



SMALL BUSINESSES AND PRE-TAX COMMUTER BENEFITS

A Report on Attitudes and Readiness in Seattle

JUNE 2018

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ABOUT THE AUTHORS

This project was initiated in accordance with the University of Washington's School of Public Health's Office of Experiential Learning to fulfill the Master of Public Health Practicum, a practice-based learning requirement for Master of Public Health students. A team of three, first-year, graduate students in the Department of Health Services within the Generalist, Health Systems and Policy, and Social and Behavioral Sciences concentrations worked collaboratively with Seattle-based nonprofits and governmental organizations to develop and execute this work. The students completed this practicum in tandem with a skills-based course, HSERV 572: Planning, Advocacy, and Leadership Skills, advised by the course professor, Dr. Amy Hagopian. See Appendix 1 for contact information for these students and University of Washington faculty.



EXECUTIVE SUMMARY

Generally, employers of different sizes, sectors, and areas of Seattle are ready and willing to provide pre-tax commuter benefits to their employees. Prior to providing these benefits, employers need to individually collect information about their employees modes of transportation, use of public transportation, and interest in pre-tax commuter benefits to ensure the pre-tax benefits are utilized. Small businesses articulate challenges to learning about programs available for their benefit or the benefit of their employees. Many may interface with small business associations to gain insight. Networking via these groups may allow for enhanced uptake and diffusion throughout the small business community.

There is great potential for community-based outreach that focuses on minority owned businesses located within marginalized communities. Building connections and providing outlets for informational programs and events may support these businesses and employees utilize transit benefits. Continued growth and utilization of the transit system within Seattle and surrounding regions will improve long-term sustainability. Improved affordability and access to transit will support the ultimate broader mission of free transportation for all.

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INTRODUCTION

Public health practitioners are invested in building healthy, thriving, and equitable communities, through social, economic, and environmentally sustainable methods. Thoughtful transit oriented development and policies support these aims by providing an affordable service that improves mobility to employment and educational activities, promotes physical and mental health, reduces traffic congestion and pollution, and removes barriers to accessing basic medical, nutritional, and recreational needs. High quality public transit systems also decrease commuter fatality rates, enhance community cohesion and security, and support eco-conscious land use practices. Investments in public transit, in both residential and commercial areas, have great potential to improve overall health and environmental outcomes of diverse communities.

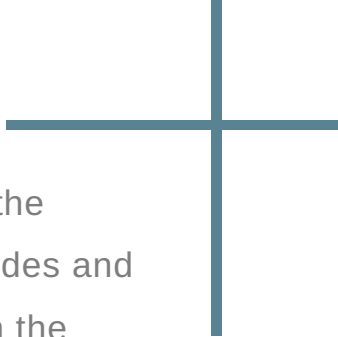
The Puget Sound region benefits from a well-integrated system of public transportation methods, including bus, light rail, ferries, trains and vanpools. Uniquely, transit agency collaboration provides this area with a comprehensive transportation pass, the One Regional Card for All, known as ORCA. This option promotes choice, affordability, and convenience for both transit users and business entities who choose to provide transportation benefits to employees.

As the Seattle Metropolitan area expands, improving the cost effectiveness, availability, and use of public transportation has become a significant priority for local organizations and agencies.

PARTNER ORGANIZATIONS

- **Transit Riders Union** is a grassroots nonprofit that advocates for an inclusive transit system, supporting low-income and underserved riders. This union advocates for measures that support their larger mission of free public transportation for all. It is funded via union membership dues and donations.
- **Commute Seattle** is a business orientated nonprofit that educates and consults with regional businesses to enhance uptake of public transportation opportunities. It is funded by grants from the Seattle Department of Transportation and Downtown Transportation Alliance.
- Seattle City Council, specifically **Councilmember Mike O'Brien's office**, chairs the Sustainability and Transportation Committee, which establishes transportation related policy.
- The **Seattle Department of Transportation** is the government agency responsible for the region's transportation systems.

Each of these groups support the city of Seattle's proposed Transit Benefits Ordinance (TBO). This policy would mandate Seattle employers of a designated size to offer employees commuting benefits, through an employer paid subsidy, employee paid pre-tax deduction, or a combination of both. A TBO, particularly one that includes pre-tax deduction, allows businesses to offer cost-neutral commuter benefits that promote many of the public health activities previously mentioned. Seattle aims to implement an ordinance in the coming months and is currently gathering information from local communities to facilitate a successful implementation and minimize barriers for affected businesses.



The aforementioned organizations and agencies have partnered with the University of Washington School of Public Health to also identify attitudes and barriers for businesses that may not be large enough to be included in the mandate, but may benefit from offering commuter benefits to qualifying employees. This work is intended to answer ongoing questions related to employee thresholds included in the ordinance and what resources businesses need to support a smooth implementation.

Commuter Benefits in Federal Law

Since 1993, employer-paid transportation benefits have been addressed in the United States Internal Revenue Code, section 132(f). This was subsequently expanded to permit employee-paid benefits, including those using pre-tax income. The maximum allowable monthly pre-tax benefit has varied in recent years; for example, in 2014 the benefit was reduced from \$245 to \$130 per month [1] before being raised again. The Tax Cuts and Jobs Act of 2017 did not make substantial changes to the monthly amount allowable for those using pre-tax money for public transit; this benefit was \$255 in 2017, and increases slightly to \$260 in 2018.

However, one provision in the 2017 law did eliminate the tax deduction for businesses who subsidize the cost of parking or transit for employees. This change was justified by the law's reduction in the corporate tax rate, but also raised the prospect of a possible loophole in which businesses may bundle their parking expenses with other expenses (such as an office lease) in order to effectively keep parking tax-deductible.

As this benefit would not apply to public transit, it could potentially encourage more employees to drive, and thus increase the disparity between transit and parking benefits. Admittedly, it remains unclear as of this writing whether this practice would be allowable [2]. This change may challenge non-profit organizations to provide these benefits in future, as they are now required to pay a 21% unrelated business income tax fee on every monthly benefit provided [3].

BACKGROUND

Prior Citywide Commuter Benefits Ordinances

Commuter Benefit Ordinances have been implemented in San Francisco, New York, and Washington D.C. Seattle is in the early stages of considering a possible ordinance based on the best-practices and lessons learned from these other jurisdictions. As such, our project builds upon lessons learned from these other ordinances.

San Francisco:

San Francisco's Environment Code Section 427 established the Commuter Benefits Program which went into effect on January 1, 2009, and required employers with 20 or more employees nationwide to provide commuter benefits to their San Francisco employees. These may include a pre-tax benefit, or employer-paid or employer-provided transportation benefits. Significant educational outreach was undertaken by the city's Department of the Environment during the period of 2008 to 2012.

Outreach efforts included workshops at City Hall, webinars, and production of materials including a factsheet and employer guide, and media coverage.

Compliance with Section 427 was assessed by San Francisco's Department of the Environment in 2011 with a voluntary online employer compliance form made available through a direct-link URL, and 3,270 responses from businesses were obtained - up from 1,139 responses in 2009. Of those businesses who responded, the most common benefit offered was a pre-tax benefit. Approximately 80,000 employees who were eligible for a commuter benefit were participating [4].

The Department of the Environment's assessment of compliance in 2016 noted that among more than 3,500 companies who responded to the compliance form, 64% of companies reported offering a commuter benefit program independent of the Ordinance, while the remainder reported starting a commuter program because of the Ordinance. Approximately 70% of businesses (including 68% of those with fewer than 50 employees) were using an outside vendor to administer benefits [5].

Prior Citywide Commuter Benefits Ordinances

New York

As of January 2016, businesses in New York City who employ 20 or more employees are required to offer transportation benefits. The ordinance mainly address pre-tax benefits, as opposed to subsidized or employer-provided options. However, it requires businesses offer a subsidized transit pass that is valid for every mode of transit (and meets or exceeds the value allowed by law for pre-tax transportation benefits). If these requirements are not met, businesses must provide an opportunity for employees to make up the difference in values with additional pre-tax income. The law, in addition to usual modes of transit, covers vanpooling, ferry services, and rideshare platforms including Lyft and UberPool [6]. An education campaign in New York included more than 480 public events attended by representatives of the Office of Labor Policy & Standards, and distribution of informational materials. Enforcement of the Ordinance began after a six-month grace period. Fourteen complaints for noncompliance were filed between July 2016 and August 2017, leading to issuance of three notices of hearing. All fourteen of these businesses were investigated and were noted to subsequently come into compliance [7].



Prior Citywide Commuter Benefits Ordinances

Washington D.C.

