



## Board Report

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**File #:** 2020-0352, **File Type:** Motion / Motion Response

**Agenda Number:** 25.

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**EXECUTIVE MANAGEMENT COMMITTEE  
JUNE 18, 2020**

**SUBJECT: EMPLOYER PASS (E-PASS) PROGRAM**

**ACTION: APPROVE RECOMMENDATION**

### **RECOMMENDATION**

APPROVE recommendation to establish a permanent Employer Pass (E-Pass) Program based on the success of the current 2-Year E-Pass Pilot Program

### **ISSUE**

In October 2017, as part of an ongoing effort to pursue strategies to increase transit ridership, Board Motion 36 (File 2017-0715) requested “that the EAPP Program (which includes ATAP and BTAP) be amended to include a pay-per-boarding model similar to the U-Pass Program at a fare-per boarding (FPB) rate approved by the Office of Management and Budget (either as a pilot program or as a new payment option under BTAP).” (Attachment A)

### **DISCUSSION**

#### **Background**

In 2003, the Board adopted the Contracted Transit Pass Programs (Attachment B), which included the precursors to the ATAP and BTAP Programs, the Annual Pass Program and Employer Pass Program, respectively. These programs were designed to enable Metro to develop stronger partnerships with LA County businesses, institutions and major organizations to increase ridership; promote the use of transit; generate new revenue to support Metro initiatives; and provide businesses and organizations the opportunity to take advantage of federal income tax incentives that encourage the use of transit.

The programs also allowed Metro to establish a well-defined test group for the Universal Fare System (UFS) smart card by providing contracted pass program members with UFS test cards instead of a conventional paper pass, thus facilitating the transition to TAP. These programs have evolved over the years and are now collectively called the Employer Annual Pass Program.

The Employer Annual Pass Program (EAPP) includes:

Annual Transit Access Pass (ATAP) Program

Under the ATAP Program (Attachment C), employers may convert any type of Metro monthly or EZ Regional pass to an annual pass by paying the full fare cost for twelve months, plus a \$5.00 card fee for a custom card with the employee's photo. A Regular Metro ATAP is good on all Metro Bus and Rail Services, including Express services that would normally charge zone fees (such as the Silver Line and 400-500 series Express routes) for the flat rate of \$1200 per year, plus the card fee. An EZ Regional ATAP is \$1320 and is good for local travel on all 26 public transit carriers throughout the Greater Los Angeles region that participate in the EZ Regional Program. In FY '19, forty-two (42) businesses with 1,176 passes participated in this program, generating \$1.5 million in revenue.

Business Transit Access Pass (BTAP) Program / Small Employer Program (SEP)

Under the former BTAP Program, employers were required to purchase reduced fare annual passes for all employees at a worksite. A small percentage of employees could be exempted for approved reasons, such as using Metrolink or a vanpool to commute to work or working a graveyard shift. BTAP passes cost \$132 to \$276 per year, plus a \$5.00 card fee for a custom card with the employee's photo. Pricing was based on the level of transit service at the worksite. In FY '19, 509 businesses with 18,929 passes participated in this program, generating \$4.4 million in revenue.

In FY '17, Metro's systemwide average fare per boarding (FPB) was \$0.78, while the BTAP group rate pricing only generated \$.52 per boarding. Although BTAP increased to \$0.62 FPB in FY '18, it was still below the systemwide rate, and was no longer revenue neutral to Metro. It needed to be replaced by a program with a higher FPB.

Beginning January 2020, the former Business Transit Access Pass (BTAP) program was replaced by the Small Employer Program (SEP) for businesses with less than 250 employees (Attachment D). This change reduced the minimum pass purchase requirement from 100% of employees to 50% of employees, and increased the cost to \$408 per pass, per year. (Attachment B - SEP Take-One General). Because of the price increase implemented during the transition, we were only able to retain 68% of former BTAP businesses in the SEP program and several of them transitioned to E-Pass. As of March 2020, there were 377 businesses participating in the EAPP.

Historically, the EAPP Programs have been extremely successful in growing ridership and revenue. Based on a Board Box Report from March 2017 (Attachment E), Ridership data indicates that the EAPP group pricing models resulted in a substantial increase in transit ridership over an eleven (11) year period:

- From FY06- FY16 revenue increased 417% from \$315,000 to \$6.37 million with an average annual growth rate of 38%.
- Number of accounts increased 625% from 22 to 601 with an average annual growth rate of 57%.
- TAP card holders increased 418% from 1,557 to 20,209 with an average annual growth rate of 38%.

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In FY 2019, there were 551 companies participating in these programs, which represents 0.13% of the 438,802 companies in Los Angeles County as reported by the Los Angeles Economic Development Corporation (LAEDC) as of 2014. Due to the restrictions placed on businesses in the ATAP, BTAP, and SEP programs, only a small percentage of the total employer population participates in the programs. Because of that, Metro Commute Services is seeking to broaden opportunities for additional businesses to participate in the EAPP.

