 and 8,000 of the 22,000 state employees in Thurston County have a STAR Pass sticker on their photo ID cards. Currently, about 10% to 13% of the Intercity Transit ridership uses the STAR Pass on a regular basis.

GA has an annual contract with Intercity Transit that specifies a payment formula. The formula is based on Intercity Transit’s average farebox recovery rate, currently \$0.66 (full fare is \$1 per trip). Boarding counts for STAR Pass usage are taken twice a year, once during the legislative session and once when the legislature is not in session. The counts are taken for 2 weeks using electronic farebox counters. GA encourages all state employees to get a STAR Pass sticker, which is promoted through agency involvement in CTR efforts. CTR is a part of the state’s growth management policies and laws, which are applied at the local jurisdictional and individual employer levels in an effort to reduce single-occupant commuter trips, lower vehicle miles traveled, improve air quality, and reduce energy consumption.

Transit systems from three neighboring counties serve the Olympia area but do not accept the STAR Pass. GA offers state employees who commute to work in Thurston County on these systems a subsidy of \$0.55 per ride. The employee submits a tracking calendar to GA indicating the commute trips taken. In return, the employee receives a voucher good toward the purchase of a monthly transit pass.

The Capitol Campus in Olympia is approximately 1.5 miles from the center of downtown and the Olympia Transit Center, a major transportation hub for the area. Several fixed routes that utilize the transit center also serve bus stops adjacent to the Capitol Campus along a main arterial. In 2006, Intercity Transit began operating a downtown circulator (Dash) that provides a fare-free service between the north end of downtown Olympia (also a destination and home of the Olympia’s Farmers Market) and the Capitol Campus to the south. The Dash route operates through the Capitol Campus, serving a variety of work sites and parking lots. Its main purpose is to provide visitors and employees

with access between the campus and downtown as well as to reduce parking problems in both locations. The service operates weekdays every 12 minutes, and on Saturday every 15 minutes, making transfers to and from other routes convenient as well.

State agencies are located in the adjacent cities of Lacey to the east and Tumwater to the south. Intercity Transit has a transit center near the state's Lacey Campus. Five routes run between Lacey and Olympia with the main trunk routes operating every 15 minutes. Two routes operate between Olympia and Tumwater, providing the state's Tumwater Campus with 15-minute service as well.

The state's master planning process has identified and utilizes "preferred leasing" areas for the location of state worksites within these three cities. This has helped the state to identify areas of more intensive development and provides greater state employment density. Intercity Transit remains actively involved in the review process of the developments and works with the state and local jurisdictions to make transit more viable, especially in areas outside Olympia's Central Business District and core Capitol Campus.

Neither the state nor Intercity Transit could identify any significant drawbacks to the STAR Pass program. It is well accepted by state agencies and state employees and is a great example of interagency coordination and involvement. Start-up issues for the pass program were relatively minor, and the program has proven to be popular (as evidenced by full funding in the state budget over the years). Its funding is currently under budget review, as are all state-supported programs in a year in which the state is facing a significant budget shortfall because of local and national economic conditions. State and transit staffs remain hopeful that the program will continue.

Factors Contributing to Success

Several factors have contributed to the success of the Intercity Transit and Washington's STAR Pass program:

- *Ability to identify a funding source.* The loss of the local MVET for public transit led to the discontinuation of the original shuttle service program. GA and Intercity Transit were able to work with the governor's staff to transfer the state's share of the funds allocated to the shuttle program to the STAR Pass program.
- *Use of state employee photo ID cards with a sticker.* This was administratively the simplest option, requiring only a sticker attachment. Because agency ID cards have the employee's photo and must have the validating STAR Pass sticker on it, the potential for misuse on transit is reduced.
- *Land use and development.* Identification of preferred leasing areas for state worksites within the three major

connecting cities has channeled development for state worksites toward these areas. This has increased state employment density, which in turn provided a more concentrated market for transit. In addition, the state actively developed and continues to promote CTR efforts throughout its agency network.

- *State interest.* Intercity Transit and state staffs have worked closely for many years on transit and transportation issues. The partnership between the transit system and the state has been an essential element in the success of the program. The GA has the lead role in the implementation of agency CTR programs. Intercity Transit has a key role in helping employers (both public and private) reduce commute trips. The partnership is essential in supporting reduced drive-alone commute trips through initiatives such as the STAR Pass program.

The program's success is not the result of parking limitations or cost. Parking is generally free at state agency locations outside of the Capitol Campus and costs employees only \$25 per month on the Capitol Campus.

Lessons Learned

The Intercity Transit/Washington State STAR Pass program is an example of a small transit system located in a state capital working with the state to establish a successful program for state employees. Lessons learned include the following:

- Begin by working with groups to brainstorm ideas for improving mobility. The state initiated focus groups with state agencies and employees, unions, the city of Olympia, and Intercity Transit. The group came up with the original shuttle service proposal. A successful pilot program funded by contributing agencies convinced the state legislature to provide ongoing funding for the shuttle program. The importance of the focus groups was to bring interested parties together to help solve transportation mobility issues at state agency worksites. The fare-free bus pass program that replaced the shuttle service enhanced employee mobility without any additional cost to the state.
- Although sustainability and the reduction of greenhouse gases were not original program goals, the STAR Pass program is very much in accord with these emerging state priorities. The governor's and legislature's focus on reducing vehicle miles traveled and greenhouse gas emissions explain the continued support for the program even in difficult fiscal times.
- Land use decisions, such as preferred leasing areas, enhance the viability of transit. Transit agencies obviously cannot control land use decisions, but partnerships with other public agencies create allies in support of transit-friendly policies.
- An Emergency Ride Home program was a critical component for the STAR Pass program, which pro-

vides employees with the assurance that if they use alternative transportation they can get back home if the need arises.

- The state benefits not only through reduced parking needs but also through increased employee morale. Employees appreciate the program.



TriMet began operation on December 1, 1969. The agency began operating Fareless Square, a free-fare area in downtown Portland, in 1975 or two years before the opening of the transit mall. The Banfield light rail line began service in 1986, and the light rail system now has four lines. TriMet serves an area with a population of 1.3 million and operates 532 peak buses and 81 peak light rail vehicles. Annual ridership is 100.6 million (FY 2007). TriMet uses the GFI cents-a-bill farebox.

TriMet reported three employer-based fare programs: Universal, Select, and Direct. TriMet offers the same product mix to public-sector as well as private-sector employers.

Universal Program

The universal program provides an annual pass to all employees of participating employers. An employee receives a sticker to place on his or her ID card. TriMet produces badges for employers without ID cards.

The cost of the program to the employer is calculated on a sliding scale based on the existing transit mode share for the commute trip. The program is designed to be revenue neutral. TriMet takes advantage of the statewide Employee Commute Option rule that requires all employers with 100 or more employees to implement a transportation management program or a plan to reduce drive-alone work trips by 10%. The Department of Environmental Quality (DEQ) requires employee surveys as part of administering this program. The surveys indicate the existing mode share. TriMet then prices the Universal program within a range of \$35 to \$946 (the cost of an annual pass) per employee annually, depending on mode share. Some smaller employers approach a transit mode share of 100%. Participation in a transit program satisfies the requirement to have a plan in place by the DEQ (this generally applies to all programs).

The program is attractive to employers because it provides a desirable employee benefit at a reasonable price, it is easy to administer, and there is complete flexibility regarding the level of subsidy the employer offers to employees. The vast majority of participating employers provide some

level of subsidy. The employee then can use pretax dollars to pay the difference. The employer has the flexibility to define employee eligibility in its contract with TriMet (within the requirements of the Employee Commute Option rule that any program be offered to all employees who work at least 20 hours per week), and all employees within a defined eligible group are included in the Universal program.

The Universal program has 228 employer sites with 58,566 employees. Of these, 48 employer sites are public agencies (at the city, county, and state levels), with a total of 11,222 public employees participating in the Universal program. Decision making is decentralized: each city, county, and state agency makes its own decision regarding implementation and structure of a transportation program. At most of these participating public-sector agencies, a champion promotes sustainability and strongly believes in the importance of this program. The champion's commitment to the transit program and to sustainability encourages broad participation. TriMet has not needed to market the program to public agencies.

Select Program

The Select program has one important difference from the Universal program: it works on an opt-in basis. An employer can purchase annual passes at \$946 apiece for all employees who commute by transit and can resell the pass to the employees with or without a subsidy. An employer in the Select program is not required by TriMet to survey its employees, because the price of a Select pass is set. TriMet provides stickers to place on participating employee ID cards or provides badges for employers without ID cards. The Select program was designed for employers who wanted to offer a transit benefit but did not want to purchase passes for all employees.

Twenty-four employers are enrolled in the Select program with 2,048 employees. Of these, five are public agencies, accounting for 645 employees. An employer (public or private) would find the Select program more appealing than the Universal program if the employer does not offer the pass to all employees and does not provide a subsidy.

TriMet will conduct an on-site Transportation Fair at the request of an employer kicking off either a Universal or Select program.

Direct Program

The Direct program is a retail program in which employers purchase monthly passes or tickets for resale (at whatever subsidy level determined by the employer) to their employees. These passes can be purchased with pretax dollars. The employer orders the number of passes and tickets desired each month and can return unsold fare media to TriMet at no charge.

Factors Contributing to Success

There are 228 employers (48 public employers) participating in the Universal program, 24 (five public employers) in the Select program, and between 25 and 225 in the Direct program. TriMet credits the following factors as contributing to the success of its employer-based fare programs:

- *A program champion at the employer.* A champion for both public and private employers is helpful. The existence of a champion committed to sustainable policies and to transit's role in reducing single-occupant auto trips is associated with higher participation rates.
- *The Employee Commute Option rule.* This statewide rule serves as an impetus for employers to partner with TriMet. Employee surveys required by DEQ under this rule provide information on current mode share, which TriMet uses to set the price of its Universal pass.
- *Ease of administration.* Stickers and passes for the Universal and Select programs are distributed annually in return for a single annual payment.
- *Reduced need for parking.* Employers have a valuable benefit to offer to their employees in lieu of a parking space.