Transportation benefits, known as SmartBenefits, in the nation's capital were enacted in 2014, as part of the Sustainable DC Omnibus Amendment Act. Like the other examples, it also applied to businesses who employed 20 or more individuals. Notably, this law gave the mayor of Washington, D.C., the authority to expand the law to apply to businesses with fewer than 20 employees. Covered benefits include an opportunity to use pre-tax income, employer-subsidized benefits, employer-reimbursed vanpool or cycling costs, discounted bike share memberships, or employer-provided transportation. Businesses not in compliance are subject to civil fines or other penalties as governed by the Department of Consumer and Regulatory Affairs [8].

Recent reporting has noted that Washington D.C. may be considering a related ordinance that would require businesses that provide employees with free or subsidized parking spaces to offer cash to those who wish to commute by transit or bike instead of drive [2].



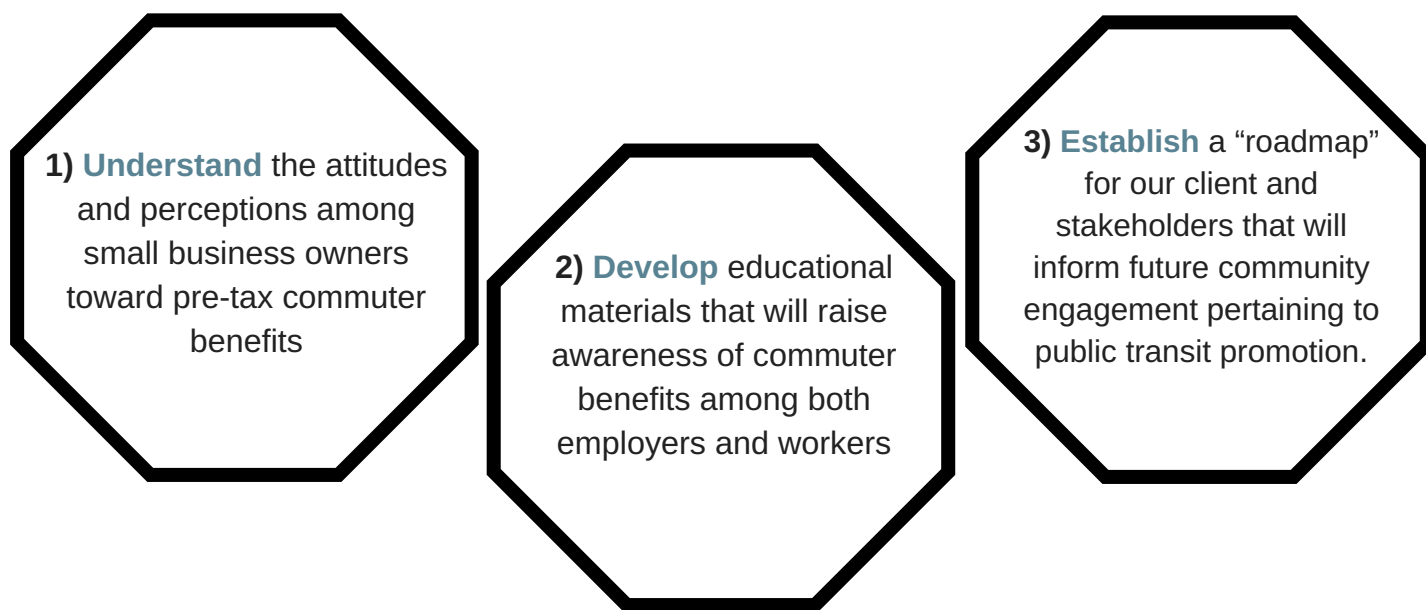


PREVIOUS STUDIES

The Seattle Employer Transportation Benefit Survey Results Report - March 2016, a report from a Commute Seattle team, supported by the Downtown Transportation Alliance partnership, served a foundation for this project. The goal of this report was to “better understand behaviors and attitudes surrounding employee commute benefits among employers in Seattle’s Center City and in the neighborhoods of Ballard, Fremont, and the University District” and to determine the types of commuter benefits offered by area employers [9].

Sampling included businesses of all sizes and industries, although the majority had fewer than 20 employees, in industries outside of business and technology. Results indicate nearly half of Seattle worksites offer commuter benefits or subsidies, and businesses expressed interest in providing benefits in organizations that did not currently offer them at the time of the study. Pre-tax benefits were offered at 21% of Center City sites and 32% of worksites with greater than 20 employees. This is in stark contrast to 7% in Non-Center City geographic locations and 11% for employers that self-identified to employ less than 20, demonstrating a need for further outreach and engagement with Non-Center City communities and served as the basis for our work.

PROJECT AIMS



The City of Seattle and surrounding communities benefit from a robust transit system with a single comprehensive fare card for most transit within the region, one regional card for all, better known as ORCA. Through ORCA, there are two business programs, ORCA Passport and ORCA Business choice. These programs position Seattle well to implement and evaluate a TBO. Tracking the usage of these ORCA business contracts helps demonstrate and provide case examples for how employers are currently investing in employee commuter benefits and if these benefits are being utilized by employees. In other jurisdictions where no business contracts were offered, the ability to track usage and benefit under a commuter benefit ordinance was limited. Given the strength and popularity of the ORCA business programs in Seattle and other participating areas, pre-tax could be easier to track and implement. Seattle can continue on as a transportation leader by offering data and statistics to other jurisdictions.

As alluded, moderately sized, city-center based employers have been strong, early adopters of commuter benefit programs, often to attract and retain qualified employees, and combat traffic congestion and pollution concerns. Smaller businesses, due to a myriad of reasons, including limited administrative capacity, fewer employees, and lack of information, have been more laggard adopters of commuter benefits.

Limited information is currently available about attitudes, barriers, and facilitators for local areas outside the scope of previous studies commissioned by Commute Seattle and like organizations. This project aims to gather information from a small sample of businesses, particularly in non-city center Seattle to better understand the barriers and facilitators they experience related to providing transportation benefits.

METHODS

POPULATION

The project scope included two populations. This team was interested in the commuter benefits offered by small business owners, defined as having 50 or fewer total employees (full-time and part-time), in the greater Seattle area.

Participants were engaged throughout the greater Seattle area. The second population for study included current or potential transit riders who were members of selected Facebook neighborhood groups (including Rainier Beach, Skyway, Hillman City, Brighton Park, Beacon Hill, and South Park) as well as regular recipients of the Transit Riders Union email newsletter. Due to translation limitations, the majority of outreach was targeted toward English speaking employer and employee populations.

THEORETICAL FRAMEWORK

This team developed a model to conceptualize the project’s different elements. This model was guided by three theories, Diffusion of Innovation, Transtheoretical Model of Behavior Change, and Theory of Reasoned Action. Theory factors shaped the development of our survey tools and data analysis and may guide stakeholders in their approach to ensure the commuter benefits ordinance is effectively and equitably implemented.

The main constructs of the framework we developed were directly informed by the Theory of Reasoned Action, a framework that conceptualizes the pathways by which norms, attitudes, and beliefs determine intent to perform an identified behavior. Applied to our project, these elements guided this project as indicated in Table 1 and Figure 1:

Table 1: Theoretical Framework Guiding Elements (2018, University of Washington Students)

Social, Economic, and Political Context	Employer demographics	Employee demographics
Factors from each of these areas are overarching and influence both the employee and employer side of the model.	<i>Attitudes and perceptions:</i> these are the employees beliefs, values, and attitudes regarding pre-tax transportation benefits.	<i>Attitudes and perceptions:</i> these are the employers beliefs, values, and attitudes regarding pre-tax transportation benefits.
	<i>Facilitators to pre-tax commuter benefits:</i> factors related to cost-savings, ease and accessibility of using pre-tax commuter benefits and public transportation, availability of pre-tax commuter benefits and public transportation.	<i>Facilitators to pre-tax commuter benefits:</i> factors related to the business size, number of employees, proximity to commuter station, desire to attract and retain employees.
	<i>Barriers to pre-tax commuter benefits:</i> factors related to affordability and competing priorities	<i>Barriers to pre-tax commuter benefits:</i> factors related to administrative burden, time, lack of information on what it means to implement this benefit, employers who do not have many full-time employees who would benefit from this ordinance.