### E-Pass Pilot Program

In July 2018, with approval from Executive Management, the Office of Management and Budget (OMB), and the TAP Office, MCS launched a limited pilot program to evaluate the success of replicating the U-Pass concept with employers. The E-Pass Pilot Program has done the following:

1. Initially targeted a limited number of businesses to participate in the program and required additional business participants to be approved by the Office of Management and Budget (OMB). Initial participants were NBCUniversal, City of Santa Monica and UCLA.
2. Established a goal of increasing employee participation by 20% over existing levels
3. Utilized embedded TAP chip stickers affixed to the employee's work identification (ID) card to transform their IDs into TAP Cards
4. Transitioned businesses to a pay per boarding model as follows:
  - a. Charged an estimated boarding fee of \$1.40 per boarding, which was the fare per boarding (FPB) equivalent of the ATAP program when it was launched. (This rate has been included in OMB's ongoing fare analysis).
  - b. Invoiced businesses quarterly for all boardings used during each quarter.
  - c. For the introductory quarter, estimated boardings based on existing ridership data and required payment up front. If the employer did not have existing data, the initial participation was estimated at 10% of eligible employees at the full-time maximum of \$80 per month.
5. Capped the maximum cost per participant at \$80 per month as a marketing incentive for businesses to utilize their own resources to grow ridership
6. Encouraged employers to cover the full cost of the program or recoup costs from employees through implementing a pre-tax payroll deduction under the Commuter Tax Benefit (IRS Code Section 132(f)). If businesses chose to charge employees for participation, fees collected from employees were not permitted exceed the total amount due to Metro.
7. Required employers to assist Metro in administering the program by ensuring completion of the required Title VI analysis through verifying employees' online registration for the program, verifying that each participant was a current employee with a valid ID, and distributing and activating E-Pass TAP stickers/cards for eligible participants

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8. Required employers to report all issued E-Pass TAP card/sticker numbers to Metro quarterly for tracking purposes and to facilitate replacements
  9. Created a reimbursement process for Municipal Transit Agencies to add the E-Pass fare product to their fare table and be reimbursed at their TAP boarding rate, up to the E-Pass Rate of \$1.40 per boarding. Payment from these boardings is collected from the employer at the end of each business quarter and reimbursed to the agencies as a separate line item on their monthly regional settlement check.

### E-Pass Pilot Program Results

Prior to launching the E-Pass Pilot Program in July 2018, NBCUniversal (NBCU) only had 39 employees using regular 30-day Metro Passes and EZ Passes. By November 20, 2018, they had distributed stickers to 446 employees. This represents an increase of 1,044% over four months. For the first business quarter, (July 18-Sept 30, 2018) NBCUniversal had 9042 boardings at \$1.40 at a cost of \$12,658.80. The data from the initial group of participants shows that 26% were new to transit and 59% were previously occasional riders using stored value. As of March 2020, NBCU had 1,020 active participants with 22,347 boardings generating \$31,180.00 in revenue for the quarter.

In 2018, UCLA converted its employer program from a regular Metro-only pass to an E-Pass valid on additional transit agencies. In one year, they saw an increase of 12% in participants and 5% in boardings. Overall, as of March 2020, there were 11 companies with 1,435 active participants in the E-Pass Pilot Program, which generated \$239,824.10 in Q3 of FY '20. The E-Pass Pilot Program has generated nearly \$1.9 million since its inception.

### Title VI

During the pilot program, the FTA advised Metro that the E-Pass fare reduction does not create a disparate impact or disproportionate burden because the benefit falls on the employer, who is paying the cost of the pass as an employee benefit, and the passes are not being sold directly to individual riders. The discount is provided as marketing incentive for the employer to help stimulate program growth and to help cover the employer's cost of outreach and administration.

### **DETERMINATION OF SAFETY IMPACT**

This program does not affect the incidence of injuries or healthful conditions for patrons or employees. Therefore, approval of this request will have no impact on safety.

### **FINANCIAL IMPACT**

This project will be managed by existing staff in Metro Commute Services included in the FY21 budget in the Marketing Department under Cost Center 7140 and Project and Task Codes 300014-01.01 (Regional Activities) and 306006-01.001 (Systemwide Bus Ops Management & Administration).

The E-Pass Pilot Program generated \$1,889,398.35 in the 21-month pilot period prior to the COVID-

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19 pandemic. The average monthly cost per participant paid by all participating employers during the pilot period was \$40. While this is 60% below the regular monthly pass cost of \$100, it also represents the highest fare per boarding being collected in the Metro system at \$1.40 per boarding. In addition, 26% of the participants are new riders who were not paying any fare prior to joining the program.

### Impact to Budget

Funding for this effort comes from ordinary operating sources including fares, sales tax and grants. Eighty percent of the existing funds for this project are budgeted in Project Code 306006-01.001 Systemwide Bus Ops Management & Administration. The goal of the E-Pass Program is to increase participation by 20% each year. The overall goal of the Employer Annual Pass Programs is to increase revenue by 3% each year.

### ALTERNATIVES CONSIDERED

1. Make no changes - Continue only to offer the ATAP and SEP programs. While this option would continue to serve participating businesses, MCS staff believes that continuing to offer the E-Pass Program will create more opportunities for ridership and revenue growth, especially during these uncertain times.

### NEXT STEPS

Upon approval, staff will:

1. Establish E-Pass as a permanent program;
2. Continue to expand E-Pass to include new businesses and additional transit agencies;
3. Include data from this program in the ongoing OMB fare analysis;
4. Continue to offer the ATAP and SEP programs for businesses not participating in the E-Pass program
5. Continue to assess changes in ridership on key lines near worksites

### ATTACHMENTS

Attachment A - File #:2017- 0715, Board Report on Countywide Transportation Demand Management

Attachment B - Executive Management and Audit Committee Report on Metro Contracted Pass Programs, February 20, 2003

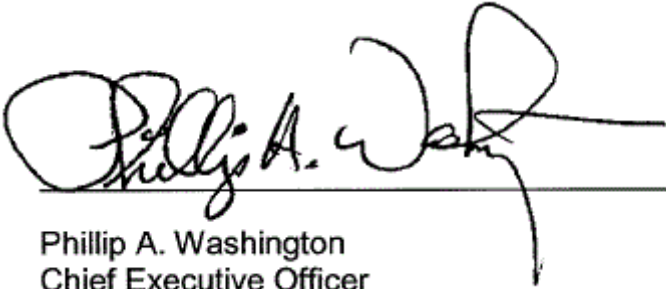
Attachment C - ATAP Take-One General

Attachment D - SEP Take-One General

Attachment E - Board Box #170303-2017 on 2017 Employer Annual Pass Program Renewals

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Phillip A. Washington  
Chief Executive Officer



## Board Report

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**File #:**2017-0715, **File Type:**Informational Report

Agenda Number:36.