The ongoing program requirement to survey employees biennially is a drawback to employers, although TriMet has

recently moved to online surveys. Program setup can be complicated in deciding which employee classifications are eligible (not always a straightforward task). The employer's transportation coordinator is required to understand the program thoroughly. It is important to establish a valid and reliable data collection method that eliminates to the greatest extent possible the opportunity for misuse or fraud.

Lessons Learned

TriMet offered the following lessons learned:

- Have a means of measuring program impacts on a regular basis. The biennial surveys provide important information regarding ridership changes and mode split for the commute trip.
- Address all scenarios regarding employee eligibility in the contract. Even though it creates a level of complexity upfront, this effort avoids disputes later on in the program.
- Most important, develop a standard pricing methodology based on current transit use by employees to justify costs to employers. Collect data on transit use before you start the program—do not assume anything. Rely on a standard pricing methodology rather than negotiate the cost with each employer.

CHAPTER SIX

CONCLUSIONS**INTRODUCTION**

This chapter summarizes findings and presents conclusions from this synthesis project, and offers suggestions for future study. Findings from the surveys and particularly the case studies provide an assessment of factors contributing to the success or failure of public employer fare programs. The chapter is organized in five sections:

- Program Goals and Implementation
- Agency Assessment of Public Employee Fare Programs
- Lessons Learned—Survey Respondents
- Lessons Learned—Case Studies
- Conclusion and Suggestions for Future Study

The suggestions for further research needs focus on extending the synthesis findings to understand similarities and differences between public-sector and private-sector employers and to enhance the effectiveness of these programs.

PROGRAM GOALS AND IMPLEMENTATION

- The primary goals cited by the majority of respondents are to increase ridership and build partnerships for transit. A variety of employer pass programs were reported. Most of these programs are not limited to public employers but also include private-sector employers.
- A program champion is helpful and even necessary in establishing a successful program. The champion can come from the transit agency or the public employer, and there can be more than one champion.
- In most programs, employees have the option of paying for their share of the program with pretax payroll deductions. The public employer pays the entire cost in 12 of the 17 programs that do not include payroll deduction as an option. In more than one-quarter of all programs, the transit agency matches part of the cost. The most prevalent fare medium is an employee ID card (which may be readable by the farebox or used as a flash pass), followed by a magnetic strip pass.
- Employers typically assume the responsibility for day-to-day program administration (signing up employ-

ees, distributing fare media, handling other financial arrangements). The role of public employee unions in the program is minimal, with some exceptions. Public employers are heavily involved in publicizing the program to their employees.

- Program benefits (primarily fare media) are distributed to employees in a variety of ways. The most frequently mentioned means of distribution are at the employer's centralized location, at the employer's branch locations, and by means of mail.
- Marketing activity is greatest when the program is implemented, and spikes when a new employer joins the program. Ongoing marketing efforts are characterized as minor or moderate during the first year of the program and as minor thereafter. Additional training is required for personnel involved in program administration, but the level of training is not extensive.
- Constraints mentioned in a majority of programs include the availability of free parking for employees and lack of attention from the employer. Agencies citing lack of attention typically were displeased with the low priority given to marketing the program to employees within the public agency.

AGENCY ASSESSMENT OF PUBLIC EMPLOYEE FARE PROGRAMS

- Transit agencies are satisfied with their public employee fare programs: 92% of respondents are either very satisfied (57%) or somewhat satisfied (35%). Transit agency ratings of program performance are generally positive, with "met expectations" the most common response for all program elements. Level of participation and ridership were the elements most likely to have exceeded expectations.
- The primary benefits of these programs to the transit agency include ridership increases, revenue increases, and increased awareness of transit. Primary benefits to public employers (as reported by transit agencies) include provision of a valuable employee benefit, reduction in the demand and need for parking, and ability to provide transportation options to their employees.
- Drawbacks to these programs to the transit agency include administrative complexity, fare abuse, underpricing or limits to revenue, and the lack of access

to riders. One-quarter of all respondents reported no drawbacks. The most frequently cited drawbacks for the public employers (as reported by transit agencies) involve administrative complexity and cost.

- Improvements related to administrative requirements and procedures were the most frequently mentioned aspects of the process of designing and implementing public employee fare programs that transit agencies would like to change. These improvements include standardizing requirements for employers, making it easier for employees and employers to participate, and simplifying options and administration.

LESSONS LEARNED—SURVEY RESPONDENTS

- Twelve transit agencies shared lessons learned from the implementation of 18 fare programs for public employers. Lessons regarding relationships with public employers led the list of topic areas, followed by program procedures, funding, and marketing.
- The involvement of multiple levels of the public employer's organization in program design and marketing is important. Senior-level management makes the decision to participate in the program, but mid-level managers are typically responsible for implementation. Their commitment to the program is needed for it to succeed.
- Frequently, the transit agency uses its own media and relies on the public employer for distribution. An important exception is for employee identification (ID) cards with a magnetic strip that can be read by the farebox. The ability to implement an employer pass program that uses employee ID cards and thus does not require the transit agency to issue special fare media is a distinct advantage for the transit agency. Use of flash passes can be successful but is not the best option.
- A strong marketing and public relations campaign at the outset to spread the word among employees and other employers is important. A successful rollout can generate broader interest among employers in the private and public sectors.
- Size of the system and the amount that can be invested in the program are limiting factors. The transit agency must be able to fund the program sufficiently at the outset.

LESSONS LEARNED—CASE STUDIES

- Capital Metro in Austin, Texas, has implemented a successful employee pass program at the University of Texas, building on its U-pass program for students, and a less successful program with municipal employees. Establishing a strong relationship with the department responsible for administering the program is impor-

tant. Responsibilities for marketing the program needs to be defined in the initial agreement and ideally will allow direct contact between the transit agency and public employees. Agency-developed fare media can be used if the fareboxes cannot read employee passes; use of flash passes is a less desirable option. In the end, factors outside the transit agency's control (primarily parking availability and cost) play a critical role in the success of the program.

- King County Metro in Seattle, Washington, offers an array of employer pass programs at low cost to employers to increase ridership and revenue. The U-pass program with the University of Washington was the first program of this type. One of the cities in King County then became interested, and the statewide Commute Trip Reduction law spurred further interest. The transit agency developed a standardized formula (based on transit use in specific areas of the county) to calculate cost per employee. King County Metro uses grants and local funding sources to encourage employers to provide a high subsidy to employees and widespread availability. Revenue foregone in early years is recouped in later years by higher participation levels. Ease of administration, relatively low cost for an attractive employee benefit, and an emphasis (especially effective for public employers) on putting proenvironmental goals into practice have encouraged participation. The primary lesson learned through years of offering this program is to keep it simple, both for the customer and for internal administration.
- The Monroe County, Pennsylvania, Transportation Authority is an example of a very small system that has implemented a successful employer voucher program with the largest employer in the county, the Tobyhanna Army Depot. A long-time employee of Tobyhanna who serves on the MCTA Board of Directors was the initial proponent of the program. MCTA notes the importance of paying attention to the diversification of a transit agency's board. The recommendation to those seeking to replicate its success is to find a champion within the public employer. Many public employers are committed to reducing the number of single-occupant automobiles traveling to and from work, but a champion within the public employer is instrumental in converting this commitment to action.
- The Nashville, Tennessee, Metropolitan Transportation Authority provides an example of successful programs for both the state and Metro Nashville as well as private-sector employers like Vanderbilt University. Building on its early success was vital: the Vanderbilt program sparked state interest through positive stories in the media, and the state program encouraged Metro Nashville to become involved. MTA emphasizes the need to find a champion, a corporate leader who will pave the way. Flexibility that allows the employer to tailor the program to meet its needs is also important.

A proposal to discontinue the state program because of budget cutbacks led to the emergence of a new champion (Tennessee Department of Transportation), expansion of the program, and a plan to implement similar programs with other transit agencies in the state.

- Intercity Transit (Olympia, Washington), a small transit system in a state capital, partnered with the state of Washington through the Department of General Administration to establish a successful program for state employees. Working together, the partners identified a funding source and worked with various groups to brainstorm ideas to solve mobility issues at state agency worksites. One important element of the State Agency Rider (STAR) program that emerged from these discussions is an Emergency Ride Home guarantee. The partnership with the state and with the three cities that house state agencies within the service area has encouraged land-use decisions that identify areas of more intensive development and provide greater state employment density. The STAR program is an effective way to meet requirements of the statewide Commute Trip Reduction law, although the partnership between Intercity Transit and the State's Department of General Administration preceded passage of the law. Sustainability and greenhouse gas reduction were not original program goals, but the STAR program is very much in accord with these emerging state priorities. The state benefits through increased employee morale.
- TriMet (Tri-County Metropolitan Transit District, Portland, Oregon) offers an array of employer pass programs to encourage participation. TriMet notes that a program champion at the employer can increase participation rates. Ease of administration and reduced parking needs are clear benefits for employers. The statewide Employee Commute Option rule spurred interest on the part of public and private employers. Lessons learned include the importance of measuring program impacts on a regular basis and the wisdom of addressing all scenarios regarding employee eligibility in the contract to avoid later disputes. The primary recommendation to those seeking to replicate its success is to develop a standard pricing methodology based on current transit use by employees to justify costs to employers. This involves the collection of data on transit use before the program begins. Use of a standard pricing methodology is easier and more consistent than negotiating the cost with each employer.

CONCLUSIONS AND AREAS OF FUTURE STUDY

- **A champion within the public employer is extremely helpful in generating interest in an employer pass program.** This is true for public and private employers, but the transit agency might assume that another

public agency naturally would be interested. Many public employers are committed to reducing single-occupant automobile travel to and from work, but a champion within the public employer is instrumental in converting this commitment to action. A member of the board of directors who works at a public agency has been the champion in several case study examples. This suggests that board diversification can have unexpected benefits for the transit agency.

