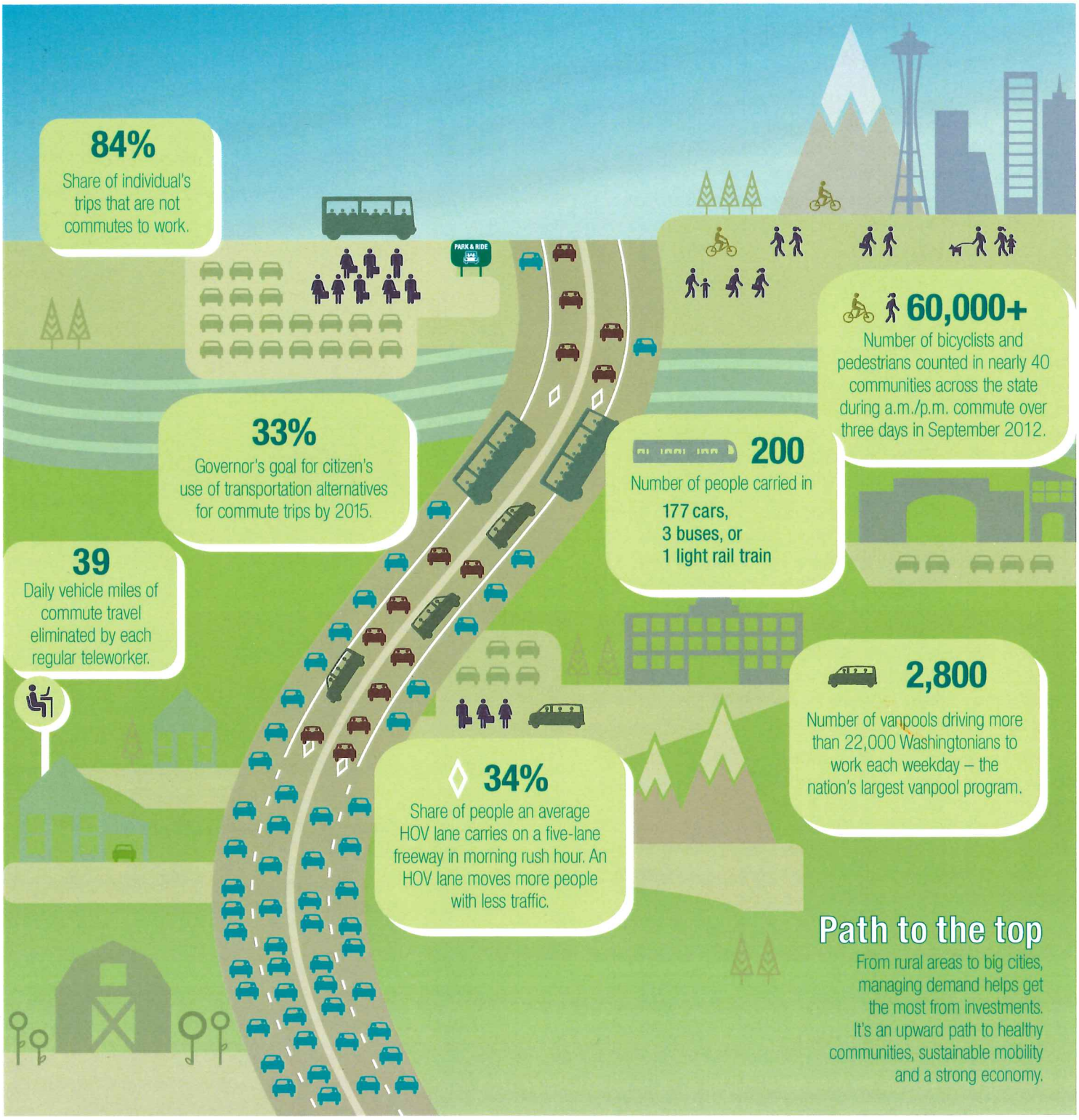
2013 REPORT TO THE LEGISLATURE

Washington State Commute Trip Reduction Board



DEMAND MANAGEMENT THE PATH TOWARD GREATER EFFICIENCY

Goals—Washington State seeks to:

- **Increase transportation efficiency**
- **Reduce greenhouse gases**
- **Keep the economy moving**
- **Promote energy security**
- **Build healthy communities**

This legislative report presents the Commute Trip Reduction Board's proposals to meet these goals. This report also outlines what the proposed actions will do, how they align with the state's policies, and what they will cost.