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### PLANNING AND PROGRAMMING COMMITTEE OCTOBER 18, 2017

**Revised Motion by:**

**Garcetti, Dupont-Walker and Butts**

October 18, 2017

#### **Countywide Transportation Demand Management**

MTA should be a national leader in working with local jurisdictions to promote transit use, active transportation, and other multi-modal travel.

MTA is leading a great expansion of mobility options in Los Angeles County, including the rail and bus transit system, bikeshare, first-last mile links, and groundbreaking technology-based new mobility services, including U-Pass and On-demand Microtransit Pilot Programs. A robust and comprehensive countywide Transportation Demand Management (TDM) program would maximize the benefits of these investments in LA County's transportation systems.

TDM focuses on reducing single-occupancy vehicle trips by making other transportation options more attractive. TDM promotes sustainable transportation options such as transit, carpooling, vanpooling, bicycling and walking. TDM strategies boost transit ridership, promote telecommuting, reduce single-occupancy vehicle trips, and reduce greenhouse gas emissions. MTA can serve as the facilitator of a countywide TDM program that encourages and supports local jurisdictions in initiating, developing, and implementing their own TDM initiatives.

Currently, there is an absence of a robust and comprehensive countywide TDM promotion and coordination program in Los Angeles County. As the countywide transportation agency, MTA is ideally suited to lead this effort. A robust TDM program will enable MTA to leverage its historic transportation investments to further change travel behavior and help the region ease congestion and meet statewide greenhouse gas emissions reduction goals. This would build on MTA's ongoing Congestion Reduction activities, including 511, promoting carpooling through ExpressLanes, creating vanpools, etc.

MTA can promote TDM strategies through many different methods--by coordinating local TDM objectives, creating a comprehensive TDM marketing strategy, measuring the effectiveness of multi-modal solutions, and other strategies. While some cities already have existing TDM programs or initiated efforts to establish TDM programs, many more cities in LA County could implement effective TDM programs with support from MTA.

Some jurisdictions, including the City of Los Angeles, have identified a need to make major updates to their TDM ordinances to incentivize sustainable transportation solutions more broadly through their development review processes and establish more robust monitoring and evaluation protocols.

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The goal of the State of California is to reduce greenhouse gas emissions to 40% below 1990 levels by 2030 and 80% below 1990 levels by 2050. Currently, automobiles are the single largest source of emissions in Los Angeles. Los Angeles County residents approved Measure M in November 2016 to create more mobility options. MTA can do more to support local jurisdictions to meet state goals, and to create a seamless user experience throughout Los Angeles County that will create more MTA rail and bus riders, encourage carpooling and vanpooling, and boost countywide active transportation usage.

**SUBJECT: REVISED MOTION BY DIRECTORS GARCETTI AND  
DUPONT-WALKER AND BUTTS**

**TRANSPORTATION DEMAND MANAGEMENT**

WE, THEREFORE, MOVE that the Board direct the CEO to:

- A. Prepare a list of TDM best practices of California agencies and jurisdictions, including but not limited to the Bay Area Metropolitan Transportation Commission;
- B. Inventory current MTA funding sources for planning or implementing TDM programs and projects at the county or local level;
- C. Recommend how MTA can establish a robust and comprehensive countywide TDM program, including but not limited to:
  1. Countywide TDM guidelines to help municipalities create and implement TDM policies by establishing best practices for TDM application, monitoring, and evaluation, and allowing for flexibility to innovate beyond countywide standards;
  2. Countywide TDM marketing, outreach, and engagement campaign that targets potential users through a compelling and recognizable brand available to local cities and jurisdictions to promote multi-modal travel choices such as transit, vanpooling, carpooling, walking, and bicycling;
  3. Facilitating regular discussions between Transportation Management Organizations in the region to coordinate countywide and local TDM ordinance implementation activities and share best practices;
  4. Working with major trip generators, major employers, and business community representatives to develop and implement tax incentives and other state legislation necessary for MTA to effectively promote and coordinate TDM strategies in Los Angeles County;
  5. Expanding U-Pass, the Employer Annual Pass Program (EAPP), the Bikeshare for Business Program, and other TAP purchase programs to allow Transportation Management Organizations (TMOs), telework centers, tourism organizations, residential and other non-employer entities to purchase bulk-rate transit and bike share passes;



6. Strategies to promote telecommuting;
  7. Establishing a Countywide Commuter Tax Benefit Ordinance to provide incentives for non-single occupancy vehicle travel;
    - a. Seeking legislation to enable Los Angeles County to implement the nation's most aggressive commuter tax benefits program to reimburse and credit the cost of sustainable transportation options. This legislation should explore ways to provide significant tax-credit benefits for the use of transit, vanpooling, bicycling, and all other sustainable transportation modes;
    - b. Should legislation be successfully secured, a first priority for resources created by this program would be the establishment of an MTA TDM Implementation Demonstration Program. The TDM Demonstration Program would target selected jurisdictions for early implementation of best-practice TDM strategies, along with appropriate financial incentives. MTA may give special priority to any multi-jurisdictional TDM program proposal.
  8. Managing compliance with the State of California's Parking Cash-Out law for worksites within Los Angeles County;
  9. Considering consolidation of MTA's various TDM functions into a single group and/or creating a Countywide TDM Coordinator position tasked with coordinating MTA's TDM efforts, including identifying additional staffing needs;
- D. Incorporate into MTA's 2018 state legislative program for MTA to seek legislation that would strengthen MTA's ability to carry out a countywide TDM program; and
- E. Report back to the Planning and Programming Committee on all the above in 420 150 days.