- **Public employers need to be convinced of the benefits of an employer pass program.** The genesis of the case study programs varied. Several grew out of a U-pass program for students. Others built on past partnerships, had a board member as the champion within the public agency, or drew attention because of state laws or rules regarding trip reduction. Once the agency has the attention of the public employer, the emphasis shifts to how an employer pass program will help the employer (through increased employee morale, reduced need for parking, congruence with state or local goals, and ease of administration). Ideally, all levels of the public agency are involved in program design and publicity.
- **Public employers are not monolithic.** Most programs for municipal employers involve all municipal employees, although the definition of "municipal employee" is not always as obvious as the transit agency might assume. State agencies appear to have more autonomy in terms of the decision to participate in employer fare programs. As the case studies demonstrate, some programs for state employers are designed only for specific state agencies, and a specific state agency may emerge as the program champion.
- **The reasons for transit agencies and public employers to establish an employer pass program have shifted.** The cost of providing parking for employees continues to be a motivating factor for public employers, while the prospects of increased ridership and a stable source of revenue are appealing to transit agencies. Sustainability is an emerging goal in the public sector and can spur interest in establishing an employer pass program.
- **A defensible pricing methodology and a means of estimating (preprogram) and measuring impacts are important program elements.** Many agencies began by negotiating individual deals with specific employers, but this is not a sound approach to expanding a program. Surveys of employees are useful in estimating costs before implementation and in measuring impacts. A pass that can be read and recorded by the farebox is useful in tracking transit use. Regular updates for participating employers regarding pass use by their employees keep the lines of communication open and remind employers of the value of the program.
- **Flexibility in program design allows the employer to tailor the program to meet its needs.** The ability

to choose the level of subsidy offered and to define program eligibility is important for employers and encourages participation.

- **Build on and publicize successes.** Word of mouth is a successful tool to encourage other public (and private) employers to participate. News features on the program will get the attention of other public employers and employees. Public employees can be persuasive in convincing their agencies to participate.
- **An employer pass program provides an attractive employee benefit at relatively low cost.** At a time when sustainability and greenhouse gas reduction have emerged as important goals, public-sector employers are receptive to proven programs with a reasonable price tag. In times of tight public budgets, provision of a new benefit for employees can boost morale within the public agency.

Findings from this synthesis suggest six major areas of future study:

- *The most appealing aspects of an employer pass program to the public employer.* The case studies show that public employers value these programs, but what aspects of the program are most valuable to them? Is reduced need for parking important? How easy is it to fit the program in with other employee benefits? Would they like to change any aspects of the program? What motivated the public employer to participate in the first place? The case studies have provided partial answers to several of these questions, but further research would yield interesting results.
- *Differences between public-sector and private-sector employers.* It might be assumed that tax benefits are of greater interest to private-sector employers, but are there other differences? What are the differences in marketing to public and private employers or employees? Are public-sector and private-sector employers more alike than different? Most survey respondents reported programs for both the private and the public sectors. Is this the most effective approach?
- *Accounting for externalities.* Availability and cost of parking have been repeatedly cited as factors outside of the control of the transit agency that affect program success. Does the emergence of sustainability and global warming concerns affect the willingness of public-sector employers to consider partnerships with transit agencies? If so, is this widespread or confined to only a few cities or regions known to be “green”? Can transit agencies take advantage of this positive externality to start up similar programs?
- *Pricing.* Case study agencies reported price-setting mechanisms based on existing transit usage by employees or on the extent of transit service in the employer’s geographic area. What benefits and disadvantages are associated with these approaches? What is the best way for a transit agency to set the price of a universal pass or other employer pass? How does an agency balance the risk in terms of revenue loss with the rewards in terms of additional ridership and improved cash flow as a result of upfront payments?
- *Finding and encouraging program champions at public agencies.* In several cases, board members who work at public agencies have been the program champions. Identifying the best contact person at a public agency is not always easy for the transit agency. The “wrong” person can limit the program’s success or even keep it from getting off the ground. How does a transit agency find a program champion at a public employer? Can the transit agency encourage the emergence of such a champion? How does the transit agency handle a situation in which the public employer contact is not a strong supporter of the program?
- *Measuring the value of public employer pass programs.* Transit agencies typically report ridership and pass use. Would other metrics be more meaningful to public employers? Can the transit agency readily generate reports addressing these metrics?

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ABBREVIATIONS AND ACRONYMS

AATA	Ann Arbor Transit Authority	MCTA	Monroe County Transportation Authority
CMAQ	Congestion Mitigation and Air Quality Improvement Program	MTA	Metropolitan Transit Authority
CTR	commute trip reduction	MVET	Motor Vehicle Excise Tax
DDA	Downtown Development Authority	ORCA	One Regional Card for All (smart card in Seattle, Washington, metropolitan area)
DEQ	Department of Environmental Quality	RTA	Regional Transportation Authority
DGS	Department of General Services	SR	State Route
FICA	Federal Insurance Contributions Act	STAR	State Agency Rider
GA	Department of General Administration	TDOT	Tennessee Department of Transportation
GFI	General Fare Industries	TRIS	Transportation Research Information Services
GSE	General Service employees	WSDOT	Washington State Department of Transportation
HR	human resources		

APPENDIX A

TCRP SYNTHESIS SURVEY

TCRP Public Employee Fare Programs

1. Default Section

1. Today's Date

MM DD YYYY
 MM/DD/YYYY / /

* 2. Please list your name, agency, and contact information

Name:

Company:

Title

City/Town:

State:

Email Address:

Phone Number:

2. Program Type

* 3. Does your agency have any type of fare program oriented toward employers?

- Yes, with both private sector and public sector employers participating
- Yes, with private sector employers but no public sector employers
- Yes, with public sector employers but no private sector employers
- No

3. No program

4. What are the reasons that you have not adopted an employer-based fare program (check all that apply)?

- Insufficient staff time
- Lack of interest from employers
- Lack of interest within agency
- Previously tried and failed
- Perceived as too complex to administer
- Concerns re adequacy of existing service levels
- Other (please specify)

4. Private Sector only

TCRP Public Employee Fare Programs

5. What are the reasons that you have not included public sector employers in your agency's program (check all that apply)?

- Lack of interest from public sector employers
- Lack of interest within agency
- Previously tried and failed
- Perceived as too complex to administer
- Concerns re adequacy of existing service levels
- Other (please specify)

5. Public Employee Program(s)

6. Does your agency currently offer more than one type of program to public employees?

- Yes
- No

6. One Program

7. What type of program do you offer to public sector employers?

- Universal pass (e.g., Eco pass or similar program where ALL employees in a given agency receive a pass)
- Program for Federal employees
- Program for State employees
- Program for Municipal employees
- University pass program in which employees are eligible
- Other (please specify)

7. Multiple programs

TCRP Public Employee Fare Programs

8. Select the the most popular (as defined by you) program below and answer the following questions with regard to this program. You will have an opportunity to tell us about additional programs later in the survey.

- Universal pass (e.g., Eco pass or similar program where ALL employees in a given agency receive a pass)
- Program for Federal employees
- Program for State employees
- Program for Municipal employees
- University pass program in which employees are eligible
- Other (please specify)

8. Administration

9. Is this program also offered to private sector employers?

- Yes
- No, other programs for private sector
- No, there are no programs for private sector

10. Do public employees have the option to pay for their share of the program with pre-tax payroll deductions?

- Yes
- No, this option is not available
- No, the public employer pays the total cost

Other (please specify)

11. What type of fare media does your agency use for this program (check all that apply)?

- Voucher that can be exchanged for fare media
- Magnetic strip pass
- Smart card
- Employee identification card
- Other (please specify)

TCRP Public Employee Fare Programs

12. Who pays for the fare media (check all that apply)?

- Employer pays all costs
- Employer pays part of the cost (subsidy)
- Employee pays all costs with pre-tax dollars through payroll deduction
- Transit agency matches part of cost
- Third party purchases in bulk for distribution to public employees
- Other (please specify)

13. Who is responsible for day-to-day program administration (signing up employees, distributing fare media, handling other financial arrangements)?

- Employers
- Transit agency
- Third party
- Other (please specify)

9. Administration II

14. How do employees sign up for the program (check all that apply)?

- Through their employer
- Through the transit agency
- Through a third party
- Automatically part of the program when their employer joins
- Other (please specify)

TCRP Public Employee Fare Programs

15. Are there any eligibility requirements (beyond working for the employer)? (check all that apply)

- No
- Yes, open to full-time employees only
- Yes, must be working for a specified period of time
- Yes, employer must have minimum number of employees to participate
- Depends on the employer
- Other (please specify)

16. How are benefits (fare media) distributed to the employees? (Check all that apply)

- At employer's centralized location
- At employer's branch locations
- At transit agency's centralized location
- At point of sale
- At third party location
- Via mail
- Electronically
- Other (please specify)

10. Administration III

17. Who has been the program's primary "champion?"

- Agency general manager
- Agency marketing director
- Other in transit agency (please specify below)
- Public employer
- Public employee union
- Third party (e.g., MPO, TMA)
- Other (please specify)

TCRP Public Employee Fare Programs

18. Public employer fare programs serve many goals. Which goal is most important to your agency (select up to three)?

- Increase ridership
- Increase revenue
- Build partnerships in support of transit
- Reduce highway congestion
- Improve air quality
- Other (please specify)

19. Please characterize the role of the public employee unions in the program (check all that apply).

- Unions suggested the program
- Unions strongly supported the program
- Program was negotiated with the unions
- Unions neither supported nor opposed the program
- Unions opposed the program
- Unions were not involved
- There was no union to deal with
- Other (please specify)

11. Barriers, Obstacles, and Constraints

TCRP Public Employee Fare Programs

20. Please characterize the following elements as major constraints, minor constraints, or not a constraint in the start-up and ongoing administration of the public employer fare program.