Recommendations:

- **Expand Trip Reduction from Work Commutes to ALL Trips**
- **Update the CTR Program**
  - Update Program Data Methodology
  - Extend and Amend CTR Tax Credit

Recommendation: Expand Trip Reduction from Work Commutes to ALL Trips

The Governor and the state seek solutions to transportation inefficiency, climate change and energy insecurity. The CTR program is already an important part of the state's solutions to address these critical challenges for our residents and economy. The CTR Board proposes transportation demand management solutions that will build upon the existing successful program to make a substantially larger contribution.

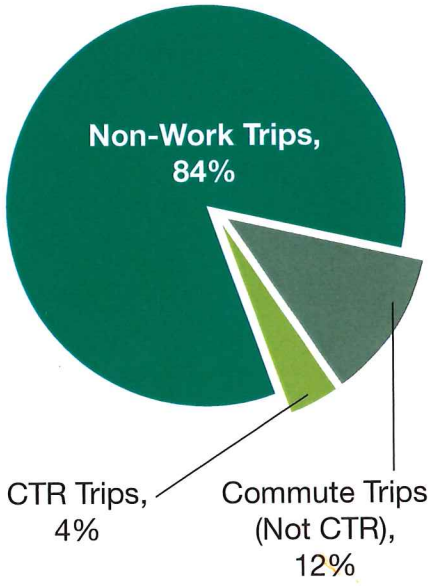
The current structure of the CTR program solely addresses a portion of commute to work trips – or 4 percent of all trips. Non-work trips account for 84 percent of annual household person trips and 78 percent of annual household vehicle trips. The Board recommends that the state expand the program to reduce ALL trips – not just commute trips. This proposal would greatly expand the program's contribution to reducing vehicle miles traveled, transportation-related greenhouse gas emissions, fuel consumption and traffic congestion.

The state has an interest and a role in how people use the transportation system. The current CTR program mandates that local governments work with their large employers to reduce employee commutes. This program works well, however its design is simply too limited in scope to make the significant travel behavior changes that the state and local communities need to meet their goals.

Under this proposal, the board would actively encourage and provide financial support through a new grant program for local jurisdictions to develop and implement *Community Trip Reduction Plans* to expand trip reduction and improve the performance of the system. These new locally designed, customized approaches would provide opportunities to meet both community and state goals. This program expansion would build upon and continue the contribution that major employers make to trip reduction.

The board would develop the standards, criteria and processes for this new *Community Trip Reduction Plan* in consultation with community stakeholders and formalize the new plan in WAC.

All Trips Matter



Source: National Household Travel Survey

What will Community Trip Reduction do for our economy?

Access to an efficient transportation system is fundamental to a business's decision about where to locate and their employees ability to get to work.

- Reducing and eliminating vehicle trips frees up roadway capacity for businesses to deliver goods and services.
- Investing in reducing inefficient drive-alone trips is a quick and inexpensive way to buy system capacity.
- Reducing highway demand can delay or eliminate costly road expansion and extend the life of a roadway.
- Reducing congestion delay saves time and money for the economy and citizens.
- Reducing transportation-related energy consumption increases our energy independence.

What will Community Trip Reduction do for our communities?

This proposal would authorize local jurisdictions to propose innovative plans that expand their markets for trip reduction and address the source of congestion. These local communities might broaden their demand management focus on corridors, residential areas, urban centers or other local, site-specific approaches. Supporting community-based customization will deliver greater performance than traditional major employer-focused CTR plans. It will also:

- Enhance and expand the CTR program's public-private partnerships and leveraged resources.
- Promote healthier active transportation choices.

How does Community Trip Reduction align with state goals and policy?

