

## Peer Agency: King County Metro

**City: Seattle, WA**

### Fare Policy:

Service Type	Full Fare	Reduced Fare
Peak:		
- 1 Zone	\$2.75	\$1.00* or \$1.50**
- 2 Zones	\$3.25	\$1.00* or \$1.50**
Off Peak	\$2.50	\$1.00* or \$1.50**

\*Senior and disabled rate with Regional Reduced Fare Permit

\*\*Youth and low-income rate (ORCA LIFT)

### Transfer Policy:

Transfers are free on Metro buses. Riders paying with cash and traveling only on Metro receive paper transfers valid for two hours. Riders paying with cash and using more than one of the region's transit systems must pay a fare upon each boarding. Riders paying with stored value on an ORCA card receive a two-hour transfer credit valid on all of the participating transit systems.

### Fare Products:

Product	Full Fare	Reduced Fare
Day Pass	\$8.00	\$4.00
Monthly Pass		
- 1 Zone	\$99.00	\$36.00□□* or
- 2 Zones	\$117.00	\$54.00**
		\$36.00□□* or
		\$54.00**

\*Senior and disabled rate with Regional Reduced Fare Permit

\*\*Youth and low-income rate (ORCA LIFT)

Monthly passes are available on ORCA and cover fares on King County Metro buses and on any other participating system with a fare of the same or lesser value. For systems with higher fares, the rider must pay the difference between the applicable cash fares.

### Background:

King County Metro is one of eight transit providers that serve the 4-county Puget Sound region, providing a combination of bus, paratransit, light rail, commuter rail, and ferry services. Seven of the agencies (Community Transit, Everett Transit, King County Metro, Kitsap Transit, Pierce Transit, Sound Transit,

Washington State Ferries) participated in the development of a regional smart card, ORCA, that was introduced in 2009. Seattle DOT, which operates the Seattle Streetcar, recently began accepting ORCA. Metro's service area is King County, where Seattle is located.

### Commute Trip Reduction (CTR) Law

The Washington State Legislature passed the Commute Trip Reduction (CTR) Law in 1991 to address traffic congestion, air pollution and petroleum fuel consumption through employer-based programs that encourage alternatives to driving alone, including transit, carpooling, vanpooling, bicycling, and walking, as well as compressed workweeks and telecommuting. As a consequence of the legislation, employers with 100+ employees at a location have conducted surveys since the early 1990s, providing data on travel patterns.

In 2006, the Legislature passed the CTR Efficiency Act and revised the goals for vehicle trip reduction, requiring each city and county to reduce drive alone trips at major worksites by 10% by 2011. Local jurisdictions have revised their CTR ordinances and published new CTR goals for employers. In three

years, the program cut weekday morning vehicle trips by about 30,000 and traffic delays by 8%.

Seattle's CTR Ordinance required employers to make good faith efforts to encourage employees to reduce vehicle miles traveled and drive alone commute trips. Transit-related measures include transit fare subsidies and collaboration with transportation providers to provide additional service to work sites.

### ***Pass Programs:***

#### PugetPass

In 1999, the Puget Sound transit agencies jointly developed a regional pass program (PugetPass) that provides access for transit users to all of the region's agencies. The agencies all agreed to denominate their fares in \$0.25 increments and to price monthly passes at 36 times the cash fare. For example, the monthly pass valid on Metro's 1-zone service costs \$99 (\$2.75 x 36) and is also valid on any other services with fares of \$2.75 or less. Riders using that pass to board Metro's \$3.25 2-zone service must pay a \$0.50 upgrade fee, or \$1.25 to pay Sound Transit's \$4.00 light rail fare from downtown Seattle to SeaTac Airport. A regional agreement provides for sharing revenues

among the participating agencies based on the actual use of each pass sold. Prior to ORCA implementation, revenue sharing was based on results of annual rider surveys. With the introduction of ORCA, the regional pass migrated to ORCA and ORCA data have been used for revenue allocation since 2011.