KUEHL AMENDMENT: to include that the EAPP Program (which includes ATAP and BTAP) be amended to include a pay-per-boarding model similar to the U-Pass Program at a fare-per-boarding (FPB) rate approved by the Office of Management and Budget (either as a pilot program or as a new payment option under BTAP)



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**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE  
FEBRUARY 20, 2003**

**SUBJECT: METRO CONTRACTED PASS PROGRAMS**

**ACTION: APPROVE NEW CONTRACTED PASS PROGRAMS**

**RECOMMENDATION**

Adopt the Contracted Transit Pass Programs as described in Attachment A.

**ISSUE**

In May of 2002, the Board approved development of an MTA-operated rideshare program that integrates countywide rideshare offerings with transit programs. As part of this effort, staff is developing a line of contracted transit pass programs to form partnerships with businesses, institutions and major organizations within Los Angeles County as a means to improve access to the multi-modal transportation system. The MTA currently offers several fare media programs to the public, however, only two programs, Metro Mail and Consignment Sales, are made available to area businesses and organizations. As a result, a limited number of employers and organizations participate in pass programs to provide MTA fare media to their employees, members or associates. The Contracted Pass Programs are designed to improve business and institutional participation in MTA transit pass programs.

**POLICY IMPLICATIONS**

There are several purposes of offering contracted pass programs. First, it enables MTA to develop stronger partnerships with LA County businesses, institutions and major organizations to promote use of transit. Second, the programs will generate new revenue to support MTA initiatives. Third, these programs will provide businesses and organizations the opportunity to take advantage of federal income tax incentives that encourage use of transit. Finally, the programs will allow MTA to establish a well-defined test group for the Universal Fare System (UFS) smart card by providing contracted pass program members with UFS test cards instead of a conventional paper pass. Providing seamless fare payment options is a policy initiative within the adopted MTA Long Range Transportation Plan as a method for making transit more accessible to the public.

**OPTIONS**

The MTA Board could choose not to proceed with the Contracted Pass Programs. Staff does not recommend this option because the programs will generate a much-needed new revenue source for the MTA and strengthen the ties with the business

community. Transit agencies across the nation that have implemented similar programs have experienced successful results in generating additional revenue and stimulating participation among employers. The MTA Board could also choose to offer a fewer number of contracted pass types. Staff does not recommend this alternative because the proposed program attempts to offer a complete line of products that meet the needs a various transit user markets. Reducing the number of contracted passes offered will reduce the effectiveness of the overall program by excluding certain transit user groups.

### **FINANCIAL IMPACT**

The Contracted Pass Programs are designed to increase transit ridership and transit revenues without having a negative impact on MTA's average fare per boarding and overall budget. To maintain this "neutral" impact on fare per boarding, the price of the various contracted pass types will be adjusted as membership grows, fare structure is modified and service changes impacting ridership occur.

### **BACKGROUND**

During FY 02, a Board-directed study was conducted of MTA-funded rideshare efforts. The final report of the study recommended several new and innovative strategies to be considered for implementation by the MTA. Strategies included in these recommendations were special pass programs for employers and institutions.

In moving forward with this recommendation, the Board approved an MTA-operated rideshare program in May 2002, which included the development of expanded pass program offerings. During the development and research for the proposed Contracted Pass Programs, staff identified several different markets that were not being addressed by current contracted pass programs. Attachment A describes the various contracted pass products and the related transit user markets.

The programs will be closely monitored to maintain a neutral or positive financial impact on fare per boarding and to ensure high service quality. It is anticipated that the programs will encourage employer participation, increase ridership and mobility and nurture public/private partnerships with the MTA, communities and local businesses.

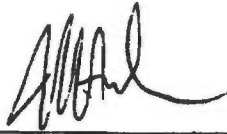
### **NEXT STEPS**

If approved, phased implementation of the Contracted Pass Programs will begin in April 2003. The Board will be updated quarterly on the number of organizations enrolled and participants involved in the programs.

### **ATTACHMENT**

#### **A. Contracted Pass Programs**

Prepared by: David Sutton, Executive Manager, Employer Programs



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Matt Raymond  
Chief Communications Officer



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Roger Snoble  
Chief Executive Officer

## METRO CONTRACTED PASS PROGRAMS

The MTA Contracted Pass Programs provide employers, institutions and other organizations an opportunity to purchase fare media for their employees, members and participants. Five programs will be made available. The following provides brief descriptions for each of the Contracted Pass Programs.

**Annual Pass Program:** The Annual Pass Program provides an annual photo-ID pass good for one calendar year (or a portion thereof) to LA County employers. The pass is valid on all designated bus and rail service. The pass is offered to employers who choose to purchase passes only for those employees that currently take transit to work. The price of the pass is equal to the regular monthly pass price multiplied by twelve months.

**Employee Pass Program:** The Employee Pass Program provides an annual employee photo-ID pass good for one calendar year (or a portion thereof) to LA County employers. The pass is valid on all designated bus and rail service. This pass is offered to employers who choose to purchase passes for all their employees. Price is based on estimated employee transit usage and frequency of transit service to the employer worksite.

**Institutional Pass Program:** The Institutional Pass Program is a negotiated program offered to large organizations or groups such as colleges, universities, trade schools, government agencies and senior citizen centers that choose to enter into an agreement with the MTA. Agreements may include fare media arrangements, additional services and access to bus and rail service.

**Jury Pass Program:** The Jury Pass is a weekly pass offered to jurors reporting to jury duty in exchange for mileage reimbursements. Currently jurors in the court system are reimbursed for auto mileage. This program will provide jurors who wish to use public transportation an alternative to driving alone.