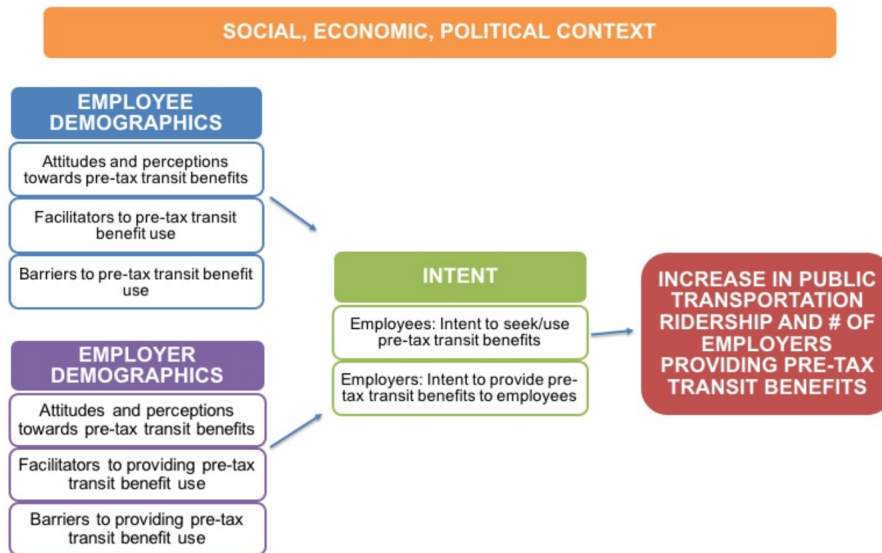


Figure 1: Theoretical Framework Underlying the Stakeholders Work to Advance Pre-tax Benefits for commuter Riders in Seattle (2018, University of Washington Students)

DATA COLLECTION

Our team collected data in various ways to obtain information regarding our target populations (small business employers and employees). See Table 2 for a detailed outline of the data collection sources and purpose.

Employers: To conduct employer data collection our team attended and facilitated discussions at five events throughout the Puget Sound, including Ballard, Magnolia, Capitol Hill, Rainier Beach, and South Park. Primary contacts for this coordination were local business and merchant association leadership, who represent business organizations within these neighborhoods and serve as liaisons between city departments or groups and small business owners. Commute Seattle connected with these leaders and provided information and resources related to commuter pre-tax benefits. Our project team attended and administered a pre-presentation written survey and conducted post-presentation informal qualitative focus groups. See Appendices 2 and 3 for survey and focus group questions.

Employees: Additionally, we employed online survey tools through Facebook™ and Survey Monkey™ to reach populations beyond the reach of our event based collection. These surveys were directed at employees, particularly those who reside in the aforementioned Rainier Valley communities or subscribe to the Transit Riders Union email notifications. See Appendix 4 for online survey tool questions.

Table 2: Description of Data Sources, Populations, and Identified Needs
Based on Survey Data (2018, University of Washington Students)

Data Source	Purpose	Survey Population	Identified Need
Merchant Associations and Chamber of Commerce Events	To survey the attitude and barriers of employers with regard to pre-tax commuter benefits.	Survey collects quantitative information on the employer's business demographics and knowledge regarding pre-tax commuter benefits. Group Discussion collects qualitative data around the attitudes and perceptions employers had with regard to pre-tax commuter benefits and what barriers or support they need when administering these benefits.	Primary data source for this report's findings. Presentation to City of Seattle's Sustainability and Transportation Committee in June 2018.
Facebook Survey	To better understand employee demographics, public transportation use, and barriers experienced when using public transportation.	Administered to employees, primarily in the Rainier Valley area, via Facebook-specific community pages and groups.	One-page implementation guide Wallet-size card for employees to negotiate with their employer to provide pre-tax commuter benefits.
Online Survey Monkey	To better understand employee demographics, public transportation use, and barriers experienced when using public transportation.	Administered to employees, primarily Transit Riders Union Members via newsletter.	One-page implementation guide Wallet-size card for employees to negotiate with their employer to provide pre-tax commuter benefits.

FINDINGS

Our group set out to understand the attitudes and perceptions among small business owners toward pre-tax commuter benefits. Our findings are presented qualitatively and quantitatively.

Qualitative Analysis

For the qualitative data analysis, we refer to each of the panel discussions individually being the unit of analysis. Based on the conceptual framework, we identified three codes that were used to analyze the panel discussion themes. The three codes are:

- barriers to providing pre-tax commuter benefits
- facilitators to providing pre-tax commuter benefits
- attitudes and perceptions related to pre-tax commuter benefits.

Following each event, a project member completed a one-page brief summarizing the events and the main findings. Then members each review the one-page briefs for all four events to derive themes from the discussions. Once this was complete, each member reviewed the compiled list of themes to code each one according to the codes addressed above (see Tables 3 and 4).

Across all four events, the most common code was barriers related to lack of awareness and information, and transit being inaccessible. “The best benefit nobody knows about” is a quote from the Magnolia Business Association that best captures the barriers related to pre-tax benefits. A recurring theme was that most employers were not aware of this benefit.

Qualitative Analysis

Attitudes and Perceptions was the second most commonly coded. We found that generally employers were interested in providing pre-tax commuter benefits to their employees and that it was perceived to be a good employee retention tool but that employers may not be aware if employees would use transit with this benefit. Across all the events, we learned that employers need to first survey employees around their transit use to better understand if they would benefit from the employer providing pre-tax commuter benefits.

Facilitating elements that emerged was a commitment to employees and an appreciation by employers to understand their employees' transportation needs and use. Also, knowing that Commute Seattle providing informational and consulting services was encouraging to business owners considering adding commuter benefits.

As identified by the conceptual framework, we were driven to better understand the barriers, facilitators, and attitudes and perceptions related to pre-tax commuter benefits. The panel discussions supplemented the information that we learned from the intake surveys. It is our goal that having a better idea of these different components will allow our client and stakeholders to be more strategic about their efforts to maximize resources and to ensure effectiveness.

Table 3: Outreach Event Coding Matrix

Event Name	# of Themes	# of Codes	% of Codes		
			Barriers	Facilitators	Attitudes and Perceptions
Rainier Beach	14	48	73%	2%	25%
Magnolia	17	54	39%	46%	15%
Ballard	25	81	38%	40%	22%
Capitol Hill	14	45	56%	8%	36%
South Park	14	43	23%	40%	37%

Table 4: Common Barriers, Facilitators & Attitudes and Perceptions of Business Owners by Location

Event	Barriers	Facilitators	Attitudes and Perceptions
Rainier Beach	<p>Safety</p> <p>Inaccessible Transit</p> <p>Transit not needed due to: abundant parking/ability to walk,bike,drive</p> <p>Lack of park and ride facilities</p> <p>Workers drive as part of job</p>		<p>Not ready</p> <p>Inconvenience/inaccessibility of light rail</p> <p>Frustrations with city regulations</p>
Magnolia	<p>Limited communication for small businesses</p> <p>Bus routes limited</p> <p>Lack of knowledge about pre-tax</p> <p>Uber options</p>	<p>Ready to implement</p> <p>Aware of city programs</p> <p>Awareness of bus routes</p> <p>Benefits are good retention tool</p> <p>Pre-tax seems easy</p> <p>Would like to explore businesses joining together to offer better benefits/savings</p>	<p>Ready to implement</p> <p>Providing benefits to employees important</p>
Ballard	<p>Most do not offer benefits</p> <p>Lack of awareness of pre-tax</p> <p>Lack knowledge of pre-tax</p> <p>Limited communication for small businesses</p> <p>Concern regarding tax policies in current political climate</p>	<p>Ready to implement</p> <p>Benefits are good retention tool</p> <p>Robust bus services</p> <p>Transit accessibility for customers</p>	<p>Ready to implement</p> <p>Supportive transportation environment</p> <p>Interested in pre-tax</p> <p>Providing benefits to employees important</p>
Capitol Hill	<p>Not ready</p> <p>Lack of awareness of pre-tax</p> <p>Don't know employee needs for transit</p> <p>Limited employee utilization</p> <p>ORCA website difficult to navigate</p>	<p>Transit use by employees frees up parking for customers</p>	<p>Unknown if employees would find benefits valuable</p>
South Park	<p>Independent contractors</p>	<p>Ready to implement</p> <p>Transit using commuting</p> <p>Environmentally conscious</p>	<p>Pre-tax sounds 'too good to be true'</p> <p>Interested in pre-tax</p> <p>Likely to change practices (i.e. implement) if good business decision</p>



Employer Panel Discussions

Most participants were not aware of the availability of pre-tax commuter benefits for employees. However, most did endorse feeling fairly ready to offer these to employees from an administrative and logistical standpoint.

Participants generally felt that offering pre-tax commuter benefits would be good for employee retention. They identified lack of knowledge of pre-tax commuter benefits as a main barrier to utilizing pre-tax transit benefits.

Among some smaller businesses, the use of independent contractors (as opposed to W-2 employees) did appear to be a significant barrier as commuter benefits would not apply to these individuals. One business owner offered additional insight into the attitudes of her community towards the importance of transportation, saying “We care about the environment here.”