	Major Constraint	Minor Constraint	Not a Constraint
Not the sole transit operator in the area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Existing fare collection technology	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internal agency resistance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of attention from employer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Union resistance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal or tax issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Multi-site public employers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of free parking for employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

21. Please describe the nature of the MAJOR constraint affecting the program below.

12. Implementation

TCRP Public Employee Fare Programs

22. How is the public employer fare program publicized to employees (check all that apply)?

- Agency ads on vehicles/stations (Ask your employer about...)
- Employer newsletters
- Employer payroll department
- All new employees provided with information and an opportunity to sign up immediately
- Third party efforts
- Media advertising - print
- Media advertising - television
- Media advertising - radio
- Other (please specify)

23. Describe the level of effort in terms of marketing the program at the various points described below.

	Significant Activity	Moderate Activity	Minor Activity	Don't Know
At original implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When a new employer joins	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ongoing within the first year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ongoing after the first year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)				

24. How would you characterize the training required for personnel involved in program administration?

- Extensive - many new procedures
- Moderate - some new procedures
- Minor
- No additional training

TCRP Public Employee Fare Programs

25. What effect has the public employer fare program had on transit revenues?

- Revenue has increased (e.g., due to increased sales)
- Cost-neutral – no change in revenue
- Revenue decrease (e.g., due to employer discounts or other subsidies)
- Don't know

Other (please specify)

26. Was this effect on transit revenues anticipated?

- Yes – the program was designed to achieve this effect
- No – the results were not what the agency expected

13. Assessment

27. How satisfied has your agency been with the public employer fare program?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

28. What have been the primary benefits of the program for the transit agency?

29. What have been the primary benefits of the program for the public employers?

TCRP Public Employee Fare Programs

30. What have been the primary drawbacks of the program for the transit agency?

31. What have been the primary drawbacks of the program for the public employers?

32. How has the program performed in terms of the following elements?

	Exceeded expectations	Met expectations	Fell below expectations	Don't know
Level of participation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ridership	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Revenue	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Benefits to employers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

33. If you could change one aspect in the process of designing and implementing this program, what would you change?

34. Please describe any "lessons learned" that would benefit other transit agencies that are considering implementation of a similar program.

14. Other Programs

TCRP Public Employee Fare Programs

35. Does your agency currently offer other programs to public employees?

- Yes
- No

15. Administration Program 2

36. What type of program is this second program?

- Universal pass (e.g., Eco pass or similar program where ALL employees in a given agency receive a pass)
- Federal commuter benefits program
- Program for State employees
- Program for Municipal employees
- University pass program in which employees are eligible
- Other (please specify)

37. Do public employees have the option to pay for their share of this program with pre-tax payroll deductions?

- Yes
- No, this option is not available
- No, the public employer pays the total cost

Other (please specify)

38. Is this program also offered to private sector employers?

- Yes
- No, other programs for private sector
- No, there are no programs for private sector

39. What type of fare media does your agency use for this program (check all that apply)?

- Voucher that can be exchanged for fare media
- Magnetic strip pass
- Smart card
- Employee identification card
- Other (please specify)

TCRP Public Employee Fare Programs

40. Who pays for the fare media (check all that apply)?

- Employer pays all costs
- Employer pays part of the cost (subsidy)
- Employee pays all costs with pre-tax dollars through payroll deduction
- Transit agency matches part of cost
- Third party purchases in bulk for distribution to public employees
- Other (please specify)

41. Who is responsible for day-to-day program administration (signing up employees, distributing fare media, handling other financial arrangements)?

- Employers
- Transit agency
- Third party
- Other (please specify)

16. Administration II Program 2

42. How do employees sign up for the program (check all that apply)?

- Through their employer
- Through the transit agency
- Through a third party
- Automatically part of the program when their employer joins
- Other (please specify)

TCRP Public Employee Fare Programs

43. Are there any eligibility requirements (beyond working for the employer)? (check all that apply)

- No
- Yes, open to full-time employees only
- Yes, must be working for a specified period of time
- Yes, employer must have minimum number of employees to participate
- Depends on the employer
- Other (please specify)

44. How are benefits (fare media) distributed to the employees? (Check all that apply)

- At employer's centralized location
- At employer's branch locations
- At transit agency's centralized location
- At point of sale
- At third party location
- Via mail
- Electronically
- Other (please specify)

17. Administration III Program 2

45. Who has been the program's primary "champion?"

- Agency general manager
- Agency marketing director
- Other in transit agency (please specify below)
- Public employer
- Public employee union
- Third party (e.g., MPO, TMA)
- Other (please specify)

TCRP Public Employee Fare Programs

46. Public employer fare programs serve many goals. Which goal is most important to your agency for this program (select up to three)?

- Increase ridership
- Increase revenue
- Build partnerships in support of transit
- Reduce highway congestion
- Improve air quality
- Other (please specify)

47. Please characterize the role of the public employee unions in this program (check all that apply).

- Unions suggested the program
- Unions strongly supported the program
- Program was negotiated with the unions
- Unions neither supported nor opposed the program
- Unions opposed the program
- Unions were not involved
- There was no union to deal with
- Other (please specify)

18. Barriers, Obstacles, and Constraints Program 2

TCRP Public Employee Fare Programs

48. Please characterize the following elements as major constraints, minor constraints, or not a constraint in the start-up and ongoing administration of this program.

	Major Constraint	Minor Constraint	Not a Constraint
Not the sole transit operator in the area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Existing fare collection technology	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internal agency resistance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of attention from employer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Union resistance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal or tax issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Multi-site public employers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of free parking for employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

49. Please describe the nature of the MAJOR constraint affecting this program below.

19. Implementation Program 2

50. How is this public employer fare program publicized (check all that apply)?

- Agency ads on vehicles/stations (Ask your employer about...)
- Employer newsletters
- Employer payroll department
- All new employees provided with information and an opportunity to sign up immediately
- Third party efforts
- Media advertising - print
- Media advertising - television
- Media advertising - radio
- Other (please specify)

TCRP Public Employee Fare Programs

51. Describe the level of effort in terms of marketing this program at the various points described below.

	Significant Activity	Moderate Activity	Minor Activity	Don't Know
At original implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When a new employer joins	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ongoing within the first year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ongoing after the first year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

52. How would you characterize the training required for personnel involved in program administration?

- Extensive – many new procedures
- Moderate – some new procedures
- Minor
- No additional training

53. What effect has this public employer fare program had on transit revenues?

- Revenue has increased (e.g., due to increased sales)
- Cost-neutral – no change in revenue
- Revenue decrease (e.g., due to employer discounts or other subsidies)
- Don't know

Other (please specify)

54. Was this effect on transit revenues anticipated?

- Yes – the program was designed to achieve this effect
- No – the results were not what the agency expected

20. Assessment Program 2

55. How satisfied has your agency been with this public employer fare program?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

TCRP Public Employee Fare Programs

56. What have been the primary benefits of this program for the transit agency?

57. What have been the primary benefits of this program for the public employers?

58. What have been the primary drawbacks of this program for the transit agency?

59. What have been the primary drawbacks of this program for the public employers?

60. How has this program performed in terms of the following elements?

	Exceeded expectations	Met expectations	Fell below expectations	Don't know
Level of participation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ridership	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Revenue	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Benefits to employers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

61. If you could change one aspect in the process of designing and implementing this program, what would you change?

TCRP Public Employee Fare Programs

62. Please describe any "lessons learned" that would benefit other transit agencies that are considering implementation of a similar program.

21. Additional Programs

63. Does your agency currently offer other programs to public employees?

- Yes
- No

22. Administration Program 3

64. What type of program is this third program?

- Universal pass (e.g., Eco pass or similar program where ALL employees in a given agency receive a pass)
- Federal commuter benefits program
- Program for State employees
- Program for Municipal employees
- University pass program in which employees are eligible
- Other (please specify)

65. Do public employees have the option to pay for their share of this program with pre-tax payroll deductions?

- Yes
- No, this option is not available
- No, the public employer pays the total cost

Other (please specify)

66. Is this program also offered to private sector employers?

- Yes
- No, other programs for private sector
- No, there are no programs for private sector

TCRP Public Employee Fare Programs

67. What type of fare media does your agency use for this program (check all that apply)?

- Voucher that can be exchanged for fare media
- Magnetic strip pass
- Smart card
- Employee identification card
- Other (please specify)

68. Who pays for the fare media (check all that apply)?

- Employer pays all costs
- Employer pays part of the cost (subsidy)
- Employee pays all costs with pre-tax dollars through payroll deduction
- Transit agency matches part of cost
- Third party purchases in bulk for distribution to public employees
- Other (please specify)

69. Who is responsible for day-to-day program administration (signing up employees, distributing fare media, handling other financial arrangements)?

- Employers
- Transit agency
- Third party
- Other (please specify)

23. Administration II Program 3

TCRP Public Employee Fare Programs

70. How do employees sign up for this program (check all that apply)?

- Through their employer
- Through the transit agency
- Through a third party
- Automatically part of the program when their employer joins
- Other (please specify)

71. Are there any eligibility requirements (beyond working for the employer)? (check all that apply)

- No
- Yes, open to full-time employees only
- Yes, must be working for a specified period of time
- Yes, employer must have minimum number of employees to participate
- Depends on the employer
- Other (please specify)

72. How are benefits (fare media) distributed to the employees? (Check all that apply)

- At employer's centralized location
- At employer's branch locations
- At transit agency's centralized location
- At point of sale
- At third party location
- Via mail
- Electronically
- Other (please specify)

24. Administration III Program 3

TCRP Public Employee Fare Programs

73. Who has been this program's primary "champion?"

- Agency general manager
- Agency marketing director
- Other in transit agency (please specify below)
- Public employer
- Public employee union
- Third party (e.g., MPO, TMA)
- Other (please specify)

74. Public employer fare programs serve many goals. Which goal is most important to your agency for this program (select up to three)?

- Increase ridership
- Increase revenue
- Build partnerships in support of transit
- Reduce highway congestion
- Improve air quality
- Other (please specify)

75. Please characterize the role of the public employee unions in this program (check all that apply).

- Unions suggested the program
- Unions strongly supported the program
- Program was negotiated with the unions
- Unions neither supported nor opposed the program
- Unions opposed the program
- Unions were not involved
- There was no union to deal with
- Other (please specify)

25. Barriers, Obstacles, and Constraints Program 3

TCRP Public Employee Fare Programs

76. Please characterize the following elements as major constraints, minor constraints, or not a constraint in the start-up and ongoing administration of this public employer fare program.

