



Bay Area

Commuter Benefits Program

**David Burch, Principal Environmental Planner
Board of Directors Public Hearing – March 19, 2014**



METROPOLITAN
TRANSPORTATION
COMMISSION



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BAY AREA COMMUTER BENEFIT PROGRAM

Program can **save \$\$** for:

- **employers**
- **employees**

Employers: up to **\$140**/year per employee

Employees: up to **\$625** per year

and

- Reduce greenhouse gas (GHG) emissions
- Improve air quality
- Implement 2010 Clean Air Plan
- Reduce traffic congestion



BACKGROUND & OVERVIEW

- Senate Bill 1339 signed by Governor in fall 2012
- Authorizes Air District & MTC to jointly adopt a regional commuter benefits ordinance
- Modeled on local ordinances in several Bay Area cities
- Program must be approved by Air District Board of Directors & MTC in order to take effect
- Pilot program: 2014-2016
- Report to Legislature due by July 2016

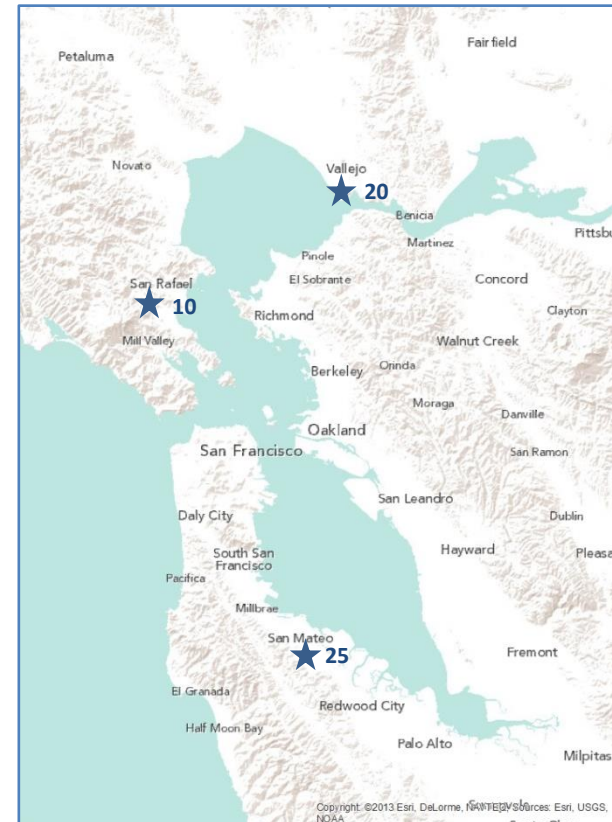
APPLICABILITY

Employers with 50+ full-time employees in Bay Area:

- Private business
- Public agency
- Non-profit organization

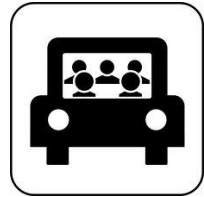
Employee count based on all Bay Area worksites combined

- Including branch locations with less than 50 employees



COMMUTER BENEFITS IN FEDERAL TAX CODE

Qualified Transportation Fringe (QTF) benefits per Internal Revenue Code section 132(f):



Transit & vanpooling: Employers may allow employees to pay their transit or vanpool costs using pre-tax \$\$ (up to \$130 per month in 2014)

Employer-provided subsidy & employer-provided transit are tax-free to the employee



Bicycling: Employer may provide a subsidy of up to \$20 per month for documented costs related to bicycle commuting

There are no tax benefits for carpool or walking in federal tax code

FOUR COMMUTER BENEFIT OPTIONS

- **Option 1:** Pre-tax payroll deduction for transit or vanpool
- **Option 2:** Direct subsidy for transit or vanpool
- **Option 3:** Employer-provided transportation
- **Option 4:** Alternative commuter benefit

There are no performance standards



OPTION 4: ALTERNATIVE BENEFIT

- Employer may propose an alternative commuter benefit
- Good option in areas with limited transit service
- Promote modes such as carpool, bike, walk
- Program will define “pre-approved” alternatives
 - employers can select from a menu of measures
- Employer can also propose its own alt commuter benefit
- Air District/MTC will evaluate and approve alternative commuter benefit proposals