Regarding future outreach to address lack of knowledge, participants felt highlighting the money-saving aspect (i.e. tax reduction for both employers and employees) as well as ease of implementation as the most potentially effective messaging strategy. Spanish-speaking business owners emphasized the benefit of including a liaison who understands the culture of the neighborhood into outreach efforts. This observation acknowledged that, while this tax benefit appears to be a good business decision, an employer may need detailed information on potential downsides or unintended consequences of providing commuter benefits.

Quantitative Analysis

Survey responses were catalogued into an excel dataset and analyzed with statistical software (RStudio version 1.1.383, Boston, MA) to generate descriptive and inferential statistics.

Employer Survey

A total of 37 surveys were completed by business owners.

Respondent and business characteristics, including respondent ethnicity, number of employees, and business type, are shown in the figures below. The median number of employees reported by respondents was six, and the mean was twenty-nine; there were some outliers, i.e. respondents who reported employing more than 50 people. The vast majority (97%) reported that their business was located within walking distance of a transit site. Eleven respondents (30%) reported being aware of opportunities for employees to use pre-tax commuting benefits. The percentage of awareness of pre-tax commuter benefits is shown for categories of business size in Figure 2. Twelve respondents (32%) reported having considered offering any commuter benefit to employees. Of those who had considered offering commuter benefits, seven (or 19% of total respondents) reported currently offering commuter benefits to employees. Two of these respondents later specified offering subsidized ORCA cards as the commuter benefit. Other participant characteristics are shown in Figures 3 and 4.”

Figures of Findings

Figure 2. Breakdown of whether a business owner was aware or not aware of pre-tax commuter benefits based on number of employees

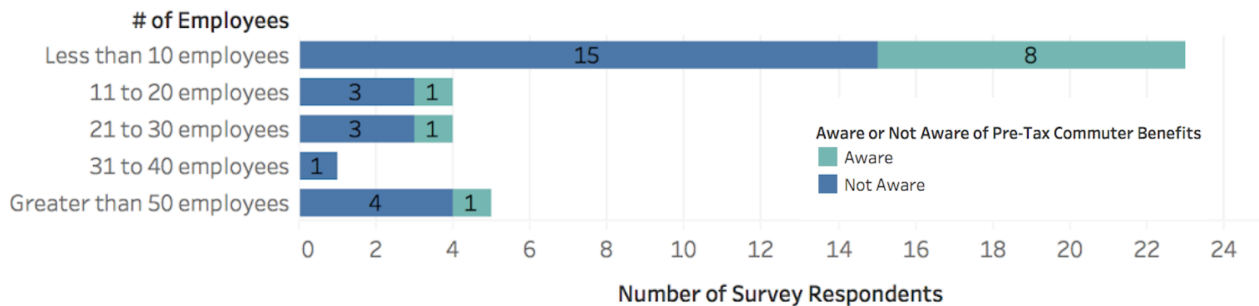


Figure 3. Type of Businesses Surveyed (n=37)

37 total business owners were asked to identify what kind of business they owned. 35% of respondents owned a retail or trade type business.

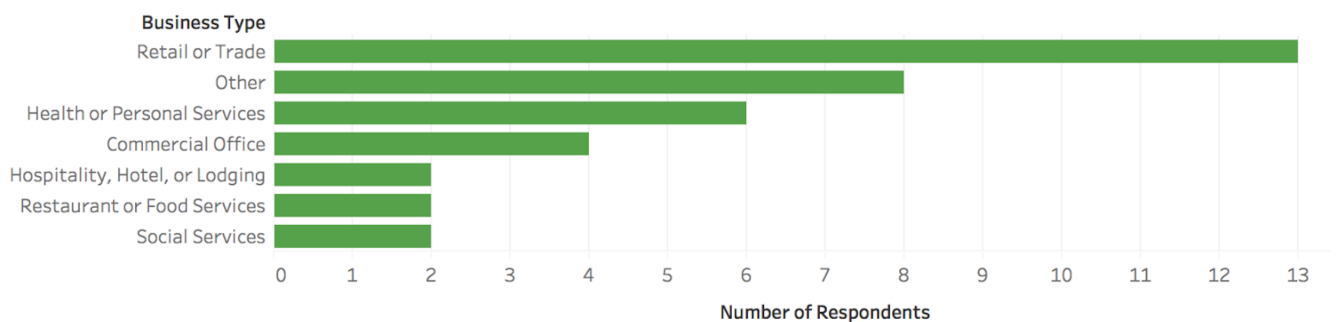
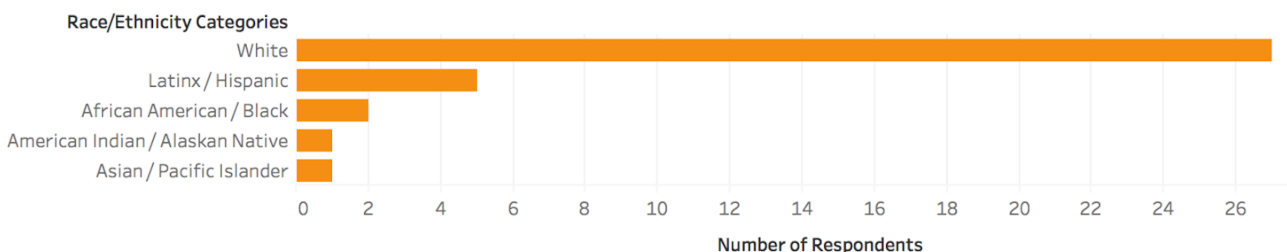


Figure 4. Race/Ethnicity of Business Owner (n=36)

36 total business owners were asked to identify their race/ethnicity. 1 opted out of identifying. Most respondents identified as being white.



Awareness among employers of opportunities for pre-tax commuter benefits was associated with currently offering commuter benefits of any type ($p < 0.05$). After dichotomizing respondents into groups defined by number of employees (in this case, fewer than or the median of six employees in one group, greater than six employees in the other), there was no statistically significant association between number of employees and likelihood of awareness of pre-tax benefits ($p = 0.65$) or likelihood of offering commuter benefits of any type ($p = 0.86$).

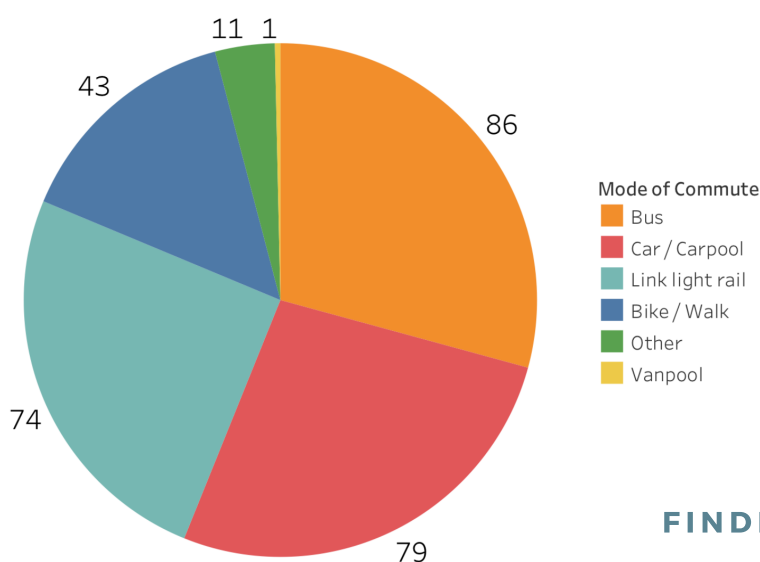
Employee Survey

To determine employee views regarding provided employer commuter benefits, we surveyed residents in four neighborhood Facebook groups and those who subscribe to the Transit Riders Union email listserv. This survey was disseminated using the social media platform, Facebook survey application and Survey Monkey, an online survey tool. Combined, 204 electronic survey responses were collected. Surveys were frequently partially-completed, and response rates differed for different questions. Not all respondents resided in the Seattle area, and some respondents reported being currently retired. 84% of these respondents were Caucasian.

Breakdowns of reported modes of commuting by respondents is shown in Figure 5. Among 154 individuals who responded to the question “If you don’t use public transportation, what are barriers to using it?”, 21 of these respondents (14%) identified expense as a barrier to using public transit. Additionally, 7 out of 91 (7.6%) facebook respondents identified lack of employer incentive as a barrier.