	Major Constraint	Minor Constraint	Not a Constraint
Not the sole transit operator in the area	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Existing fare collection technology	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internal agency resistance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of attention from employer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Union resistance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal or tax issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Multi-site public employers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of free parking for employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)			

77. Please describe the nature of the MAJOR constraint affecting this program below.

26. Implementation Program 3

78. How is this public employer fare program publicized (check all that apply)?

- Agency ads on vehicles/stations (Ask your employer about...)
- Employer newsletters
- Employer payroll department
- All new employees provided with information and an opportunity to sign up immediately
- Third party efforts
- Media advertising - print
- Media advertising - television
- Media advertising - radio
- Other (please specify)

TCRP Public Employee Fare Programs

79. Describe the level of effort in terms of marketing this program at the various points described below.

	Significant Activity	Moderate Activity	Minor Activity	Don't Know
At original implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When a new employer joins	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ongoing within the first year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ongoing after the first year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

80. How would you characterize the training required for personnel involved in program administration?

- Extensive – many new procedures
- Moderate – some new procedures
- Minor
- No additional training

81. What effect has this public employer fare program had on transit revenues?

- Revenue has increased (e.g., due to increased sales)
- Cost-neutral – no change in revenue
- Revenue decrease (e.g., due to employer discounts or other subsidies)
- Don't know

Other (please specify)

82. Was this effect on transit revenues anticipated?

- Yes – the program was designed to achieve this effect
- No – the results were not what the agency expected

27. Assessment Program 3

83. How satisfied has your agency been with this public employer fare program?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

TCRP Public Employee Fare Programs

84. What have been the primary benefits of this program for the transit agency?

85. What have been the primary benefits of this program for the public employers?

86. What have been the primary drawbacks of this program for the transit agency?

87. What have been the primary drawbacks of this program for the public employers?

88. How has this program performed in terms of the following elements?

	Exceeded expectations	Met expectations	Fell below expectations	Don't know
Level of participation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ridership	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Revenue	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Benefits to employers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

89. If you could change one aspect in the process of designing and implementing this program, what would you change?

TCRP Public Employee Fare Programs

90. Please describe any "lessons learned" that would benefit other transit agencies that are considering implementation of a similar program.

28. Case Study

91. Would you be willing to participate further as a case study, involving a telephone interview going into further detail on your agency's program, if selected by the TCRP panel for this project?

Yes

No

29. Other agencies

92. Is there another transit system that you suggest we contact for this synthesis project?

30. Thank you!

Thank you for participating! This survey is now complete. Please contact Dan Boyle at dboyle34@pacbell.net or at 858-259-6515 if you would like any additional information about this study.

APPENDIX B

TCRP SYNTHESIS SURVEY RESULTS

RESPONDENT INFORMATION

1. Date:

2. Contact Information

Name of Respondent: _____

Title of Respondent: _____

Agency Name: _____

Agency Address: _____

Agency Size (note: this was entered after survey responses were received, based on FY 2007 NTD data)

Small (<250 peak buses) 22 55.0%

Medium (250-1,000 peak buses) 11 27.5%

Large (1,000+ peak buses) 7 17.5%

Respondent e-mail address: _____

Respondent Telephone Number: _____

PROGRAM TYPE

3. Does your agency have any type of fare program oriented toward employers?

Yes, with both private sector and public sector employers participating 60.0% 24

Yes, with private sector employers but no public sector employers 2.5% 1

Yes, with public sector employers but no private sector employers 10.0% 4

No 27.5% 11

NO PROGRAM

4. What are the reasons that you have not adopted an employer-based fare program (check all that apply, then you are finished)?

Insufficient staff time 0.0% 0

Lack of interest from employers 33.3% 4

Lack of interest within agency 8.3% 1

Previously tried and failed 8.3% 1

Perceived as too complex to administer 8.3% 1

<input type="checkbox"/> Concerns re adequacy of existing service levels	0.0%	0
<input type="checkbox"/> Other (please specify)	66.7%	8

Other includes: Board decision; transit benefits programs administered through private companies; pretax programs to obtain fare media appear to be meeting needs of employers, so creating a separate program for employers has not been discussed; has not been requested; we accept the Federal transit benefit as a form of payment and also accept fare programs (pretax, after tax) administered by private sector employees; we do have an interest in developing an employer based sales program but we have not been able to expand our staff to move into the local business community; not a lot of large employers with adequate service to justify the time involved, plus not a lot of perceived need (short commutes, ample parking, little congestion); we simply do not offer discounts other than for the purchase of high value tickets.

PRIVATE SECTOR PROGRAMS ONLY

5. What are the reasons that you have not included public sector employers in your agency's program (check all that apply, then you are finished)?

<input type="checkbox"/> Lack of interest from public sector employers	100.0%	1
<input type="checkbox"/> Lack of interest within agency	0.0%	0
<input type="checkbox"/> Previously tried and failed	0.0%	0
<input type="checkbox"/> Perceived as too complex to administer	0.0%	0
<input type="checkbox"/> Concerns re adequacy of existing service levels	0.0%	0
<input type="checkbox"/> Other (please specify)	0.0%	0

PUBLIC EMPLOYEE PROGRAMS

6. Does your agency currently offer more than one type of program to public employees?

<input type="checkbox"/> Yes	57.1%	16
<input type="checkbox"/> No	42.9%	12

7/8/36/64. What type of program(s) do you offer to public sector employers?

<input type="checkbox"/> Universal pass (e.g., Eco pass or similar program where ALL employees in a given agency receive a pass)	28.6%	8
<input type="checkbox"/> Program for Municipal/County employees	21.4%	6
<input type="checkbox"/> Program for Federal employees	17.9%	5
<input type="checkbox"/> University pass program in which employees are eligible	17.9%	5
<input type="checkbox"/> Program for multiple groups of public employees	17.9%	5
<input type="checkbox"/> Employer based program but not universal	14.3%	4
<input type="checkbox"/> Program for State employees	10.7%	3
<input type="checkbox"/> Other (please specify)	17.9%	5

Other includes: Club Ride/EZ Ride program; "Rideshare" program of matching services with individual employees and commuter vanpool formations; \$35/month, from County treasury, towards a transit or commuter rail pass; Corporate Discount Program (under Section 132(f) of the IRS); ride matching, vanpool, vouchers for fare media (like TransitCheck), guaranteed ride home.

9/38/66. Is this program also offered to private sector employers?

<input type="checkbox"/> Yes	80.0%	32
<input type="checkbox"/> No, other programs for private sector	15.0%	6
<input type="checkbox"/> No, there are no programs for private sector	5.0%	2

10/37/65. Do public employees have the option to pay for their share of the program with pretax payroll deductions?

<input type="checkbox"/> Yes	58.3%	21
<input type="checkbox"/> No, the public employer pays the total cost	33.3%	12
<input type="checkbox"/> No, this option is not available	5.6%	2
<input type="checkbox"/> Other (please specify)	8.3%	3

Other includes: most receive a 100% subsidy via the universal pass; don't know; it depends on the employer – most subsidize 100% in the universal pass program, however other public employers pay a partial subsidy and may or may not allow employees to use a pretax mechanism to pay their share.

11/39/67. What type of fare media does your agency use for this program (check all that apply)?

<input type="checkbox"/> Employee identification card	37.5%	15
<input type="checkbox"/> Magnetic strip pass	32.5%	13
<input type="checkbox"/> Voucher that can be exchanged for fare media	25.0%	10
<input type="checkbox"/> Smart card	25.0%	10
<input type="checkbox"/> Other regular fare media (paper passes, tickets, tokens)	15.0%	6
<input type="checkbox"/> Other (please specify)	7.5%	3

Other includes: direct employee deduction; agreements with employers/employees that they will pay a monthly portion of the van lease; most employees that ride in Metro vanpools have a full or partial subsidy paid by their employer - likewise, employers pay for guaranteed ride home and other services.

12/40/68. Who pays for the fare media (check all that apply)?

<input type="checkbox"/> Employer pays all costs	55.0%	22
<input type="checkbox"/> Employer pays part of the cost (subsidy)	45.0%	18
<input type="checkbox"/> Employee pays all costs with pretax dollars through payroll deduction	40.0%	16
<input type="checkbox"/> Transit agency matches part of the cost	27.5%	11
<input type="checkbox"/> Third party purchases in bulk for distribution to public employees	10.0%	4
<input type="checkbox"/> Other (please specify)	20.0%	8

Other includes: foundation distributes tokens to agencies serving low-income clients; not sure if there is a portion of co-pay the employee pays in addition to the employer subsidy; varies by account/agency/employer; employer determines level of subsidy; generally (because the cost is greater than \$35 for all of the other media), the employee adds to the voucher value and purchases the media him/herself; depends on the employer – some partly subsidize, some fully subsidize, but virtually all offer pretax payroll deduction; employer chooses level of subsidy; it varies

13/41/69. Who is responsible for day-to-day program administration (signing up employees, distributing fare media, handling other financial arrangements)?

<input type="checkbox"/> Employers	67.5%	27
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<input type="checkbox"/> Shared responsibility	10.0%	4
<input type="checkbox"/> Third parties	7.5%	3
<input type="checkbox"/> Transit agency	5.0%	2
<input type="checkbox"/> Other	10.0%	4

Other includes: self-administering; city and county Department of the Environment; varies by account/agency/ employer; Commuter Vanpool group has an arrangement with a volunteer bookkeeper to handle the monthly lease payment – transit agency works with the bookkeeper and driver(s) to manage the day to day operation.

14/42/70. How do employees sign up for the program (check all that apply)?

<input type="checkbox"/> Through their employer	90.0%	36
<input type="checkbox"/> Through a third party	20.0%	8
<input type="checkbox"/> Through the transit agency	15.0%	6
<input type="checkbox"/> Automatically part of the program when their employer joins	15.0%	6
<input type="checkbox"/> Other	5.0%	2

Other includes: a regional ride matching service (free) is also available; vanpool bookkeepers manage fare collection from riders and help transit staff coordinate the employer subsidies (WageWorks also has customers in the area, though most of those customers are private employers).