**Visitors Pass Program:** The Visitors Pass Program provides a semi-custom pass to area conventions, hotels, chambers, visitor bureaus, meeting planners, etc. to provide access to MTA bus and rail service. Passes will be made available in one-day increments for negotiated time periods.

All Contracted Pass Program agreements would be subject to authorization and approval by the Chief Executive Officer or his designee. With the possible exception of the Juror Pass, all Contracted Pass Programs will be priced to ensure no negative impact on total projected fare revenues. Service modifications made in conjunction with any of the above negotiated pass programs would comply with all MTA service implementation guidelines. The following sections provide further descriptions, the purpose and policy statements for each of the Contracted Pass Programs.

# ANNUAL PASS PROGRAM

## DESCRIPTION

The Annual Pass Program provides an annual photo-ID pass good for one calendar year (or a portion thereof) on all designated bus and rail service. This pass is offered to employers that would like to purchase a transit pass for their employees that currently ride transit. The pass is valid on all MTA bus and rail service. The price of the pass is equal to the regular monthly pass price multiplied by twelve months. Employers may purchase multiple quantities of the annual pass for their employees. Passes purchased within a calendar year will be prorated on a monthly basis. Discounts may be offered based on quantities and upon approval of the Chief Executive Officer. While the Chief Executive Officer is ultimately responsible for this policy, staff will draft guidelines and procedures and implement the Annual Pass Program.

## PURPOSE

The purpose of the Annual Pass Program is to provide an annual pass option to employers for their employees that use the MTA bus and rail system. The pass simplifies use of the system by reducing the number of times the employee is required to physically go and purchase passes during the year. The pass also provides employers an annual option for their employees that consistently ride transit to work. In addition, the program is intended to provide a mechanism for employers to take advantage of federal tax incentives for employee transit subsidy programs. Finally, the program is intended to foster goodwill between the MTA and LA County employers, and to demonstrate MTA's progressive commitment to multimodal transportation and a healthful environment.

## POLICY

1. All employers within Los Angeles County are eligible for the Annual Pass Program provided that they enter into a program participation agreement with the MTA. Once signed up for the program, employers can purchase an Annual Pass for each of their employees that ride transit.
2. The MTA will issue a pass specific to the Annual Pass Program.
3. The pass will cost the equivalent of a regular monthly transit pass price multiplied by twelve months. Chief Executive Officer may impose restrictions, rules, limitations, and exemptions on the pass, depending on implementation requirements.
4. Discounts may be offered based on quantities purchased and upon Chief Executive Officer Approval.
5. The passes may be used for the MTA's buses or rail systems, and they are valid throughout the MTA's service area on all local and limited-stop buses, Metro Rapid Transit, and Metrorail Services.
6. Paratransit and special services are excluded from this program.

7. Employers may purchase their passes from the Employer Programs Department. Employers purchasing multiple quantities of the Annual Pass must place orders thirty days prior to pass start date. MTA will not offer a sales commission to employers that purchase the Annual Pass. Employers may arrange with the Employer Programs Department for pick-up or delivery of their passes.

## **EMPLOYEE PASS PROGRAM**

### **DESCRIPTION**

The Employee Pass Program provides an annual employee photo-ID pass good for one calendar year (or a portion thereof) on all designated bus and rail service offered to area employers. This pass is offered to employers who choose to purchase passes for all their employees. Price is based on estimated employee transit usage and frequency of transit service to the employer worksite. The Employee Pass Program provides an alternative to the Annual Pass Program for employers that are interested in making it possible for all of their employees to ride transit. While the Chief Executive Officer is ultimately responsible for this policy, staff will draft guidelines and procedures and implement the Employee Pass Program.

### **PURPOSE**

The purpose of the Employee Pass Program is to provide employers a pass option that allows them to take advantage of federal tax incentives for employees that ride transit. It also simplifies the pass purchasing process and allows employers to offer transit as an alternative commute option for all their employees. In addition, the program is intended to provide a mechanism for employers to take advantage of federal tax incentives for employee transit subsidy programs. Finally, the program is intended to foster goodwill between the MTA and LA County employers, and to demonstrate MTA's progressive commitment to multimodal transportation and a healthful environment.

### **POLICY**

1. All employers within Los Angeles County are eligible for the Employee Pass Program provided that they enter into a program participation agreement with the MTA. Once signed up for the program, all employees of the participating employer are eligible to receive an Employee Pass.
2. The MTA will issue a pass specific to the Employee Pass Program which may be in the form of a decal affixed to an employer photo ID or a pass produced by the MTA.
3. The pass price is based on estimated employee transit usage and frequency of transit service to the employer worksite. Chief Executive Officer may impose restrictions, rules, limitations, and exemptions on the pass, depending on implementation requirements. Given the nature of the program pricing, contract minimums may be imposed.
4. The passes may be used for the MTA's buses or rail systems, and they are valid throughout the MTA's service area on all local and limited-stop buses, Metro Rapid Transit, and Metrorail Services.
5. Employers may purchase their passes from the Employer Programs Department. Employers must place their pass orders thirty days prior to pass start date. MTA will not offer a sales commission to employers that purchase the Employee Pass. Employers may arrange with the Employer Programs Department for processing of their passes.



6. Paratransit and special services are excluded from this program.
7. The Employer Programs Department will publish annually a cost schedule for the Employee Pass Program.

## **INSTITUTIONAL PASS PROGRAM**

### **DESCRIPTION**

The Institutional Pass Program is a negotiated program offered to large organizations or groups such as colleges, universities, trade schools, government agencies and senior citizen centers that choose to enter into an agreement with the MTA. Agreements may include fare media arrangements, additional services and access to bus and rail service. Contracts would be negotiated based upon the estimated number of transit users and the cost of the additional service to the MTA. While the Chief Executive Officer is ultimately responsible for this policy, staff will draft guidelines and procedures and implement the Institutional Pass Program.

