## REVISED STAFF REPORT

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| **Agenda Item:** | 11 | **Name:** | Leah Krekel-Zoppi |
| **Proposed No**.: | 2020-0276 | **Date:** | September 9, 2020 |

**COMMITTEE ACTION**

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| ***Proposed Substitute Motion 2020-0276.2 acknowledging receipt of a report on providing ORCA cards to county contracted social workers, construction workers, and Metro transit security workers, passed out of committee on September 9, 2020, with a “Do Pass” recommendation. The Motion was amended in committee with Amendment 1 and Title Amendment T1 to conform with the proviso language.*** |

**SUBJECT**

A motion accepting a report on providing ORCA cards to county contracted social workers, construction workers, and Metro transit security workers, in response to the 2019-2020 Biennial Budget.

**SUMMARY**

A proviso in the 2019-2020 Biennial Budget Ordinance (as amended)[[1]](#footnote-1) required the Executive to transmit a report on providing ORCA cards to county contracted social workers, construction workers, and Metro transit security workers. Proposed Motion 2020-0276 would accept the report transmitted by the Executive.

The transmitted report states that agencies that contract with the county would be able to use the existing ORCA Business Program to provide transit passes for their workers, but that doing so would result in additional administration and costs for the contracting entity, and that such costs would likely be passed on to county agencies. The report also states that Metro Transit is prohibited by law from using public transportation funds for uses other than public transportation without being reimbursed. The report concludes that implementing a program to provide transit passes to county contractors would be infeasible at this time due to the financial difficulties King County is facing as a result of the COVID-19 pandemic.

**BACKGROUND**

**ORCA Fare Card System**

King County is one of seven regional transit agencies[[2]](#footnote-2) that partnered on a smart card technology, called One Regional Card for All (ORCA) to establish a common, noncash fare system throughout the regional participants’ service areas.

An ORCA card allows users to purchase electronic daily or monthly passes for unlimited rides, or load value on an E-purse that works like a debit card to deduct the cost of individual trips. The card is valid on transit services within all the ORCA partner agencies and allows for free transfers between services (except Washington State Ferries) within a two-hour window.

The ORCA Business Program is a way for employers to provide ORCA passes to their employees. The program offers two options for employers: Business Choice and Business Passport. In both programs, the employer is responsible for purchasing ORCA cards, distributing them to employees, and managing them, including activating and deactivating them.

The Business Choice option allows employers to purchase retail ORCA products, such as monthly passes or an e-purse value, for their employees. The costs can be paid by the employer, employee, or shared between them, and the employer is not required to provide cards to all employees.

The Business Passport option is available through an annual agreement with an ORCA Lead Agency such as King County Metro, and provides Passport monthly passes for unlimited full-fare rides on all regional transit services to employees for a below-retail cost based on the organization's ridership data (for larger organizations) or ridership within the organization's area (for smaller organizations). The participating employer must subsidize at least 50 percent of the Passport cost and ORCA cards must be provided to whole populations associated with an organization.

**King County Employee Transportation Program**

King County provides transit Passport passes to all benefits-eligible county employees through the Business Passport program described above. Metro Transit is reimbursed by King County agencies for the cost of this program, as Metro Transit funds are required by state and county law to be used for public transportation purposes, and Metro must be reimbursed for services or property provided to other entities.

**ORCA for County Contractors Proviso**

In the 2019-2020 Biennial Budget, as amended,[[3]](#footnote-3) the King County Council included Proviso P10, which states:

*Of this appropriation $250,000 shall not be expended or encumbered until the executive transmits a report on options for providing ORCA cards issued by the passport and business choice account program ("ORCA business passport cards") to social workers, construction workers, and Metro transit security workers that are employed by entities that contract with King County and a motion that acknowledges receipt of the report and a motion that acknowledges receipt of an report is passed by the council. The motion should reference the subject matter, the proviso's ordinance, ordinance section, and proviso number in both the title and body of the motion.*