15/43/71. Are there any eligibility requirements (beyond working for the employer)? (Check all that apply)

<input type="checkbox"/> No	47.5%	19
<input type="checkbox"/> Depends on the employer	32.5%	13
<input type="checkbox"/> Yes, employer must have minimum # employees to participate	15.0%	6
<input type="checkbox"/> Yes, open to full-time employees only	7.5%	3
<input type="checkbox"/> Yes, must be working for a specified period of time	5.0%	2
<input type="checkbox"/> Other	12.5%	5

Other includes: Employees who work at least half-time (20 hours a week) must be included in the program – the employer can include any category of employee (less than half time, contract employees, volunteers, employees who need a car as a condition of their job), but if they do so, they must include 100% of that category; must be full time and surrender their parking pass; must affirm transit use; all employees (full & part-time) at participating companies are eligible for the program, but self-employed persons, independent contractors, partners in a partnership and 2% shareholders in an S-Corporation have certain limitations; participation is generally on an individual basis, and any incentive programs for an individual to participate are with the employer.

16/44/72. How are benefits (fare media) distributed to the employees? (Check all that apply)

<input type="checkbox"/> At employer's centralized location	74.4%	29
<input type="checkbox"/> At employer's branch locations	56.4%	22
<input type="checkbox"/> Via mail	30.8%	12
<input type="checkbox"/> At transit agency's centralized location	20.5%	8
<input type="checkbox"/> At point of sale	20.5%	8
<input type="checkbox"/> At third party location	12.8%	5

<input type="checkbox"/> Electronically	12.8%	5
<input type="checkbox"/> Other	10.3%	4

Other includes: (1) Some public sector employers use their own ID cards. In this case, they have to add a decal provided by the transit agency to the ID card. All decals are sent to the employer who handles and tracks the distribution. Those who don't use their own ID cards have to either come to the transit agency to have their picture taken for a pass or email their pictures to the agency. (2) As part of employee ID. (3) The Transit Benefit Program is run jointly by the regional and local transit agency, but is administered by the employer. Fare media is distributed to the employee based on the type of fare media he/she uses. For example, if the employee uses a smart card, the initial card is mailed to the employee and automatically reloaded every month with a predetermined amount the employee selects. Vouchers are mailed by the regional transit agency to the employer who then distributes them to employees. (4) Vouchers also exist through 3rd party assistance to offset some monthly costs.

17/45/73. Who has been the program's primary "champion?"

<input type="checkbox"/> Agency general manager	20.5%	8
<input type="checkbox"/> Agency marketing/sales/business development	20.5%	8
<input type="checkbox"/> Public employer	15.4%	6
<input type="checkbox"/> Multiple champions	12.8%	5
<input type="checkbox"/> Program manager	10.3%	4
<input type="checkbox"/> Third party (e.g., MPO, TMA)	5.1%	2
<input type="checkbox"/> Other	15.4%	6

Other includes: Planning Manager coordinates all employer based contracts (left over from when Planning was responsible for agency TDM program); Intercity Transit Vanpool Coordinator (under Operations Department); Mayor; unspecified (3).

18/46/74. Public employer fare programs serve many goals. Which goal is most important to your agency (select up to three)?

<input type="checkbox"/> Increase ridership	80.6%	29
<input type="checkbox"/> Build partnerships in support of transit	72.2%	26
<input type="checkbox"/> Increase revenue	36.1%	13
<input type="checkbox"/> Reduce highway congestion	27.8%	10
<input type="checkbox"/> Improve air quality	27.8%	10
<input type="checkbox"/> Other	11.1%	4

Other includes: all of the above; directed by the City to offer it to their employees; advance revenue/ cash flow; build support from a primary financial supporter of ours.

19/47/75. Please characterize the role of the public employee unions in the program (check all that apply).

<input type="checkbox"/> Unions were not involved	35.9%	14
<input type="checkbox"/> There was no union to deal with	30.8%	12
<input type="checkbox"/> Unions neither supported nor opposed the program	15.4%	6
<input type="checkbox"/> Program was negotiated with the unions	7.7%	3
<input type="checkbox"/> Unions strongly supported the program	5.1%	2
<input type="checkbox"/> Unions suggested the program	2.6%	1
<input type="checkbox"/> Unions opposed the program	0.0%	0
<input type="checkbox"/> Other	12.8%	5

Other includes: depends on each employer, not a function that involves the transit agency; unions dealt with the employer directly or there were no unions involved (2 responses); union's only involvement occasionally comes up if there are issues over parking; it varies.

20/48/76. Please characterize the following elements as major constraints, minor constraints, or not a constraint in the start-up and ongoing administration of the public employer fare program.

	Major constraint	Minor constraint	Not a constraint
Availability of free parking for employees	22%	57%	22%
Lack of attention from employer	14%	46%	41%
Multi-site public employers	6%	37%	57%
Existing fare collection technology	14%	25%	61%
Internal agency resistance	6%	19%	75%
Legal or tax issues	0%	17%	83%
Not the sole transit operator in the area	5%	11%	84%
Union resistance	0%	3%	97%

21/49/77. Please describe the nature of the MAJOR constraint affecting the program below.

Responses summarized in Table 21, p. 16 of report. Verbatim responses are provided here.

Our universal program relies on individual employers to take an active role in administering the program, and to provide honest and accurate information. Sometimes there is attempt to falsify information, or the employer doesn't take the time to fully understand their administrative and contractual obligations.

There is uncertainty at the transit agency about the pricing of the program. As we are currently not able to track ridership by company, there is insufficient data to address this concern or make major corrections to the program. Because of this concern, there is some serious internal resistance at the agency toward this program. Smart card for better tracking should be coming this year!

Doesn't matter whether it's public or private the provision of free parking is a disincentive to using public transit.

None — It's very popular and we stay busy signing up new participants.

We serve the state capital. The three largest cities in our region all have state agencies housed in them. Outside of the main state campus in the state capital, which charges for parking, many of the other agencies have free parking. An on-going issue between agencies and locations (as well as local jurisdictions) is parking and whether it's paid or unpaid for state employees.

While we are the major bus operator, there are others as well as rail carriers. There are other fare-buydown programs that County employees can join to get reduced fares on those carriers mentioned above as well as other public employees in the County (Community College, Public Schools and Park & Planning [which is a separately payrolled agency, chartered by the State]). These other programs also cover private employers. These other programs also cover our bus system as well for non-county employees.

State employees are provided with free parking

The higher education institution provides free parking, but charges for the bus passes.

Local ordinances ensure that there is plenty of parking for all employees and many areas don't have traffic congestion. Bus service is not very frequent, hourly or half hourly, so convenience is also a factor.

We have old fareboxes that only work with swipe passes and transit is not widely used in our region.

The city has the attitude that employees can use it or not use it. They don't really care about it one way or the other. This apathy makes it difficult to promote to city employees.

No card reading fare boxes and getting employers interested before gas increases.

Most public employers of any size in the county subsidize their employees' use of transit. One barrier for more suburban and rural employers is lack of transit service. There is also growing pressure to reduce costs due to revenue shortfalls.

Current fare media technology is antiquated and fare evasion is rampant. Currently in the process of implementing the new smart Card fare media to simplify the process and increase revenue.

The concern by some Board members that people working for companies that provide passes may have a disparate perk over lower income/transit dependent riders who may or may not be employed. In other words, the ones most likely to be able to afford transportation get a price break.

There are three transit agencies in the area and a fourth oversight agency that is the primary administrator of the program. Seamless coordination can be a problem.

State government "red tape" adds needless steps to the process.

The \$35 cap is insufficient (and had been a constant for almost 15 years...)

The plan administrators were not interested in making it a success.

Program is capped at a specific dollar amount per budget year. Can create a problem if use significantly exceeds budget.

Some internal resistance to developing lines of business that went beyond strictly "transit."

22. How is the public employer fare program publicized to employees (Check all that apply)?

<input type="checkbox"/> Employer newsletters	71.1%	27
<input type="checkbox"/> All new employees provided with information and a chance to sign up immediately	68.4%	26
<input type="checkbox"/> Employer payroll department	58.9%	22
<input type="checkbox"/> Agency ads on vehicles/stations (Ask your employer about...)	28.9%	11
<input type="checkbox"/> Agency marketing to employers/employees	18.4%	7
<input type="checkbox"/> Third party efforts	18.4%	7
<input type="checkbox"/> Media advertising – print	10.5%	4
<input type="checkbox"/> Media advertising – radio	5.3%	2
<input type="checkbox"/> Media advertising – television	2.6%	1
<input type="checkbox"/> Other	10.5%	4

Other includes: promoted by their employer; the Commuter Trip Reduction function mentioned earlier funds a pretty significant level of promotion to employees; State Commuter Trip Reduction resources; There is a pretty extensive sustained campaign to support ridesharing in the state.

23/51/79. Describe the level of effort in terms of marketing the program at the various points described below.

	Significant	Moderate	Minor	Don't Know
At original implementation	65%	19%	5%	11%
When a new employer joins	36%	28%	17%	19%
Ongoing within the first year	5%	32%	46%	16%
Ongoing after the first year	3%	14%	61%	22%

Other includes: After initial roll-out in 2001 nothing much has been said to existing employees. When new employees are hired they are told in orientation (45 seconds out of an 8 hour day of orientation) and that's it; started six months ago.

24/52/80. How would you characterize the training required for personnel involved in program administration?

<input type="checkbox"/> Extensive – many new procedures	10.5%	4
<input type="checkbox"/> Moderate – some new procedures	50.0%	19
<input type="checkbox"/> Minor	28.9%	11
<input type="checkbox"/> No additional training	10.5%	4

25/53/81. What effect has the public employer fare program had on transit revenues?