PROGRAM REQUIREMENTS

New regulation will serve as foundation for Program:
- **Regulation 14, Rule 1, Bay Area Commuter Benefits Program**

Key requirements:

- Designate a commuter benefits coordinator
- Select one of the four commuter benefit options
- Register with Air District/MTC
- Notify employees & make benefit available
- Provide information needed for Program evaluation

PROGRAM IMPLEMENTATION



Bay Area

Commuter Benefits Program

- Program webpage: <http://commuterbenefits.511.org>
- Employer assistance materials
 - Employer Guide, Quick Guide, FAQs
- 511 Regional Rideshare Program staff will provide information & assistance
- Web-based employer registration process



PROGRAM EVALUATION

Provide report to Legislature in 2016:

- Increase in # of employers who provide commuter benefits
- Change in employee commute mode
- Reduction in vehicle travel & vehicle emissions
- Contribution toward achieving regional GHG target established by Air Resources Board

Information will be derived from employer registration data, supplemented by a survey

PUBLIC OUTREACH

Meetings with numerous employer groups & other stakeholders throughout the Bay Area:

- Chambers of Commerce & other employer groups
- Northern California Human Resources Association
- Transportation Management Associations
- Congestion Management Agencies

Public workshops in all nine Bay Area counties in October to get input on draft Program

RECENT PROGRESS

Made revisions to proposed Program/rule based on comments received on draft Program

Issued key docs for public review on January 21:

- Proposed rule (Regulation 14, Rule 1)
- Staff Report
- Socio-economic analysis
- CEQA doc (Initial Study / Negative Declaration)

COMMENTS RECEIVED

Comments on proposed Program:

- Support for proposed Program (4)
- Program would be a burden to employers (1)
- Raise threshold to 100 employees (1)
- Exempt worksites not near transit (1)
- Need minimum stds for Option 3, employer-provided transit (1)
- Do more to promote bikes & carpools (1)
- Expand beyond commuter trips (1)
- Option 1 should be the preferred option (1)
- Support for the program (1)

Revised Program & guidance documents as appropriate

RECENT COMMENTS

Cost to District to develop Program?

- ~ \$250K (1.5 FTE) District staff time to develop rule
- Implementation costs ~ \$125K/yr (1 FTE) - TFCA \$\$

Challenges in areas with limited transit

- Option 4 designed to provide flexibility for worksites that are not well served by transit
- Staff will monitor implementation and respond as needed based on real-world experience
- Program will have a positive impact overall

NEXT STEPS

Board hearing on March 19

- Adopt Negative Declaration for CEQA
- Adopt proposed Regulation 14, Rule 1

Concurrence by MTC Commission on March 26

Notify employers & roll out the Program by March 31

Employers will have 6 months (by 9/30/14) to:

- Select & implement an option
- Notify their employees
- Register with 511 Regional Rideshare Program

WIN-WIN PROPOSITION

- Better air quality
- Reduced greenhouse gas emissions
- Employers save on payroll taxes
- Employees save on transit/vanpool fares - both existing & new riders
- Enhanced employee benefits
- Reduced traffic congestion
- Economy: more \$\$ stay in the Bay Area



RECOMMENDATION

Staff recommends that Board of Directors:

- Adopt CEQA Negative Declaration
- Adopt Regulation 14, Rule 1

Winter PM_{2.5} Seasons

Year	Days > 35 µg/m ³	Winter Spare the Air Alerts
2011/2012	11	15
2012/2013	1	10
2013/2014	15	30

- **Spare the Air Alert Called for:** 11/25, 11/26, 11/29, 11/30, 12/8, 12/9, 12/10, 12/11, 12/12, 12/13, 12/14, 12/15, 12/16, 12/17, 12/18, 12/23, 12/24, 12/25, 12/26, 12/27, 12/28, 12/29, 12/31, 1/1, 1/2, 1/3, 1/4, 1/18, 1/19, 1/25
- **Days > 35 µg/m³ 24-hr NAAQS:** 11/10, 11/27, 12/14, 12/15, 12/16, 12/17, 12/18, 12/22, 12/23, 12/25, 12/30, 12/31, 1/1, 1/2, 1/24

The exceedance on 11/10 was associated with the Sims metal fire on that date.