### **PURPOSE**

The purpose of the Institutional Pass Program is to simplify the pass purchasing process for institutions wishing to promote the use of public transportation. The program is also intended to foster goodwill between the MTA and local institutions.

### **POLICY**

1. All large organizations or groups such as colleges, universities, trade schools, government agencies and senior citizen centers within Los Angeles County are eligible for the Institutional Pass Program provided that they enter into a program participation agreement with the MTA.
2. The MTA will issue a pass specific to the Institutional Pass Program which may be in the form of a decal affixed to a member photo ID or a pass produced by the MTA.
3. The pass price is based on the negotiated agreement between MTA and the institution. Chief Executive Officer may impose restrictions, rules, limitations, and exemptions on the pass, depending on implementation requirements.
4. The passes may be used for the MTA's buses or rail systems, and they are valid throughout the MTA's service area on all local and limited-stop buses, Metro Rapid Transit, and Metrorail Services.
5. Institutions may purchase their passes from the Employer Programs Department. Participating Institutions must place their pass orders thirty days prior to pass start date. MTA will not offer a sales commission to institutions that purchase the Institutional Pass. Institutions may arrange with the Employer Programs Department for pick-up or delivery of their passes.
6. Paratransit and special services are excluded from this program.
7. The Employer Programs Department will publish annually a agreement summaries for the Institutional Pass Program.

## **JURY PASS PROGRAM**

### **DESCRIPTION**

The Jury Pass is a weekly pass offered to jurors reporting to jury duty in exchange for mileage reimbursements. Currently jurors in the court system are reimbursed for auto mileage. This program will provide jurors public transportation as an alternative to driving. Given the varied duration of juror service, this program is not guaranteed to recover full value of the pass. While the Chief Executive Officer is ultimately responsible for this policy, staff will draft guidelines and procedures and implement the Jury Pass Program.

### **PURPOSE**

The purpose of the Jury Pass is to offer transit as an option to those serving jury duty. For those jurors that do not regularly ride transit, this program provides an opportunity for participants to use public transportation. The program is also intended to foster goodwill between the MTA, the court system and the general public.

### **POLICY**

1. All courts within Los Angeles County are eligible to offer the Jury Pass Program to their jurors provided that they enter into a program participation agreement with the MTA. Once signed up for the program, all jurors of that participating court are eligible to receive a Jury Pass.
2. The MTA may issue a pass specific to the Jury Pass Program or use the standard weekly passes.
3. The pass price is based on the amount the court reimburses jurors for travel mileage. This program is not guaranteed to recover full value of the pass given that jury service varies in duration. Chief Executive Officer may impose restrictions, rules, limitations, and exemptions on the pass, depending on implementation requirements.
4. The passes may be used for the MTA's bus or rail systems, and they are valid throughout the MTA's service area on all local and limited-stop buses, Metro Rapid Transit, and Metrorail Services.
5. The courts may purchase their passes from the Employer Programs Department. Participating courts must place their pass orders thirty days prior to pass start date. MTA will not offer a sales commission to institutions that purchase the Jury Pass. Participating courts may arrange with the Employer Programs Department for pick-up or delivery of their passes.
6. Paratransit and special services are excluded from this program.
7. The Employer Programs Department will publish annually a cost schedule for the Jury Pass Program.

## **VISITORS PASS PROGRAM**

### **DESCRIPTION**

The Visitors Pass Program provides a semi-custom pass to area conventions, hotels, chambers, visitor bureaus, meeting planners, etc. to provide purchased access to MTA bus and rail service. Passes will be made available in one-day increments for negotiated time periods. While the Chief Executive Officer is ultimately responsible for this policy, staff will draft guidelines and procedures and implement the Visitors Pass Program.

### **PURPOSE**

The purpose of the Visitors Pass Program is to provide convenient advance purchase opportunities to large groups of people who want to utilize transit services. It provides groups and visitors with an opportunity to experience and use public transportation. The program is also intended to foster goodwill between the MTA and area conventions, hotels, chambers, visitor bureaus, meeting planners as well as area visitors.

### **POLICY**

1. All convention centers, hotels, chambers of commerce, visitor bureaus, and meeting planners within Los Angeles County are eligible to purchase Visitors Passes provided that they enter into a program participation agreement with the MTA.
2. The MTA may issue any form of pass, but the Chief Executive Officer may impose restrictions, rules, limitations, and exemptions, depending on the type or duration of an event.
3. The passes may be used for the MTA's buses or rail systems, and they are valid throughout the MTA's service area on all local and limited-stop buses, Metro Rapid Transit, and Metrorail Services.
4. Group organizers may purchase their passes from the MTA Customer and Vendor Service Department. To be considered for a volume discount, organizers must place their pass orders thirty days prior to pass start date. MTA will not offer a sales commission to those organizations that purchase the Visitors Pass. Organizations may arrange with the Customer and Vendor Service Department for pick-up or delivery of their passes.
5. The MTA may request from large groups of 250 or more persons an itinerary so that service accommodations may be made.
6. Paratransit and special services are excluded from this program.
7. The MTA Customer and Vendor Services Department will publish annually a volume discount schedule.