<input type="checkbox"/> Revenue has increased, e.g., due to increased sales	47.2%	17
<input type="checkbox"/> Cost-neutral – no change in revenue	22.2%	8
<input type="checkbox"/> Revenue decrease, e.g., due to employee discounts or other subsidies	2.8%	1
<input type="checkbox"/> Don't know	27.8%	10

26/54/82. Was this effect on transit revenues anticipated?

<input type="checkbox"/> Yes – the program was designed to achieve this effect	84.8%	28
<input type="checkbox"/> No – the results were not what the agency expected	15.2%	5

ASSESSMENT

27/55/83. How satisfied has your agency been with the public employer fare program?

<input type="checkbox"/> Very satisfied	56.8%	21
<input type="checkbox"/> Somewhat satisfied	35.1%	13
<input type="checkbox"/> Somewhat dissatisfied	5.4%	2
<input type="checkbox"/> Very dissatisfied	2.7%	1

28/56/84. What have been the primary benefits of the program for the transit agency?

Responses summarized in Table 24, p. 18 of report. Verbatim responses are provided here.

Provides steady revenue stream, we receive revenues up front, distribution is simple (don't have to mail passes every month), maximizes ridership, gets employees to try transit that otherwise may not have.

Increased ridership and revenue

Increased ridership, goodwill, exposure

As with all our programs, expansion has led to greater ridership. Disappointed more public employers have not chosen to participate, but finances have played a role in this issue.

Support for public transportation from new entities and individuals. It has been the most important element of the institutionalization of public transportation into the mainstream of our community.

Increased ridership, Regional coordination of TDM efforts with employer and local jurisdictions, Improvement in public perception of transit, Regular and monthly revenue from a central source.

Increased revenue, ridership, awareness and goodwill

We can encourage employees to use the system.

Ridership

These agencies have become great supporters for referendums for increased transit service.

Increased partnership with the city.

We are required to give all city employees a 50% discount. This cuts into our revenues. Particularly since we cannot promote our services effectively to this audience.

Increased awareness of our services, enough traffic to provided an additional route, and traffic mitigation in our county to/from the one largest employer.

Increased ridership and stronger partnerships with local government. The federal and local governments are a part but not the state.

The state introduced a new program just a few months ago, so it's difficult to evaluate success. However, before the new program, the 2 major unions representing state employees hosted similar programs that resulted in the sale of almost 1000 transit passes/month. If nothing else, the new program will convert almost all of these sales to a coordinated, third party. This will improve the efficiency and effectiveness of the programs (from the agency's perspective) and ultimately result in greater sales.

We have yet to survey impact on ridership.

Increase awareness of the transit system and the options available for commuters

Public employers are not treated differently from private employers in our system. The transit agency has an extensive product line to meet any employer's need. This ranges from retail monthly passes to universal passes and an array of ridesharing and other services. What we have seen is that the more an employer designs a program that increases the subsidy to the user and increases pass distribution, the higher the ridership and revenue return to the agency. The agency uses federal, state, and local resources to create incentives for the employer customer to aim high with their program.

Revenue consistency, cash flow.

Increased revenues.

Building ridership and partnerships. Increased revenue.

Greater awareness of public transit as a low-cost, eco-conscious choice.

Provides employers another option to participate in a transportation program

Increased ridership, loyal riders, steady revenue

Ridership and revenues

Tailored commuter ride for a common group of individuals willing to share a ride on a monthly basis (no long term commitment). Reduces need for fixed routes that have limited ridership. Decrease congestion and vehicle emissions within the region. Coordination of services and efforts in land-use with other local jurisdictions. Most of the costs (90%) are recaptured through monthly van lease. Administrative costs are currently not covered in this.

Encourage use of transit, even if not our system.

Ease of administration and broad market penetration.

Allows employers another option to participate in transportation program

Gained additional support from local elected and appointed leaders. Additional ridership and revenues.

The vanpool program really supplements fixed-route transit. If the bus system does not meet a commuter's needs, they also have an option to not drive alone.

29/57/85. What have been the primary benefits of the program for the public employers?

Responses summarized in Table 25, p. 18 of report. Verbatim responses are provided here.

Demonstrates commitment to sustainability, valuable benefit to provide to their employees (largely seen as part of their benefits package), relatively simple administration and distribution of passes, reduces pressure on parking demands.

Considerable savings for commuters, more flexibility in available workforce, less traffic congestion and emissions

For employers: employee retention, it's a well-received benefit, giving employees transportation options, less parking needed. For employees: low-cost passes, flexibility in mode choice, annual photo ID (easy to use).

Parking available for others.

In difficult time, public employers are being perceived as trying to do "something" for their employees even when financial other improvements are not possible.

Reduced cost for commuting for employees. An incentive if they use transit (fixed route, paratransit and commuter vanpools) results in a significant personal savings. Reduction in the need for additional parking at the work sites.

Environmental (both real and perceived) benefits. Ability to meet state/local commute trip reduction requirements (ordinances and state requirements).

Shift from driving to transit along with associated benefits

We can say we encourage employees to use transit

Parking relief

Employers have had safe, reliable, consistent transportation for their employees and broadened their application pool.

One more "green" benefit to draw potential employees. More room in city parking lots.

Actually, we only have one public employer who participates, so the benefit is very little.

They look like a hero to their employees

No need to use personal car- saving on gas, upkeep and stress of driving. Also, financial incentive for them to look toward increasing a one-car driver scenario.

Low cost to getting to work, no parking hassles

Reduced demand for parking

Awareness of option available for daily commutes

The universal pass program is an annual program and one pass fits all of the user's needs: several transit agencies are covered, rail, and vanpool are all covered by one pass. This makes the program easy to administer. The program is also a fixed annual cost, so when usage increases during the year, costs do not increase.

Employee satisfaction.

It provides a benefit to their employees.

Tax break, lower cost.

Provides employers/employees chance to participate month to month

Able to offer a pass program to their employees, offer a program only to those who want to participate

Less financial commitment to parking facilities. Happier employees. Better air quality and less traffic congestion for all.

Reduces demand for on-site parking stalls at employment site. Helps reduce vehicle miles travelled and helps to meet commuter trip reduction/TDM requirements.

Ease of administration and limiting costs.

Provides passes pretax

Cost savings and environmental improvements.

Options for employees.

30/58/86. What have been the primary drawbacks of the program for the transit agency?

Responses summarized in Table 26, p. 18 of report. Verbatim responses are provided here.

Relies on employer to take active role in administration, relies on employer to provide honest and accurate information.

None – 8 responses

As mentioned above - a growing concern that the program is underpriced. Also a concern about inequities, since these low-cost passes are only available to employees at participating organizations but not other riders.

(Minor) statistical accurate tracking of public employee ridership counts. (minor) Use of employee ID isn't quite standardized since a number of state agencies are allowed - for security purposes - to issue their own IDs. Can result in coach driver confusion or potential misuse of this fare media. Trying to meet some of the day to day demands/ requests of individuals. Some say they want more, quicker, door to door service (between home and office). With fixed route it's nearly impossible to provide a "taxi service" without it affecting many others. Legislature has to review/re-authorize funding every two years.

Lack of access to the riders

Inability to change during turbulent economic times. We have had to renegotiate contracts to address high fuel prices, etc.

Abuse of ID card — non-city employees using someone else's card.

The 50% discount and the inability to participate in the employee orientation process for their new employees.

Not enough training to market to other potential employers in our region.

Education for drivers, who can ride and who can't

Until about 1998, all universal pass programs were unique to the customer, specifically the pricing. After 1998 the transit agency simplified the pricing and program elements available for employers with fewer than 500 employees. This simplified administration significantly.

Current fare media is antiquated and prone to fare evasion. Currently in the process of implementing new smart-card technology fare media with our smart card program.

Constructing a program that is equitable for both the employer and the agency. Tracking ridership through the program.

Lack of financial resources to promote program.

Costly to distribute passes on monthly basis

Monthly pass program — administration of mailing passes to employees' homes

State "red tape" requires us to spend a little more time on this particular program

Not enough vans available to meet demand. Variations in monthly lease fees vary between public transit systems. People and/or groups will jump around looking for the best deal.

The \$35 cap is so paltry that we receive considerable criticism from participants and would-be participants.

Revenue stops when budget cap is reached.

Complexity and managing a broad array of products.

31/59/87. What have been the primary drawbacks of the program for the public employers?

Responses summarized in Table 27, p. 18 of report. Verbatim responses are provided here.

Administration can be complicated. Requires employer to conduct surveys on biennial basis.

None — 9 responses

Not sure — it’s probably hard for them to get out of the program once they’ve joined, because it’s such a well-liked benefit.

Tough economic times at the employer/state level may result in the loss of the program. Legislature has to review/re-authorize funding every two years. Providing a financial incentive (via reduced fare) actually get people to use alternative transportation on a regular basis. Union reps want to continue free parking for employees and not feel they have mandated to reduce trips. Fare integration with other public transit providers so it’s consistent throughout the larger region.

Size of benefit

Not integrated with other transit providers in the region. Really limits the program’s attractiveness.

Lack of knowledge

The program is limited to larger employers.

Cost

Unknown — 2 responses

I think other employers don’t understand the program a) is even offered, and b) what the benefits are to their agency/ organization.

Internal education for our drivers

Rising costs over time.

Delivering the fare media to multiple locations.

Regional and local transit agency handle different aspects of the program. Depending on fare media used, employer/ employee may have to deal with one or the other. This is at times confusing.

Not a photo ID pass

Individual state agencies work out any employee assistance/incentives pretty much on their own. Some agencies cover it and some don’t (unlike transit service).

Can be administratively cumbersome

Managing cost over time.

32/60/88. How has the program performed in terms of the following elements?

	Exceeded Expectations	Met Expectations	Fell Below Expectations	Don’t Know
Level of participation	29%	51%	11%	9%
Ridership	29%	47%	9%	15%
Revenue	18%	62%	6%	15%
Benefits to employers	23%	60%	9%	9%

55. If you could change one aspect in the process of designing and implementing this program, what would you change?

Responses summarized in Table 29, p. 19 of report. Verbatim responses are provided here.

