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NEWS RELEASE

For Immediate Release

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Cost Savings for Employers and Employees Alike

SB 582: Commute Benefit Bill Passes Legislature, Awaits Governor's Signature

OAKLAND, Calif., July 20, 2011 . . . Senate Bill 582, authored by state Sen. Leland Yee (D-San Francisco), is now on Gov. Jerry Brown's desk and awaiting the Governor's signature after passing both houses of the state Legislature last week. The bill, which was jointly sponsored by the Bay Area Air Quality Management District and the Metropolitan Transportation Commission (MTC), aims to reduce both traffic congestion and greenhouse gas emissions by establishing a four-year pilot program under which local air districts and metropolitan planning organizations could require employers with 50 or more employees (or, at the agencies' discretion, 20 or more employees) to adopt commute benefit policies that offer workers one of the following:

- the option to pay for their transit, vanpooling or bicycling expenses with pretax dollars, as allowed by federal law;
- a transit or vanpool subsidy of \$75 per month;
- a free shuttle or vanpool operated by or for the employer; or
- any employer-chosen alternative to these options that can be demonstrated to provide an equal or greater benefit.

Examples of the kinds of alternative commute benefit policies employers may choose have long been in place at the Sunset Development Co.'s Bishop Ranch business park in San Ramon. Some 33,000 workers are employed at the 585-acre park, which is home to everything from Fortune 500 corporations to small local businesses. "We offer all employees full-service commute assistance, including free express buses from BART, a variety of incentives, and access to a free Guaranteed Ride Home program," explained Bishop Ranch's transportation manager, Marci McGuire. "As a result, even the

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employees of our smallest companies receive the same quality and quantity of commute benefits as our largest employers.”

SB 582 is modeled on local ordinances already adopted in San Francisco, Berkeley and Richmond, and at San Francisco International Airport. To date, the vast majority of employers subject to these ordinances have chosen the pretax option, which reduces employers' payroll taxes by an average of about \$224 per employee per year, and can reduce employees' commuting costs by up to 40 percent or as much as \$1,100 per year.

“Our commute benefit ordinance has proven to be a win-win-win,” noted Berkeley Mayor Tom Bates, who also serves as Chair of the Air District's Board of Directors and as an MTC Commissioner. “Employees like it because they spend less money on transportation to and from work. Employers like it because it trims their tax bills. And everybody gets to do a little something to save the planet. It may be one of the few issues in Berkeley history that has not generated controversy.”

“Businesses that offer commuter benefits to their employees enjoy tax savings and higher employee retention rates,” said Jack Broadbent, executive officer of the Air District. “Employees are more likely to consider commute options like transit, ridesharing and bicycling when actively encouraged by their employers.”

MTC is the regional transportation planning, financing, and coordinating agency for the nine-county San Francisco Bay Area. The Bay Area Air Quality Management District (www.baaqmd.gov) is the regional agency responsible for protecting air quality in the nine-county Bay Area.

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