Figure 5. Employees Mode of Commute to Work (n=204)

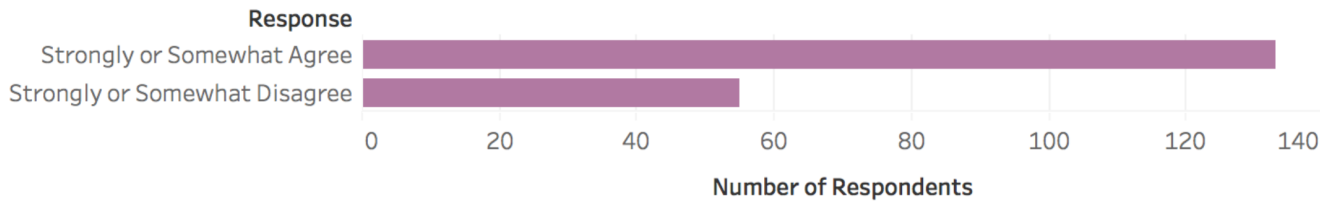
204 current and potential transit riders were asked via electronic surveys how they commute to work. Some respondents listed multiple modes.



Among 188 individuals who responded to the question, “Would you feel comfortable asking your employer for commuter benefits?” 133 (71%) strongly or somewhat agreed that they felt comfortable discussing work-related commuter benefits with their employer, see figure 6. This finding indicates a need, for all groups, to feel more empowered to ask for benefits, particularly pre-tax which is cost neutral or provides savings for small businesses.

Figure 6. Employees level of comfort asking their employer for pre-tax commuter benefits (n=188)

133/188, 71% of respondents responded that they strong or somewhat agreed that they felt comfortable discussing work-related commuter benefits with their employe



In summation, there seems to be potential for conversation between employees and employers regarding work-related commuter benefits, and exploring ways to promote this may be promising in increasing uptake of benefit utilization - ultimately increasing public transit use.





DISCUSSION

Informational and Self-Advocacy Materials

To address findings from employer and employee data collection, we developed two communications materials. For employers, we offer a one-page informational sheet that provides general information about pre-tax commuter benefits, presents an example of cost savings potential, compares ORCA card choices, and includes a step-by-step guide to help employers initiate pre-tax commuter benefits for applicable employees. The intent is for Commute Seattle to use this document during outreach and other engagement activities. Though this organization already provides numerous educational materials that cover much of this information, it was indicated by business owners that a one-page comprehensive sheet would be helpful as they consider and implement pre-tax commuter benefits.

For employees, we offer a negotiation wallet card providing information about available transit benefit options and tips to negotiate for them. This may be particularly useful for the Transit Riders Union to hand-out during advocacy events to empower riders to both seek out and ask for benefits. It also includes information regarding the ORCA Lift card which is available to qualifying low-income transit riders. In both instances, these documents may be further stylized or edited to better support organizational branding or evolving campaigns, though the general content addresses attitudes and barriers identified during this practicum experience. See Appendix 13 and 14 for mock-ups of these materials.

Recommendations for Commuter Benefits Ordinance Implementation

To culminate this practicum project and our teams experience, we've listed five recommendations that should be considered prior to implementing a commuter benefits ordinance.

1 **Support and expand outreach with business groups**

Currently outreach may be limited in scope and funding. It was identified that the dedicated pre-tax position within Commute Seattle is relatively new and the building of partnerships outside Seattle's city center is a growing priority. It is recommended that outreach with business associations and related groups be further developed. This will improve employer knowledge of pre-tax and other ordinance related benefits and minimize associated barriers with future implementation.



2 **Enhance community engagement efforts to reach minority/small businesses**

Minority owned small businesses may benefit from commuter benefit education and consulting, but were not well represented during this projects outreach efforts. This may be due to a multitude of factors, including language and cultural barriers. It is recommended that stakeholders collaborate and work with minority and community leaders to create opportunities for outreach and pursue culturally sensitive informational sessions as applicable.

3

Pursue robust collaboration and creative marketing methods to ensure business community is well informed

Transit related groups, including each of the stakeholders engaged in this project and others, may have diverse resources available to support educational and ordinance support building outreach. For example, Transit Riders Union provides a community based advocacy approach that has been successful at driving changes supporting traditionally marginalized groups, including affordable transit options. This grassroots perspective may help engage businesses and employees that are often overlooked or not well represented. It is recommended these groups collaborate to ensure the business community, as a whole, is well informed and supportive of a future ordinance. It may also be beneficial for stakeholders to leverage resources available through the Department of Labor or other governmental departments to reach the business community at large. This will limit challenges with implementation and decrease the potential for non-compliance.

Creative marketing methods are needed to reach the diverse range of business groups that exist within the Seattle area. Postcard mailers, online webinars, direct phone contact, and outreach through other city meetings, such as those offered at libraries or business financial management firms could expand the reach of current efforts. In addition, they need to engage with local and regional news and business media organizations to ensure accurate and timely information is shared.

4

Learn from cities with current ordinances to support facilitating factors and address potential short and long term barriers

It's understood that current stakeholders are well versed in programs implemented by other cities across the country, but it's believed that much can be learned from their implementation processes that can be applied to Seattle. City Council and Seattle Department of Transportation, as well as groups funded by their grants, should invest time and resources to speak with leaders in New York, D.C. and San Francisco and apply successes and lessons learned prior to the ordinance is passed. Embracing best practices and thoughtful consideration of Seattle's unique circumstances will help ensure the ordinance is easily implemented, supported, and maintained.

5

Evaluate ordinance and provide feedback to business groups and city leadership

Stakeholders have an opportunity to partner with the University of Washington and other Seattle academic institutions to evaluate the ordinance, via program evaluations, cost analyses, and utilization assessment. Published reports can provide data and recommendations to promote commuter benefit ordinances throughout the nation or influence changes to improve uptake and perceptions.

Citizens within the Puget Sound region are interested in understanding why policy is implemented and how it will benefit their communities. Business leaders are also heavily invested in ensuring transit related program mandates provide a valuable, cost-effective service to them and their employees. It is recommended stakeholders provide the community and business groups with feedback regarding the impact of a commuter benefit ordinance through annual reports and media campaigns.

RECOMMENDATIONS FOR ENGAGING COMMUNITY ON FUTURE TRANSPORTATION RELATED PROJECTS

The overall goal of projects like ours is to make upstream factors such as political, social, and health determinants supportive and promoting of thriving communities. Our project was limited in the scope of what was feasible in the 360 total hours, spread over the course of 10-weeks, that our team had to complete this project and its deliverables. What is not limited is the wealth of information, vibrancy, resilience, and assets that communities have.

We provide three recommendations to move future projects and work towards transportation equity. These recommendations are based on an analysis of previous work coupled with lessons learned from this project. Principles of equity, transparent decision making, and accountability guide our recommendations to ensure this work doesn't further disadvantage groups that have been historically marginalized and whose perspective hasn't historically been represented in this work.

1

Form an Advisory Board with representatives from a broad range of organizations and communities

Transportation unifies our diverse group of stakeholders. It is a benefit to our stakeholders to continue to work in tandem with each other and other partners to align their objectives with overarching goal of transportation-equity. The widespread interest in better understanding transportation and its relation to other facets of life serve as a strong opportunity for partnerships.

One way to ensure this work is sustainable and collaborative is to form an advisory board. This will provide structure to the existing partnership between our stakeholders. This newly formed advisory board would convene representatives from a broad range of transit-related organizations, agencies, and communities to inform and guide all future transportation-related work. We recommend that a representative from TRU and each of our stakeholders join this advisory board. We also recommend that a representative from the City of Seattle's Transportation Equity Program, which seeks to "shift the department's planning model from acting upon communities with project implementation to involving communities from the beginning in a way that ensures the projects they get are best serving their needs" serve as the chair of this advisory board [10]. This advisory board would be similar to an Institutional Review Board, that would review the methods proposed for working with community to ensure they equitable and to avoid overburdening communities with duplicative work.

2

Create an opt-in listserv to improve collaboration between those who were previously or are currently involved in transportation-related work in the larger King County.

To better engage and provide future opportunities for people to continue their work around transportation equity, we recommend the creation of a "Transportation Community of Interest" listserv. This listserv will allow those who are interested to opt-in for future emails related to events, programs, public comment, and job/internship/volunteer opportunities. This recommendation stems from our interest in staying connected to this work, but finding no single place to find this information. A large subscription list would connect people to work more collaboratively, and would create a mode for people to stay informed of other transportation-related work.

3 Build upon this work by sponsoring another University of Washington School of Public Health Practicum Project

Yearly, there is a consistent pool of incoming Master of Public Health students at the University of Washington who are required to complete a practicum project. We recommend another student continue this work via this opportunity. From our experience, this work is mutually beneficial as the student is able to apply the material from their courses through local, practice-based work. For the stakeholders, this is an opportunity to build capacity, provide mentorship, and complete projects that haven't been able to be completed due to time and resource constraints. The following need to be considered related to this recommendation:

- Projects should continue to be student-led
- Working with other graduate programs (Public Administration, Urban Planning)
- Involving undergraduates who could potentially use this project to fulfill their capstone requirement.
- Involving colleges outside of the University of Washington, specifically community colleges
- Involving students with diverse cultural and language backgrounds to expand the reach of this work

This recommendation ensures that this work is not limited to this one project and that there is future work that builds upon previous findings. This may also provide an opportunity to incorporate a social equity lens to future projects that is mutually beneficial to both students and communities that are involved.