### Business Passport

Also in the 1990s, Seattle's CTR ordinance identified target vehicle occupancies for different employers in various parts of the region. Metro's FlexPass program, which has evolved into Business Passport, grew out of efforts to promote its services to these employers, by working with them to leverage the Federal transit benefits tax provisions and make an all-in transit pass available to employees. Metro focused especially on marketing to those companies in violation of the CTR ordinance.

Today, the Business Passport Program is an all-in annual transit pass that requires employers with 5-499 employees at a location to purchase a pass for every eligible employee. The program provides a regional pass valid on all transit systems in the region (except Washington State Ferries). For employers with 500+ employees, the program administrator works with them to customize a Passport that meets employees' needs. An employer

can sign up at any time to start a program. Once they join, employees provided passes loaded onto ORCA smart cards.

Program costs vary with work site location. For pricing purposes, the region has been divided into 15 zones. The zones were initially determined largely by service levels. The pricing of the zones reflect differences in ridership usage rates and prices of the regional and local transit services available in each of these zones. Under the original FlexPass Program, suburban employers were required to pay higher per-employee prices than urban employers to reward businesses in high density areas and discourage sprawl. Now, however, suburban employers pay lower per-employee prices because Metro charges for the Business Passport program based on use (both number of trips made and price of services used), which is higher in denser urban areas. For example, in Pierce County (located south of Seattle and King County) the prices range from \$76.78 for suburban parts of the county to \$187.70 for Tacoma/Fife/Lakewood whereas in King County the prices range from \$180.58 for Shoreline & NE suburbs to \$818.86 for the Seattle central business district (CBD). Employers with multiple locations pay different rates based on the number of employees

per zone, such as: Zone A cost x # of employees + Zone B cost x # of employees = total cost.

Zones were initially priced based on Commute Trip Reduction (CTR) survey reports. Employers in Washington with 100+ employees at a location are required by State legislation to actively promote activities to reduce single occupant commute trips. CTR surveys are completed by employees every two years and have been completed since the early 1990s. The program transitioned to using ORCA ridership data in 2011.

Annual per-employee prices are now set based on the zone location and actual pass usage rates, which are pulled from the ORCA ridership data. Employers are post-billed per terms of their annual contracts. No adjustments are made midyear for valid contracts, even though prices are updated twice a year to use in new contracts. When employers renew their contracts, they pay the current valid prices. During the year employers may order additional cards as needed. These efforts both streamline and reduce administration costs.

Employers are required to cover at least 50% of the cost of the program; they may pass up to 50% through to employees.

Employers use an online portal to add or remove employees from the program as needed. In addition to managing active ORCA cards, the web portal is used for reporting functions. Generally, contracts are mailed to employers by the contract lead transit agency.

There have been some challenges in administering the program. ORCA covers many transit agencies and services. The services change on a regular basis including fare increases and new services. For the employer and their employees, access to the services works well. For the transit agencies, the changes require ongoing attention. Overall, employers would like to see more information about how their employees use the program. The current version of ORCA has limited reporting functions, and not all services (e.g., vanpool) are integrated with the ORCA system. Some employers are also interested in different payment options, such as credit card or PayPal, which are not currently available.

Some efforts have been made to streamline the program, and many are still ongoing. Program eligibility was set to include any business with at least 5 employees. Previously, eligibility was not consistent across the region and made promotion and sales

efforts more challenging across the participating agencies. At the same time, the services that accept ORCA have expanded since the program started in 2009 with the introduction of light rail, streetcar, and passenger ferry services. While these added services are generally welcomed by employers and their employees, they do make the program more complex at times and result in higher cost based on greater use.

Since pricing is based on number of trips and price of the services, employees who have not tagged their cards may be cited by fare enforcement.

### Business Choice

Business Choice is an opt-in program that provides ORCA smart cards to as many or as few employees as an employer chooses, on which can be offered a combination of stored value, transit vouchers, and monthly passes. No discounts are offered, and there are no employer subsidy requirements. Employers use an online portal to select the numbers and types of products to purchase for their employees on a monthly basis.

It is worth noting that large employers rarely shift between the Passport and Choice programs. Such shifts usually occur when a

business is downsizing or leaving the region. Small employers are more likely to shift between Passport and Choice. However, the programs' structures discourage that movement and remove any perceived price advantages for employers to move back and forth between the programs.