# Annual Transit Access (A-TAP)

## Metro Commute Services

### Mission

- > Build partnerships with businesses to increase mobility and reduce traffic congestion

### Program Criteria

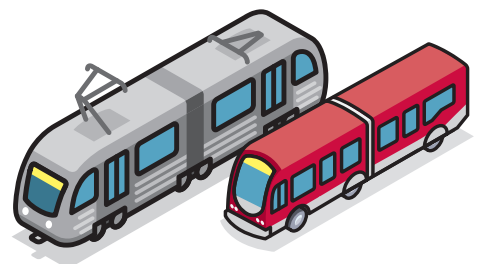
- > Business must be within LA County
- > Minimum Pass Purchase: Three (3)

### Employer Benefits

- > Perfect addition to your company's benefits package to improve recruitment and retention, and to create a healthier environment
- > Photo ID pass exclusively for employers
- > Qualifies as a Commuter Tax Benefit – IRS Code 132(f)
  - Tax free and pre-tax deductible
  - Payroll tax saving
  - Other potential corporate tax savings
- > Helps reduce parking demand and expense
- > Improves your company's environmental sustainability
- > No monthly administration required

### Employee Benefits

- > Unlimited use on all Metro bus and rail, including Zone 1 plus EZ option, if purchased
- > Save on payroll taxes through pre-tax payroll deduction
- > Reduce commuting costs – gasoline, maintenance, parking and insurance
- > Pass can be used for commuting and leisure activities, seven days a week
- > Reduce commuting stress and no monthly pass purchase required



# Metro Annual Transit Access Pass Program (A-TAP)

<b>Goal</b>	Provide an annual fare pass program option for businesses within LA County to increase business partnerships and transit ridership.
<b>Objective</b>	Facilitate and maintain an Employer Annual Pass Program (EAPP) that is easy to administer, with a full-fare pricing structure that aligns with Metro’s fiscal calendar year.
<b>Eligibility</b>	<b>Program Criteria:</b> <ul style="list-style-type: none"><li>&gt; Business must be within LA County</li><li>&gt; All businesses qualify</li><li>&gt; Minimum pass purchase: Three passes (3)</li></ul>
<b>Administration</b>	<b>The employers must do the following:</b> <ul style="list-style-type: none"><li>&gt; Complete and sign Employee List</li><li>&gt; Submit an Eligible Employee Acknowledgement form for each participant</li><li>&gt; Sign and date the Agreement</li><li>&gt; Submit payment</li><li>&gt; Submit employee photos (JPEG format, named as first and last name of employee)</li></ul>
<b>Payment &amp; Pricing Structure</b>	<ul style="list-style-type: none"><li>&gt; Annual EZ price per pass: \$1,320</li><li>&gt; Prorated pricing available based on program start date</li><li>&gt; Non-refundable card fee per new participant: \$5</li><li>&gt; Premium option available</li><li>&gt; Annual Payment: Payment is due and payable upon execution of Agreement</li><li>&gt; Acceptable payments: Check, money order, cashier’s check , ACH, EFT, credit card</li><li>&gt; Program is based on a fiscal calendar year: July-June</li></ul>
<b>Program Maintenance &amp; Information</b>	<ul style="list-style-type: none"><li>&gt; Flexibility to add, cancel and replace passes as necessary</li><li>&gt; Uninterrupted Service: Annual option to continue program participation available</li><li>&gt; Dedicated Customer Service team to manage orders and inquiries</li></ul>

**For additional information, contact:**

Metro Commute Services

Employer Annual Pass Programs

213.922.2859

[metro.net/riding/eapp](http://metro.net/riding/eapp)

# Small Employer Pass Program (SEP)

## Metro Commute Services

### Mission

- > Build partnerships with businesses to increase mobility and reduce traffic congestion

### Program Criteria

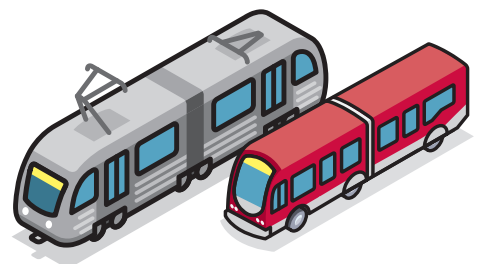
- > Business must be within LA County
- > Business must employ 249 employees or less
- > Minimum participation is 50% of total employees

### Employer Benefits

- > Annual cost of \$408/pass (\$34/monthly equivalent)
- > Photo ID pass exclusively for employers
- > Perfect addition to your company's benefits package to improve recruitment and retention, and to create a healthier environment
- > Qualifies as a Commuter Tax Benefit – IRS Code 132(f)
  - Tax free and pre-tax deductible
  - Payroll tax saving
  - Other potential corporate tax savings
- > Helps reduce parking demand and expense
- > Improves company's environmental sustainability

### Employee Benefits

- > Unlimited use on all Metro bus and rail, including Zone 1 (Express & Silver Line). (\$22 in additional monthly savings)
- > Save on payroll taxes through pre-tax payroll deduction
- > Reduce commuting costs – gasoline, maintenance, parking and insurance
- > Pass can be used for commuting and leisure activities, seven days a week
- > Reduce commuting stress and no monthly pass purchase required



# Metro Small Employer Pass Program (SEP)

<b>Goal</b>	Provide a reduced cost annual fare program option for small-to medium-sized businesses within LA County to increase business partnerships and transit ridership, while maintaining revenue neutrality for Metro.
<b>Objective</b>	Facilitate and maintain an Employer Annual Pass Program (EAPP) that is easy to administer, with a feasible pricing structure that aligns with Metro's fiscal calendar year.
<b>Eligibility</b>	<ul style="list-style-type: none"><li>&gt; Business must be within LA County</li><li>&gt; Business must employ 249 employees or less</li><li>&gt; Minimum participation is 50% of total employees</li><li>&gt; Default minimum participation for employers with less than 20 employees is 10</li></ul>
<b>Administration</b>	<b>Employers must do the following:</b> <ul style="list-style-type: none"><li>&gt; Complete and sign Employee Lists</li><li>&gt; Submit an Eligible Employee Acknowledgement form for each participant</li><li>&gt; Submit a current official payroll report</li><li>&gt; Submit copies of recent check stubs for those employees not listed on official payroll</li><li>&gt; Sign and date the Agreement</li><li>&gt; Submit a copy of signees driver's license</li><li>&gt; Submit payment</li><li>&gt; Submit employee photos (JPEG format, named as first and last name of employee)</li></ul>
<b>Payment &amp; Pricing Structure</b>	<ul style="list-style-type: none"><li>&gt; Annual price per pass: \$408 (\$34/monthly equivalent)</li><li>&gt; Prorated pricing available based on program start date</li><li>&gt; Non-refundable card fee per new participant: \$5</li><li>&gt; Annual Payment: Payment is due and payable upon execution of Agreement</li><li>&gt; Acceptable payments: Check, money order, cashier's check , ACH, EFT, credit card</li><li>&gt; Program is based on a fiscal calendar year: July-June</li></ul>
<b>Program Maintenance &amp; Information</b>	<ul style="list-style-type: none"><li>&gt; Flexibility to add, cancel and replace passes as necessary</li><li>&gt; Uninterrupted Service: Annual option to continue program participation available</li><li>&gt; Dedicated Customer Service team to manage orders and inquiries</li></ul>