APPENDICES

COMMUTER BENEFIT
ATTITUDES &
READINESS REPORT

APPENDIX

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APPENDIX 1

Contact Information

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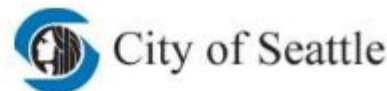
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University of Washington Seattle - School of Public Health

Director, Community-Based Public Health Practice Program

APPENDIX 2

Employer Survey



EMPLOYER PRE-TAX BENEFIT INTAKE FORM

We are gathering information from local businesses in the Rainier Valley to assess awareness of public transportation benefit options. Your input may help shape further outreach and services available for Seattle area employers. Your participation is voluntary and any information provided will be confidential and protected.

THANK YOU!

1. Is your business located within walking distance (e.g. 3 blocks/15-minute walk) of a transit site?

☐ Yes ☐ No

2. What is your business industry?

- | | |
|--|--|
| <input type="checkbox"/> Commercial office | <input type="checkbox"/> Social Services |
| <input type="checkbox"/> Retail/Trade | <input type="checkbox"/> Hospitality / Hotel / Lodging |
| <input type="checkbox"/> Health / Personal services | <input type="checkbox"/> Restaurant / Food Services |
| <input type="checkbox"/> Other (please specify): _____ | |

3. What is your racial/ethnic background?

- | | |
|--|--|
| <input type="checkbox"/> African-American or Black | <input type="checkbox"/> White |
| <input type="checkbox"/> American Indian or Alaskan Native | <input type="checkbox"/> Other (please specify): _____ |
| <input type="checkbox"/> Asian or Pacific Islander | |
| <input type="checkbox"/> Latinx or Hispanic | |

4. How many employees does your business employ? (Write Number of Employees for Each Category)

Full-Time _____ Part-Time _____ Other (please specify): _____

5. Are you aware of opportunities for your employees to use pre-tax deduction to pay for qualified commuting expenses? (i.e. ORCA card for bus, light rail, vanpool, etc.) to commute to work?

☐ Yes ☐ No ☐ Unsure

6. Have you considered offering any sort of transportation benefits for your employees to purchase to commute to work?

- ☐ Yes, I've considered, and currently offer (please specify benefit): _____
- ☐ Yes, I've considered, and do not currently offer these
- ☐ No, I have not considered
- ☐ Unsure

7. How do your employees commute to work?

- ☐ Bus
- ☐ Link light rail
- ☐ Bike/Walk
- ☐ Personal vehicle
- ☐ Vanpool
- ☐ Unknown
- ☐ Other form of public transportation (please specify): _____

APPENDIX 3

Employer Panel Questions

1

Do you think you would offer these benefits to your employees?
IF NO: Why?

2

What are barriers to providing pre-tax benefits to your employees?

3

What resources or further information would you want or need to
implement this benefit into your business plan?

4

How do you find out about information that is relevant to your small-
business (i.e. online, business association, word of mouth, Department
of Labor)?

5

Would your employees find a pre-tax benefit appealing or useful?
Would it encourage them to use public transportation?
IF NO: Why do you think that may be?

Note: Additional probes may have been asked during events to further address
respondent comments.

APPENDIX 4

Employee Online Survey

Hi Rainier Valley Residents! I am a UW graduate student working with the Transit Riders Union and Commute Seattle to gather insight about public transportation use and commuter benefits within your community. If you have 2 minutes to complete a quick survey I would be so thankful! Information obtained will be kept private. If you would like further information about this survey or project please feel free to contact me @ jkillion@uw.edu. Thank you for your participation!

What type of transportation do you most often use to commute? *

Select primary mode of transportation

- ☐ Bus
- ☐ Link light rail
- ☐ Bike/Walk
- ☐ Vanpool
- ☐ Personal vehicle/carpool
- ☐ Other:

If you don't use public transportation, what are barriers to using it?

Select all that apply

- ☐ Transit passes (i.e. ORCA card) or basic fares are too expensive
- ☐ Transit services aren't available where or when I need them
- ☐ I don't feel comfortable using public transportation
- ☐ I need more information about public transportation services
- ☐ My commute would be too inconvenient if I used public transportation
- ☐ My employer doesn't incentivize me to use it
- ☐ No barriers, I just choose to use other modes of transportation

Continued on following page

APPENDIX 4
 Employee Online Survey

Please indicate whether your employer offers the following transit related benefits:
 Select all that apply

☐ ORCA Card (Passport or Choice)

☐ Subsidy (employer applies money towards an ORCA card or other program)

☐ Pre-tax benefit (employer facilitates employee setting aside money before taxes to be used on transit)

☐ My employer doesn't offer benefits

☐ I don't know

☐ Other:

I feel comfortable asking my employer for transit benefits.
 Choose one

☐ Strongly agree

☐ Somewhat agree

☐ Somewhat disagree

☐ Strongly disagree

What racial/ethnic background do you most strongly identify with?
 Choose one

☐ African American or Black

☐ American Indian or Alaskan Native

☐ Asian or Pacific Islander

☐ Caucasian or White

☐ Latinx or Hispanic

☐ Other:

What type of industry do you work for?
 Choose one

☐ Commercial Office

☐ Health / Personal Services

☐ Hospitality / Hotel / Lodging

☐ Retail / Trade

☐ Restaurant / Food Services

☐ Social Services

☐ Technology

☐ Other:

Submit

APPENDIX 5

Employee Online Survey Results

		FACEBOOK	SURVEY MONKEY
What type of transportation do you most often use to commute?			
ANSWERS	Personal vehicle/carpool	43%	11%
	Link/lightrail	33%	19%
	Bus	16%	40%
	Bike/Walk	5%	22%
	Other	3%	4%
	Vanpool	0%	<1%
If you don't use public transportation, what are barriers to using it?			
ANSWERS	My commute would be too inconvenient if I used public transportation	45%	21%
	Transit services aren't available where or when I need them	30%	18%
	Transit passes (i.e. ORCA card) or basic fares are too expensive	9%	15%
	Other	8%	37%
	No barriers, I just choose to use other modes of transportation	4%	9%
	I don't feel comfortable using public transportation	3%	0%
	I need more information about public transportation services	1%	0%

Continued on following page

APPENDIX 5

Employee Online Survey Results

		FACEBOOK	SURVEY MONKEY
QUESTION	Employer offered benefits		
ANSWERS	ORCA Card (Passport or Choice)	36%	36%
	My employer doesn't offer me benefits	31%	29%
	Subsidy (employer applies money towards an ORCA card or other program)	19%	17%
	Other	9%	11%
	Pre-tax	4%	7%
	I don't know	1%	0%
QUESTION	I feel comfortable asking my employer for transit benefits		
ANSWERS	Strongly agree	47%	46%
	Somewhat agree	21%	28%
	Somewhat disagree	18%	14%
	Strongly disagree	14%	12%
QUESTION	What racial/ethnic background do you most strongly identify with?		
ANSWERS	Caucasion or White	76%	91%
	Asian or Pacific Islander	10%	6%
	Other	7%	1%
	African American or Black	5%	1%
	American Indian/Alaska Native	2%	1%
	Latinx or Hispanic	<1%	<1%
QUESTION	What type of industry do you work for?		
ANSWERS	Other	38%	45%
	Technology	21%	14%
	Commerical Office	13%	10%
	Health/Personal Services	12%	10%
	Retail/Trade	7%	2%
	Social Services	5%	16%
	Hospitality/Hotel/Lodging	2%	<1%
	Restaurant/Food Services	2%	2%