### U-PASS

The U-PASS was one of Metro's first pass programs, developed in conjunction with the University of Washington in the 1990s, prior to the development of the FlexPass. The pass was created to increase the range of transportation options faculty, students, and staff could use for their daily commuting, since a rise in development at the campus was straining its finite transportation resources. The universal pass program that they created was specifically designed to provide benefits for a diverse set of travel modes, including, but not limited to, bus, parking, vanpool, carpool, and taxi. This flexibility was one of the greatest strengths of the programs, and has been preserved throughout the existence of the U-PASS.

At its inception, the pass program was opt-in, meaning participation by faculty and students was optional, making the program more difficult and expensive to administer. The

University of Washington raised parking rates alongside the introduction of the U-PASS, purposely pricing the monthly U-PASS significantly below the new monthly parking prices (\$9/month as opposed to \$42/month). This decision was part of a holistic incentive and disincentive approach to discouraging single-occupancy vehicle use.

Today, the U-PASS is provided on the University of Washington's smart cards (Husky Cards) and covers full fare on almost all modes within the Seattle area that accept ORCA, with the exception of Washington State Ferries. Although the Husky Card uses the ORCA system to process payment for transit, it does not provide access to the full range of ORCA program features. For instance, the E-Purse is not available on Husky Cards. Husky Cards also cannot be registered with the ORCA system, so any additional products loaded onto the card cannot be replaced in the event the card is lost, stolen, defective, or damaged. Additionally, the smart chip associated with an individual Husky Card may be permanently deactivated when a student leaves the University of Washington, which would also result in a loss of any pass products loaded onto the card.

The U-PASS program is paid through the universal Services and Activities Fee included in the tuition and fees that all students pay at University of Washington. The U-PASS portion of this fee is currently \$84 per quarter per eligible individual. The University administers the Husky Cards that include the U-PASS program benefits on a smart chip within the card. UW affiliates who are not eligible for the U-PASS program because they do not pay a Services and Activities Fee, including temporary or hourly employees commuting regularly at least three days per week, can purchase a U-PASS for a \$150 quarterly fee.

#### Multifamily Development Passport

The ORCA Multifamily Development Passport is an annual transportation pass that property owners can offer to residents. This pass gives residents comprehensive access to transit services in the Puget Sound Region. It must be offered to every residential unit.

The cost for the first year of the program varies based on the existing transit use in the participating neighborhood. Subsequent years are priced based on the amount residents used transit in the previous year.

The Multifamily Program functions as a simplified version of the Business Passport program. Non-ORCA products that are included in Business Passport, such as guaranteed ride home and vanpool, are excluded from the residential program to simplify program promotion, pricing, and administration.

### ORCA LIFT

The ORCA LIFT program was developed to offset the impact of a series of regular fare increases on low income riders. It provides an all-day flat reduced fare of \$1.50 for adult riders on Metro buses with incomes at or below 200% of the federal poverty level. It is also accepted by four other transit providers in the Puget Sound region.

Participants must provide proof of identity and income upon application for the program. Riders can get ORCA LIFT cards at more than 40 locations across King County, including community colleges, food banks, human service providers, nonprofit organizations, and health clinics. To qualify, potential partners needed to demonstrate experience with Limited English Proficiency (LEP) populations and the ability to verify income

eligibility, manage and account for low income ORCA cards, and track and report data in the County's online databases.

ORCA LIFT participants are given a free ORCA card to pay the fare; cash is not accepted for payment of reduced fares under the ORCA LIFT program. Processes for adding value, paying fares, and making transfers are the same as for other ORCA card users. ORCA LIFT cards are valid for two years, after which the participant must demonstrate continued eligibility. Each card is registered to its owner to ensure that eligible individuals have only one card, to aid in replacement of lost or stolen cards (which incur a \$5 replacement fee), and to provide balance protection. Participants are responsible for adding value or passes to their cards. The ORCA LIFT cards do not have a photo. They were intentionally designed to look just like standard ORCA cards except on the back, where there are an expiration date and note explaining that the fare must be loaded on the card to receive the discount.