*A. The report shall include, but not be limited to:*

*1. An analysis of the feasibility of providing ORCA business passport cards to social workers, construction workers, and Metro transit security workers that are employed by entities that contract with King County, including but not limited to estimated costs, fare impacts, and proposed funding sources;*

*2. Mechanisms for providing the ORCA business passport cards, including but not limited to the criteria by which entities that contract with King County can qualify for the ORCA business passport cards, ways in which those entities can apply for the ORCA business passport cards, and the manner in which those entities who qualify can acquire the ORCA business passport cards; and*

*3. Potential policy changes that would be needed to implement the provision of ORCA business passport cards to social workers, construction workers, and Metro transit security workers that are employed by entities that contract with King County.*

*B. The report shall be developed in collaboration with the Metro transit department, finance and business operation division, department of community and human services, and any other county agencies that may be necessary to develop this report.*

*The executive should file the report and a motion required by this proviso by June 1, 2020, in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff, and the lead staff for the mobility and environment committee, or its successor.*

**ANALYSIS**

Proposed Motion 2020-0276 would accept the Report on Providing ORCA Cards to County Contracted Social Workers, Construction Workers, and Metro Transit Security Workers, satisfying the requirements of Proviso P10, Section 64 in the amended 2019-2020 Biennial Budget Ordinance and freeing up $250,000 in the Public Transportation Fund to be expended or encumbered.

The Report on Providing ORCA Cards to County Contracted Social Workers, Construction Workers, and Metro Transit Security Workers provided the following information related to the proviso requirements:

* **Feasibility analysis:** The report states that the entities that contract with King County for services such as social work, construction, and Metro Transit Security, are eligible to participate in the ORCA Business Program to provide a transit benefit to their employees. The report also states that in such a case, the administration and cost of participating in the ORCA Business Program would have to be borne by the contracting entity. Metro would not have the administrative capacity to administer the program for the contractors, and Metro would not be able to fund the program since Metro cannot legally use its public transportation funds to benefit other agencies. The report also states that if King County were to require that contractors provide transit passes to their employees, those costs would likely be passed on to the relevant county agency, which could pose a financial hardship at this time due to the impacts of the COVID-19 pandemic. The report states that cost estimates and fare revenue impacts for providing transit passes to county contracted social workers, construction workers, and Metro Transit security workers cannot currently be determined due to unknowns such as which ORCA Business Program contractors would choose, the number of employees who would participate, and contractor's administration costs.
* **Mechanisms for Providing the ORCA Business Passport Cards:** The report identifies that the transit passes would be provided through the established ORCA Business Program.
* **Potential Policy Changes Needed for Implementation:** The report states that no policy changes would be needed to the ORCA Business Program to allow county contractors to use the programs. The report also states that if the County sought to require King County contractors to provide transit passes to their employees, changes to the County's procurement policy would be required. Such changes would be applicable to K.C.C. 3.15.100, 3.18, and 2.93.

The report ultimately concludes that implementing a program to provide ORCA Business Passport cards to contracted social workers, construction workers, and Metro security workers is infeasible, "given the financial uncertainties facing King County and Metro and the statutory limitations for the Transit funds."

The report appears to be responsive to the proviso requirements.

Should the Council be interested in pursuing a program to provide ORCA Business Passport cards to contracted workers at a time when a funding source can be identified, the Council may wish to request that the Executive survey relevant county contractors to gather information that could be used to estimate potential program costs and fare revenue impacts.

**AMENDMENT**

Amendment 1 and Title Amendment T1 would change to motion from "accepting" to "acknowledging receipt of" the report in order to match the language used in the proviso and fulfil the requirements for releasing the funding restricted by the proviso.

1. Ordinance 18835, Section 109, as amended by Ordinance 19021, Section 64 [↑](#footnote-ref-1)
2. The transit agencies that have partnered to form the ORCA system are King County, Sound Transit, Community Transit, Kitsap Transit, Pierce Transit, Everett Transit and Washington State Ferries. [↑](#footnote-ref-2)
3. Ordinance 19021, Section 64 amending Ordinance 18835, the 2019-2020 Biennial Budget Ordinance [↑](#footnote-ref-3)