APPENDIX 6

Map of Seattle Districts



APPENDIX 7

Logic Model

INPUTS	ACTIVITIES	OUTPUTS	SHORT-TERM GOALS	MEDIUM-TERM GOALS	LONG-TERM GOALS
<p>Transit Riders Union (TRU) lead Organization Beau Morton, Site Supervisor, offers project support related to identifying the project deliverable and scope. Beau will also conduct mid-point and final evaluation for each group member.</p> <p>Commute Seattle Nick Abel and Kevin Futhey provide day-to-day support for pre-tax information and business outreach</p> <p>Council Mike O'Brien's office Jasmine Marwaha provides information around proposed Transit Benefits Ordinance in Seattle to guide project deliverable and information collected</p> <p>Seattle Department of Transportation (SDOT) Sarah Spicer, SDOT data Small-business employers: Data and participation in survey and focus groups Small-business employees: Data and participating in survey UW SPH Understand IRB process Previous survey Resources and inputs from previous related work Space Directory of businesses in the neighborhood survey area Clear understanding of survey methodologies and IRB approval process Background legislation and examples from other jurisdictions</p>	<p>City of Seattle Transit Benefits Ordinance Transit Benefit Assistance Programs Education/ Awareness Campaign Employee Interviews <i>(the project)</i> Employer surveys via panel discussions <i>(the project)</i> Our team will develop, test, and administer a survey tool to the Rainier Valley area Recruit small-businesses to participate in the survey Educate small-businesses about commuter benefits Conduct meetings with team, client, stakeholder, and small-business employers and employees Communicate via in-person meetings, telephone, and email to entire project team</p>	<p># Employers offering pre-tax transit benefits # Employees utilizing pre-tax transit benefits Percentage of first two Outputs who are people of color? ORCA passes held by employees of small bus. Transit Ridership Public transit revenue Small Business Employees likelihood of using public transit compared to large bus. (equity) ORCA program operating costs Data analysis plan, data dictionary (list of variables and what they mean), syntax file of R code. Qualitative data from surveys Written report with introduction, methods, findings, limitations, discussions, and recommendations Oral presentation accompanied by visual representation of project findings Engagement and data from small-businesses not reached in the past</p>	<p>Increase public transit use Decreased private car use Decreased individual commuting costs Save public money Increased awareness of pre-tax legislation benefit, the different ways commuter benefits can be offered, and the costs Transit Benefit Legislation Increased knowledge about the attitudes and barriers small-businesses face to providing commuter benefits Increased knowledge about the employee perspective regarding commuter benefits Increase in the interest of employers in providing commuter benefits Increase in the interest of employees in utilizing commuter benefits Increase in the small-businesses' awareness of the resources and guidance available to them regarding commuter benefit and how to select what works for their business</p>	<p>Free public transit Reduced carbon emissions Decreased traffic congestion Reduced CV and resp disease Greater social equity Save public money Set a precedent for other cities/state Increase in the number of small businesses who will provide commuter benefits to their employees Increase in the number of employees utilizing commuter benefits Decrease in the amount of time and resources needed for businesses offering commuter benefit in-house Decrease in the barriers faced by small businesses and employees in participating Improved employee retention and satisfaction Increase in the number of ORCA business utilization Interest in widespread King County expansion of ordinance</p>	<p>Improved population health Improved planetary health Universal transportation benefits for employees Decrease in fossil fuel emissions Decreased car commutes</p>

APPENDIX 8

Meeting Summary

Rainier Beach Merchants Association

Attended by 10-12 people, not all business owners. - 7 surveys completed

Presentation on pre-tax benefits by Commute Seattle

Discussion regarding transit and benefits:

Only one participant endorsed currently offering commuter benefits to their employees.

Multiple participants voiced concerns about 1) transit-related safety, and 2) the need for more Park-and-Ride facilities.

One participant expressed frustration with city government “stepping on the throats” of businesses, in reference to ordinances.

There was a discussion related to general realities of worker-related transit factors in Rainier Valley, including a decrease in the number of routes available, the fact that parking is generally adequate, and that workers sometimes have jobs that require them to travel during the day - which is easiest done by car.

Participants expected that those who work in larger “big box” stores were more likely to be commuting from far away, whereas those working for smaller businesses were more likely to be living much closer, i.e. close enough to walk in many cases.

When specifically asked about the potential ease or difficulty of implementing a hypothetical new pre-tax benefit for employees, participants did not have much to say.

There was significant concern among the group in the amount of time allocated to working on this project, establishing a robust connection with their community/neighborhood, and whether we would be reaching out to employees for their input into barriers to using transit.

APPENDIX 9

Meeting Summary

Magnolia Chamber of Commerce

Attended by 11 people, (includes 2 Key Bank employees who hosted event) - 8 surveys completed
Most small business owners (range included - Real Estate Agent, Gelato Shop, Lawyer, Photographer, Consignment Shop)

Discussion regarding transit and benefits:

The majority of participants reported awareness of transit programs like ORCA passport. One non-owner attendee employed by 200+ employee organization with fully subsidized benefits for all employees. One employee reported 80% subsidized benefits by employer. One employer offers benefits for 2/12 employees (as was asked for by employees, not offered unless asked). None currently offer (or were aware of) pre-tax benefits

Several employers discussed staff use of public transit including combination of ferry, light rail and bus. All agreed commuter benefits were a good retention tool for employees.

Multiple participants voiced concerns about limited bus route access in the Magnolia area with no direct routes available for many who commute. One business owner would like to relocate his business to Magnolia from downtown but is concerned about employees being able to tolerate the change, particularly because of transportation challenges unique to that area. Nick discussed options related to flexible work hours, teleworking, etc. Numerous question the ending of the free ride program downtown. Several discussed challenges of using benefits for part-time workers in the area including restaurants and grocery stores due to needed bus changes/connections. There was a short discussion about Denny Way traffic and impact that has on commute situation. Also mention of increased Uber availability and many choosing that transportation method instead of bus for convenience.

This community demonstrated significant readiness to implement a pre-tax program and expand benefits to employees. The group inquired about the option of several small businesses joining together under the veil of the business association to qualify for greater choice and discount. They recommended outreach via a video or radio/local publications (i.e. The Stranger, etc) and links on business chamber websites.

Participants indicated that the only barrier to implement pre-tax was a lack of knowledge about the program. It was indicated by those that have/provide benefits that the process to set up these programs is fairly easy. They believe future outreach and presentations by Nick and team are needed to spread the word to business owners about these options. All indicated they would speak with other community business owners about pre-tax and commuter benefit programs for employees. They recommended Commute Seattle connect with accountants/payroll, Dept of Labor, Dept of Licensure, and other business associations to ensure this program is better communicated within this population. They appreciated the future direct access of working with Nick to address questions and coordinate these benefits.

Of note, it was mentioned by two female business owners that "woman owned" should be included within the demographics to identify this category of minority owned businesses. ¾ female attendees were business owners.

APPENDIX 10

Meeting Summary

Ballard Alliance

Attended by 12 people (one minority, 50% were women) - 12 surveys completed

Most small business owners or managers from businesses in Ballard (range included - Advertising, Banking, Shoe sales, Candy Shop, Gift Shop)

The majority of participants reported awareness of transit programs like ORCA, though demonstrated lack a familiarity with the different programs available. Owners reported not currently offering benefits, though all expressed strong interest in ORCA Passport/Choice and Pre-tax benefits. Few currently offer benefits, none of which include pre-tax. Only two respondents indicated having awareness of pre-tax benefits.

Several employers discussed staff use of public transit, which was primarily via bus. All agreed transit benefits were a good retention tool for employees and that providing benefits were important to them and their employees. Participants articulated that bus transportation within the Ballard area is robust and that even employees commuting from areas outside Seattle will use transit. Parking within the Ballard business district is primarily pay-to-park, including street parking. This encourages transit use in the district. It was reinforced that more use of transit would improve accessibility of their businesses to shoppers.

This community demonstrated significant readiness to implement a pre-tax program and expand benefits to employees. All owners expressed shock that the combination of ORCA benefits and pre-tax could save both them and their employees significant money on transit costs.

Participants indicated that the primary barrier to implementing pre-tax (and some other benefits like ORCA choice) was a lack of knowledge about the program. Owners expressed that finding information as a business owner is a significant challenge. It was stated that business owner association meetings, like those hosted by the Business Alliance, were the best way for them to find out about new information. They reported that most of the business information available on benefit topics seems to be geared towards larger businesses and they feel neglected. One attendee expressed that he had heard of pre-tax and attempted to research the topic, but felt unsuccessful in learning how to implement them and abandoned the effort. One owner questioned whether pre-tax was a stable program, which as a federal program at this time is secure. Nick was able to articulate the changes with the tax bill and how the subsidies are no longer tax deductible. Owners agreed that future outreach and presentations by Nick and team are needed to spread the word to business owners about these options. They mentioned that a grassroots approach, including door-to-door outreach would be helpful for this community. Many expressed interest in working directly with Nick to address questions and coordinate these benefits. In regards to implementation, they felt that a liaison (like Nick) had value and a step-by-step guide of considerations and the process involved would be key.

This group believed that there was value in employees learning about such benefits and advocating for them. These owners unanimously agreed, if in their control, they would discuss benefits with employees vice requiring them to speak up and felt during the hiring/onboarding process would be a good opportunity to do so. One manager discussed that his business owner was located in a different state and was not able to witness the appeal of commuter benefits - the group agreed he should articulate that pre-tax "is free, it saves, and is easy".