Streamline administrative requirements. However, we have found through experience that there are many “exceptions” and “gray areas” in terms of what an employer can/can’t/will try do. Addressing scenarios in administrative requirements results in a relatively high level of complexity.

We would implement a smart card to allow for more flexibility

We are eagerly awaiting the introduction of the Smart Card to finally have better ridership data — usage per company/ridership frequency/types of services used.

Price the program a little bit higher. It’s been so popular, we could be charging more.

The program has been evolving over time. It's actually difficult to answer the previous question, for example, since there are a number of variations of what meeting expectations can mean. Some years the annual ridership, for example, does better than others. Some years have seen the employer (state) fund service hours or service routes. But the one thing I'd like to see is that the program be fully mandated for all state agencies, including adequate program funds.

Larger tax benefit would encourage more participation

Figure out how to integrate with regional transit agencies.

More access to employees

We recently added the ability to changes based on the price of fuel. Now we are happy.

None — 2 responses

We would have direct access to their employees in order to motivate and encourage them to try public transportation.

I believe some form of 'outreach' packet developed for transit agencies to deliver the message of 'benefit' to prospective employers would improve awareness of local businesses.

To get all transit agencies in the region to participate. The imminent launch of the region's smart card will address this problem.

We are currently modifying our program so evaluation will occur when we have a full year completed.

As stated earlier, our program is run jointly with the regional agency. We are in discussions with them about how to restructure the program to make it easier for customers to use.

Mail passes to employer and have them distribute, instead of mailing to employees' homes

Streamline some of the state process. It's complicated and time consuming, although it has not harmed participation.

More capital funds

Raise the \$35 cap

Simplifying the options available and simpler administration.

No cap on revenues.

Simplify

56. Please describe any "lessons learned" that would benefit other transit agencies that are considering implementation of a similar program.

Responses summarized in Table 30, p. 19 of report. Verbatim responses are provided here.

It is helpful to have some way to measure ridership changes on a regular basis. Though it results in complex administrative requirements, it is important to address scenarios contractually. Has worked for us to have a pricing mechanism that can be applied to all employers, as opposed to negotiated individually.

Avoidance of having to build or maintain expensive parking facilities has been a significant selling point in our program. Accurately determine what the construction costs "per space" in your service area are (underground, surface and elevated) and compare them on a per space per employee basis with your program. The comparisons are staggering and really sell the program.

Depends on the size of the local transit system and how much they can invest in the program. We are "small" and some of the issues we encountered included:

Fare integration between transit different transit systems can become a sticking point.

Standardization of a transit pass or ID. How do these get managed and maintained (i.e. getting an ID returned or a transit sticker removed).

Initially convincing the upper management within the employer groups.

On-going and/or readily available performance reports, including staying in touch with upper management (on the employer side) and listening to their perceptions/comments.

Excellent PR at roll-out. Doesn't cost much and really looks like (because it is) making a contribution to reducing congestion.

Be sure you have a good relationship with the client's administering department (HR, Benefits, Parking, etc.) Sometimes these deals get set up between honchos and these folks who have to make the program happen are either not interested or sometimes downright hostile. Having access to employees and a plan for how employees will be informed and marketed to is very important. Knowing who will pay for this upfront is also very important. Whenever possible try to use your own fare media and avoid "flash" IDs. Also be sure you have a way to count ridership.

We recommend adding some flexibility under extreme circumstances to increase the cost of the contract in the middle of the contract period, if needed.

None that I care to share

It's simple. We order tickets, just like we do our standard twenty-ticket booklets, we collect funds from the employee, and, together everyone benefits.

None

The transit agency has been doing this for over 15 years. The program has led to significant gains in ridership and revenue. Our customers love the program, as do their employees. Transit agencies ought to take advantage of this market if do not already do so.

We will let you know after this revision year is completed.

We are starting a new program where passes won't be mailed to employees' homes. It will offer a pretax option and a quantity discount.

Be careful of state required oversight requirements that can become burdensome if you let them.

Program has evolved over the years. Our region appears to be somewhat unique in that quite a few public transit systems operate their own vanpool programs. Whether this can be replicated is actually up to other states and transit agencies. The biggest impetus is statewide TDM laws ("commute trip reduction" mandated on the state and local level).

If you can't bankroll it sufficiently, don't embarrass yourself. If you're going to do it, do it right.

Find the right fit between having a broad array of products and services and the need to limit administrative requirements.

Don't artificially cap revenues.

Simplify

91. Would you be willing to participate further as a case study, involving a telephone interview going into further detail on your agency's program, if selected by the TCRP panel for this project?

- | | | |
|------------------------------|-------|----|
| <input type="checkbox"/> Yes | 80.0% | 20 |
| <input type="checkbox"/> No | 20.0% | 5 |

92. Is there another transit system that you suggest we contact for this synthesis project? If you know of a contact at that system, please list the name also.

Various responses.

APPENDIX C

LIST OF PARTICIPATING TRANSIT AGENCIES

- | | |
|-------------------------|---|
| 1. Akron, OH | Metro Regional Transit Authority |
| 2. Albany, NY | Capital District Transportation Authority |
| 3. Alexandria, VA | Virginia Railway Express |
| 4. Austin, TX | Capital Metro |
| 5. Blacksburg, VA | Blacksburg Transit |
| 6. Bridgeport, CT | Greater Bridgeport Transit |
| 7. Chicago, IL | Chicago Transit Authority |
| 8. Cincinnati, OH | Metro/Southwest Ohio Regional Transit Authority |
| 9. Dallas, TX | Dallas Area Rapid Transit |
| 10. Denver, CO | Regional Transportation District |
| 11. Eugene, Or | Lane Transit District |
| 12. Fort Lauderdale, FL | South Florida Regional Transportation Authority |
| 13. Fort Myers, FL | Lee County Transit |
| 14. Fresno, CA | Fresno Area Express |
| 15. Greensburg, PA | Westmoreland Transit |
| 16. Hartford, CT | Connecticut Transit |
| 17. Indianapolis, IN | IndyGo |
| 18. Las Vegas, NV | Regional Transportation Commission of Southern Nevada |
| 19. Los Angeles, CA | Metro |
| 20. Los Angeles, CA | Southern California Regional Rail Authority |
| 21. Louisville, KY | Transit Authority of River City |
| 22. Meridian, ID | Valley Regional Transit |
| 23. Miami, FL | Miami Dade Transit |
| 24. Nashville, TN | Nashville Metropolitan Transportation Authority |
| 25. New York, NY | MTA New York City Transit |
| 26. Oakland, CA | Bay Area Rapid Transit District |

27. Olympia, WA	Intercity Transit
28. Philadelphia, PA	Southeastern Pennsylvania Transportation Authority
29. Portland, OR	Tri-County Metropolitan Transit District of Oregon
30. Rockville, MD	Montgomery County Ride On
31. St. Petersburg, FL	Pinellas Suncoast Transit Authority
32. Salt Lake City	Utah Transit Authority
33. San Francisco, CA	San Francisco Municipal Transportation Agency
34. Santa Barbara, CA	Santa Barbara Metropolitan Transit District
35. Scotrun, PA	Monroe County Transportation Authority
36. Seattle, WA	King County Metro Transit
37. State College, PA	Centre Area Transportation Authority
38. Washington, DC	Washington Metropolitan Area Transit Authority
39. Wenatchee, WA	Link Transit
40. Winston-Salem, NC	Winston-Salem Transit Authority

APPENDIX D

LIST OF ACRONYMS

APTA	American Public Transportation Association
CMAQ	Congestion Mitigation and Air Quality Improvement Program
CTR	Commute Trip Reduction
DDA	Downtown Development Authority
DEQ	Department of Environmental Quality
DGS	Department of General Services
FICA	Federal Insurance Contributions Act
FTA	Federal Transit Administration
FTE	Full Time Equivalent
GA	Department of General Administration
GSE	General Service Employees
HR	Human Resources
MCTA	Monroe County Transportation Authority
MTA	Metropolitan Transit Authority
MVET	Motor Vehicle Excise Tax
NTD	National Transit Database
ORCA	One Regional Card for All (smart card in Seattle, WA metropolitan area)
SR	State Route
STAR	State Agency Rider
TCRP	Transit Cooperative Research Program
TDM	Transportation Demand Management
TDOT	Tennessee Department of Transportation
TRIS	Transportation Research Information Services
WSDOT	Washington State Department of Transportation

Abbreviations and acronyms used without definitions in TRB publications:

AAAE	American Association of Airport Executives
AASHO	American Association of State Highway Officials
AASHTO	American Association of State Highway and Transportation Officials
ACI-NA	Airports Council International-North America
ACRP	Airport Cooperative Research Program
ADA	Americans with Disabilities Act
APTA	American Public Transportation Association
ASCE	American Society of Civil Engineers
ASME	American Society of Mechanical Engineers
ASTM	American Society for Testing and Materials
ATA	Air Transport Association
ATA	American Trucking Associations
CTAA	Community Transportation Association of America
CTBSSP	Commercial Truck and Bus Safety Synthesis Program
DHS	Department of Homeland Security
DOE	Department of Energy
EPA	Environmental Protection Agency
FAA	Federal Aviation Administration
FHWA	Federal Highway Administration
FMCSA	Federal Motor Carrier Safety Administration
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
HMCRP	Hazardous Materials Cooperative Research Program
IEEE	Institute of Electrical and Electronics Engineers
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991
ITE	Institute of Transportation Engineers
NASA	National Aeronautics and Space Administration
NASAO	National Association of State Aviation Officials
NCFRP	National Cooperative Freight Research Program
NCHRP	National Cooperative Highway Research Program
NHTSA	National Highway Traffic Safety Administration
NTSB	National Transportation Safety Board
PHMSA	Pipeline and Hazardous Materials Safety Administration
RITA	Research and Innovative Technology Administration
SAE	Society of Automotive Engineers
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (2005)
TCRP	Transit Cooperative Research Program
TEA-21	Transportation Equity Act for the 21st Century (1998)
TRB	Transportation Research Board
TSA	Transportation Security Administration
U.S.DOT	United States Department of Transportation

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