### Bulk Sales

Qualified organizations are able to purchase Metro fare products at 20% of face value and distribute them to their clients under

the Human Services Reduced Fare Bus Ticket program. Metro subsidizes the remaining 80%. The program is administered by the King County Department of Community and Human Services (DCHS) and managed through a competitive Request for Proposals process administered by the King County Procurement Office. To qualify for the program, an organization must be a 501(c)3, public housing authority, or local government serving low-income and homeless populations. Organizations must disperse tickets to those populations to assist in seeking access to housing, healthcare, employment, and related services "critical to personal and residential stability," demonstrate the ability to purchase tickets prior to the annual deadline, and submit usage logs. Households served through the program must have incomes at or below 133% of the federal poverty level.

In 2011, the King County Council created the Congestion Reduction Mitigation Fund as a transit incentive to offset the effects of the congestion reduction charge King County vehicle owners pay when renewing their vehicle registrations. The mitigation fund allows King County vehicle owners to opt to receive eight free-ride bus tickets or donate the value of the tickets towards the Human Services Reduced Fare Bus Ticket Program.

### Youth Program

The ORCA Youth program, which is available to youth ages 6-18, allows them to pay \$1.50 per trip. Eligible individuals can apply for an ORCA Youth card by mail or in person with a complete eligibility form, ID showing proof of age, and \$5.00 for the cost of the ORCA card. ORCA Youth cardholders can pay with cash, or can load stored value or a \$54 pass onto the card

During the summer of 2017, anyone with an ORCA Youth card can ride King County Metro buses and the Seattle Streetcar for a special price of \$0.50. This also makes ORCA Youth are eligible during this period for monthly Metro passes priced at \$18.00.

### Regional Reduced Fare Permit (RRFP)

The Puget Sound transit providers have also introduced a Regional Reduced Fare Permit, which serves as an identification card for seniors and personal with disabilities. Permit holders are entitled to reduced fares; eligible riders are required to present the card when paying reduced fares.



The RRF costs \$3 and is printed on an ORCA smart card; stored value and/or monthly passes may be loaded on it, but RRF holders may also pay cash fares because not all operators that accept the RRF participate in the ORCA program.

RRFs are issued to persons with disabilities only in-person at a transit agency customer service center or at mobile sales events, and require a completed application as well as accepted forms of disability verification, and photo identification. Persons under 65 who qualify for an RRF due to a disability must have a picture taken for the permit when it is issued. RRFs are issued to seniors age 65+ in person or by mail, on presentation of an application and verification of age.

**Key Takeaways:**

- Although Metro has developed targeted pass programs for a variety of populations, it is the programs for low income populations where Metro has committed funds to cover the costs of lost fare revenues. For other programs (U-PASS, Business Passport, Business Choice, Multifamily Development), pricing is based on usage rate data and discounts are not offered beyond those afforded by

underlying fare products (e.g., the monthly passes offered through Business Choice).

- Mandates, such as CTR, can help increase employer participation in transit pass programs. Mandates can be more effective at increasing enrollment than providing discounts on fares.
- Use of smart card data that tracks usage rates and prices of services used provides the ability to right price U-PASS, Business Passport, and Multifamily Development pass programs. It has also proved valuable in tracking ridership travel pattern changes to document success of programs intended to increase mobility, such as ORCA LIFT, and achieve CTR goals to reduce vehicle trips and promote public transportation.
- Metro's partnership with Public Health – Seattle & King County, which help clients register and verify incomes, is key to the success of ORCA LIFT. Passengers can sign up for the ORCA LIFT card at more than 46 locations, including colleges, food banks, human service providers, nonprofit organizations, and health clinics. These

organizations qualified for contracts with ORCA LIFT on the basis of their experience with LEP populations and their ability to verify income eligibility and report data using an online database.

- One of the greatest strengths of Seattle's pass programs is their preservation of flexibility for individual riders. The ability to use passes on numerous modes and across transit agencies accommodates fluctuations and variety in people's weekly schedules.