APPENDIX 11

Meeting Summary

Capitol Hill Chamber of Commerce

Attended by about 12 people (pretty even split of women and men) - 5 surveys completed
Mix of people: interested community members, sales and operations people, business-owners)

12 people stopped by, however, only five people were able to stay for the presentation

5 people filled out the survey

One of the business owners has been providing commuter benefits for five years and was sharing her experiences and learnings

She identified issues with the ORCA website interface and how its not easily used by employers or employees.

A lot of discussion about deciding between ORCA PASSPORT and ORCA CHOICE and the pros and cons between the two.

The business owners is interested in whether or not this benefit would be seen as valuable to their employees.

Some of their employees have given the unlimited ORCA card back because they don't use it.

Some have asked to receive the cash value of these benefits.

For the business-owners, they all identified that they need to consult and check in with their employees about their public transportation use and whether the benefit would even be helpful.

They mentioned that the 15th ave, particular area of Capitol Hill is an interesting bubble because there are sections of it that are not zoned.

The added value of having their employees take public transportation is that it frees up space for the customers of the business.

APPENDIX 12

Meeting Summary

South Park Merchants Association

Attended by 5 people - 4 surveys completed

Lot of interest in pre-tax benefits, questions regarding how this would appear on a tax form, if this money spent on transit would be counted as income. Most attendants operated very small businesses, employed family members, some of whom paid under the table. Other employees were independent contractors that don't receive W-2's, and this would be a practical barrier to using commuter benefits per IRS rules.

They estimate approx 50-70% of South Park residents ride the bus, often to jobs downtown.

"We care about the environment here."

They agreed the money-saving aspect of using the tax benefit would be good for employees as well as employers.

With regards to further outreach, they emphasized importance of translators or liaisons to not only be able to speak the language but to understand the fundamental culture. "It's not what you say, but how you say it." Suspect a business owner will hear about these tax benefits and naturally wonder "What's the catch", i.e. might seem suspicious or too good to be true.

Late-arriving participant reported he works with several hundred clients in accounting services and suspects there will be many clients interested in taking advantage of these benefits. It appeared obvious to him that this was something that made good business sense.

APPENDIX 13

Employer Benefits One Page Guide

PRE-TAX COMMUTER BENEFITS CAN HELP YOUR BUSINESS

re-tax commuter benefits allow employees to set aside up to \$260 a month, before taxes via payroll deduction, to apply towards a commuter benefit program. King County Metro offers various transit options for numerous transportation modes available in King, Pierce, Kitsap, and Snohomish County.

Authorized by Internal Revenue Code, Section 132(f), this benefit program saves employees money by excluding the amount deducted from being taxed for federal and FICA taxes. Employers also save by not paying FICA tax on this deduction amount. Benefits are available to all **W-2** employees. Businesses must administer this program through deduction codes in electronic payroll systems or via a third party administrator.

PRE-TAX SAVINGS POTENTIAL:

BEFORE: Your employee makes \$50,000 a year & pays about \$15,000 in federal income/FICA taxes. You pay \$3,800 a year in FICA. Employee spends \$1,188 a year on monthly benefit cards.

AFTER: Employee **saves** \$350+ a year in federal income/FICA taxes. You save \$91 a year in FICA taxes.

Offering commuter benefits allows your business to reward employees who use transit and encourage others to change their habits. This reduces traffic congestion and demonstrates your commitment to a sustainable Seattle.

GENERAL IMPLEMENTATION STEPS:

1

Assess the public transportation needs of your employees.

Employees who commute via public transportation regularly can save \$ with a transit card paid for through a pre-tax deduction. A transit card must be purchased via your business for benefits to apply.

2

Determine which transit card is most appropriate.

The One Regional Card for All (ORCA) program has various transit cards available to meet the needs of your employees and your businesses benefit goals. The KingCounty.gov transportation website has more information, including a helpful cost estimator.

3

Ask your employee(s) to decide how much \$ will be deducted.

This amount is processed as a pre-tax deduction and will be used to purchase a transit card.

4

Determine how transit cards will be purchased.

Typically employers will establish a transit account and purchase a card to distribute to utilizing employees. To set up an account visit the ORCAcard.biz website.

5

Set up pre-tax deductions in your payroll system.

Popular payroll systems allow you to add benefits to your employees profiles, though each system functions differently. Contact your payroll system support service for guidance on establishing pre-tax (and subsidy if applicable) programs.

TIP: You may choose to pay a Third Party Administrator to manage your transit benefit program. For a list of administrators contact Commute Seattle

6

Order and distribute transit cards.

If administering in-house, use the pre-tax dollars deducted from employees paychecks to order their qualified transit benefit and distribute. Provide employee(s) with applicable tax documentation as required for annual tax preparation.

7

Stay informed.

Pre-tax benefits aren't likely to significantly change year by year, but it's important to stay up-to-date on current regulations and available benefits. Connect with your local business association and communicate with other business owners within your community. Visit IRS.gov for more information.

ORCA CARD COMPARISON

PASSPORT: annual pass, must have 5+ employees and purchase for all, price based on location & ridership, best for employees using bus, commuter/light rail, and/or vanpool.
MOST COMPREHENSIVE

CHOICE: monthly pass, purchase for only employees using transit, price based on trip length, best for employees using bus, ferries, vanpool and/or commuter/light rail.
MOST FLEXIBLE

Have questions? Visit CommuteSeattle.com to learn more.



commute seattle

You may also contact Nick at Commute Seattle
at 206-613-3129
who will be happy to assist you.



Seattle
Department of
Transportation

APPENDIX 14

Negotiation Self Advocacy Card

Public transit is a public good.
Let's make riding the bus **affordable** for all.



The **Seattle Transit Riders Union**
organizes for safe, reliable, affordable and
accessible transit in the Seattle area.
Connect with us!
transitriders.org @SeattleTRU

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NEGOTIATE LIKE A



Commuters spend an average of \$12 daily on their commute—this is a huge expense, but one many employers may be able to help you decrease. Even small businesses can provide **transportation benefits**. If your employer doesn't offer transit benefit options....**ASK FOR THEM!** Negotiating can be intimidating, but the Seattle area has great programs that may save both you, and your employer **MONEY**.

NEGOTIATION RULE # 1: Always ask—
employers are often more willing than you may think to support hard-working employees through low cost or cost neutral benefits.

NEGOTIATION RULE # 2: Explain why you want or need them—
help your employer understand why transit benefits are important to you. Perhaps it's the savings, the environment, or the convenience—the more they know, the better.

NEGOTIATION RULE # 3: Practice—It can help you better communicate and be prepared to bargain if needed. Even if the answer is no, be respectful. You can always ask again at a later time.

Internal Pages

BENEFIT BASICS

ORCA CARD: An employer can subsidize an annual pass or help contribute any dollar amount—combined with pre-tax benefits this can mean significant savings!

PRE-TAX BENEFITS: Pre-tax allows you and your employer to set aside money, before taxes, to apply towards an ORCA card. This will decrease the amount you and your employers are taxed on and it's easy to set up!

I only work part-time, can I still get benefits?
- If you need to commute to get to work, why not?! Ask your employer if they do or would consider offering benefits—it helps them retain a great employee and likely puts more \$ back in both your pockets!

What can I do if I can't afford a transit pass and my employer won't offer me one? - If you make less than 200% of the federal poverty level you may qualify for reduced fares through the ORCA **LIFT** card. Call 206-553-3000 for information.

APPENDIX 15

Budgetary Considerations

For TRU and Commute Seattle to develop and conduct a marketing campaign to administer the employee negotiation card, our team budgeted the following based on estimations from TRU and Commute Seattle.

MARKETING CAMPAIGN FINANCE PLAN

ITEM COST		ORGANIZATION - TRU		ORGANIZATION - COMMUTE SEATTLE
Personnel (i.e. XX FTE x XX months)	\$	\$21,600.00	\$	1 FTE for two years
Text preparation	\$	\$144.72	\$	Part of FTE
Graphic Design	\$	\$120.70	\$	\$2,400 for two flyer designs
Materials (i.e. paper)	\$	\$500.00	\$	Printing in house
Printing	\$	\$1,000.00	\$	
Distribution (manpower)	\$	\$7,242.29	\$	part of FTE
Distribution (mailing)	\$	\$0.00	\$	\$0.00
Website/web services	\$	\$122.10	\$	Potentially a part of another FTE
Advertising	\$	\$0.00	\$	Mostly free earned press at this point
Other (please note)	\$	N/A	\$	
CAMPAIGN INCOME				
Annual income budgetted for campaigns	\$	\$90,000.00	\$	Roughly \$200,000 over two years. \$20,000 marketing budget for two years
Income generate from campaign (if applicable)	\$	N/A	\$	None

APPENDIX 16

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