## **For more information, contact:**

Metro Commute Services  
Employer Annual Pass Programs  
213.922.2859  
[metro.net/riding/eapp](http://metro.net/riding/eapp)





**Metro**

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Metropolitan Transportation Authority

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213.922.2000 Tel  
metro.net

**March 3, 2017**

**TO: BOARD OF DIRECTORS**

**THROUGH: PHILLIP A. WASHINGTON** *PAW*  
**CHIEF EXECUTIVE OFFICER**

**FROM: PAULETTA TONILAS** *P.T.*  
**CHIEF COMMUNICATIONS OFFICER**

**SUBJECT: 2017 EMPLOYER ANNUAL PASS PROGRAM RENEWALS**

**ISSUE**

As part of the agency's initiatives to increase ridership, the Metro Commute Services (MCS) team continues to grow the Employer Annual Pass Program (EAPP). Earlier this year, staff completed EAPP renewals for 2017. MCS staff achieved a record renewal rate this year, by reenrolling 91% of existing accounts. In addition, MCS staff conducted an 11-year growth analysis of the EAPP programs, and found that the programs had an average annual growth rate of 38%.

**DISCUSSION**

In February 2003, the Metro Board approved the Employer Annual Pass Program (EAPP) to "develop stronger partnerships with L.A. County businesses to promote use of transit" and to "generate new revenue to support MTA initiatives." The EAPP programs include the Annual Transit Access Pass (ATAP), which is a full fare 12-month pass, and the Business Transit Access Pass (BTAP), which is a discounted marketing program aimed at growing ridership.

EAPP contracts are renewed annually with participating companies. The program currently includes 550 active businesses in Los Angeles County with over 20,000 individual TAP cardholders.

The program goal is a 3% revenue growth each year. For FY16, the program generated over \$6.37 million in revenue. For FY17 staff has already secured over \$5.5 million which is 84% of the \$6.56 million goal for FY17. Staffing costs that support EAPP, U-Pass, the Youth on the Move (YOTM) foster youth pass and the Juror pass are approximately \$2.56 million, with an annual net revenue margin over \$4 million.

The detailed results of the 11-year growth analysis are as follows:

- From FY06 – FY16 revenue increased 417% from \$315,000 to \$6.37 million with an average annual growth rate of 38%.
- Number of accounts increased 625% from 22 to 601 with an average annual growth rate of 57%.
- TAP card holders increased 418% from 1,557 to 20,209 with an average annual growth rate of 38%.

In March 2015, MCS staff conducted a Customer Satisfaction Survey of EAPP clients. In those findings:

- 98% would recommend the program to other employers
- 92.2% said their number one reason for enrolling was because it is a great benefit for their employees
- 86% said that their employees began taking public transit because of the program

An updated Customer Survey conducted in February 2017 found that the most important factors of renewal are convenience and price, and the most important benefits that employers receive from the program are boosting sustainability and employee morale.

The EAPP program is exceeding its goals of increasing transit ridership and generating new revenue. This program serves as the model for all future Metro ridership marketing initiatives to be outlined in Metro's Strategic Marketing Plan. The marketing goals of increasing ridership and revenue from ridership will continue to be achieved by targeting rider behaviors that generate the greatest lifetime customer value for the agency.

### **NEXT STEPS**

1. Continue to utilize the three-month Promotional Employer Program (PEP) that launched in May 2016 to generate new EAPP participants
2. Establish partnership with Big Blue Bus to grow business partnerships along the Expo Line
3. Update program name and marketing materials to enhance interest and participation

# Employer Pass (E-Pass) Program

Executive Management Committee

June 18, 2020

File #2020-0352

## Metro Commute Services:

Devon Deming,

Director of Commute Services

Direct: 213.922.9757

Jocelyn Feliciano,

Communications Manager

Direct: 213.922.3875



# E-PASS

- The E-Pass Pilot Program has completed a 24-month pilot program, which will expire June 30, 2020. Staff is seeking approval to make E-Pass a permanent Program.
- Through partnerships with employers, E-Pass TAP stickers are distributed to employees and placed directly onto employee IDs
- Businesses are billed for actual boardings used each business quarter at \$1.40 per boarding with the maximum cost being \$80 per month per participant, which is a 20% discount off the full price of a regular monthly pass as a marketing incentive.
- Most of the businesses in the pilot pay the full cost on behalf of their employees.



# U-PASS (Cont'd.)

During the first 21 months of the pilot, the E-Pass Program had:

- ✓ 11 businesses participating
- ✓ 1,435 active participants
- ✓ \$1.9 million in revenue
- ✓ Valid on Culver CityBus, DASH, Norwalk Transit, Pasadena Transit, Torrance Transit and Foothill's Silver Streak (others will be added)