CTR's proposed expansion would significantly increase the program's contribution to several state priorities. The program:

- Reduces greenhouse gas emissions by reducing vehicle miles traveled.
- Reduces congestion by reducing or eliminating drive-alone trips from the transportation system.
- Increases energy independence by decreasing transportation-related energy consumption.
- Fosters healthy communities by assisting people to make healthier transportation choices and reducing emissions.
- Connects to the Governor's Results Washington goals:
  - Goal: Prosperous Economy – Sustainable Transportation
    - Increase Washingtonian's use of alternative transportation to commute to work 33% by 2015 (The 2011 use rate was 26.7%).
  - Goal: Sustainable Energy and a Clean Environment – Clean Transportation
    - Reduce transportation-related greenhouse gas emissions from 44.9 MMT to 37.5 MMT by 2020.
    - Decrease tons of transportation-related emissions of greenhouse gases per real dollar of gross state product.

Transportation demand management solutions support community, the environment and the economy. They also enhance the effectiveness of other transportation system investments.

Current budget: $6.2 million/biennium
Request: $20 million/biennium

These funds would support:

- A new competitive-grant program to invest in expanding travel reduction.
- A new statewide public outreach campaign on energy-efficient and active transportation choices.
- A new employer telework information and assistance system to encourage elimination of employee trips.
- The current basic CTR program.

Recommendation: Update the CTR Program

A. Update the program data methodology

Update methodology for determining which jurisdictions are affected by the CTR law and thus are required to have CTR plans and programs.

RCW 70.94.537(5) requires that the CTR Board evaluate and update its data methodology. After reviewing the current 100 person-hours-of-delay methodology for congestion (RCW 70.94.524(4)), the board has determined that using a broader set of criteria would better identify jurisdictions that can most positively affect our air quality and transportation system.

The board recommends using four criteria to determine which jurisdictions are affected: Air Quality, Congestion, Population Density and Employment Density.

Jurisdictions that meet state-determined thresholds for three of the four criteria would qualify as affected by the program.

B. Extend and amend the CTR tax credit

The current tax credit program will expire on June 30, 2014. The CTR Board proposes a four-year extension of the tax credit program (Chapter 82.70 RCW) and broadening availability of the credit to more employers by:

- Reducing the maximum credit amount available to a single employer from $200,000/year to $100,000/year.
- Eliminating deferrals of credit to future years.

The availability of the CTR tax credit also engages businesses which are not required by the CTR law to provide programs for their employees.

2011-2013 Budget: $5.5 million/biennium
Request: CTR Tax Credit, $7 million/biennium

Better fund this state contribution to a successful partnership with employers. The leveraging of investment through public-private partnerships is one of the program's successes. Based on survey information, for every $1 in public funds expended for CTR, employers spend $18.

CTR Program Performance

The CTR program benefits our state's transportation system and economy.

Between 2007-2012, employees at nearly 1,100 CTR affected worksites reduced their rate of driving alone to work by 3.8 percent. The program's participants leave about 16,000 cars at home every day as they commute to work by bus, train, vanpool, walking, biking or teleworking instead of driving alone to the office.

Average vehicle miles traveled (VMT) per employee at CTR affected worksites declined by 5.7 percent between 2007-2012, with total statewide VMT reduced by 161 million miles annually. This results in 7.9 million gallons of fuel saved annually, saving commuters over $30 million in fuel expenditures.

The CTR program also helps the state work toward meeting its greenhouse gas (GHG) emission reduction goals. Between 2007-2012, CTR affected employees reduced their annual GHG emissions by 72,000 metric tons, which is equivalent to the carbon found in 310 railcars' worth of coal or the carbon sequestered annually by 59,000 acres of forest.

Other Statewide CTR Programs

The State of Massachusetts' Rideshare Program is the only other statewide program focused on reducing work commutes in the country. Since their program design and performance data are sufficiently different from Washington's CTR implementation, program comparisons are not fruitful. The Massachusetts program is not required to submit a legislative performance report.

CTR Tax Credit Performance

The CTR tax credit is an important tool for promoting businesses' commute alternative programs for their employees, which support the state goals. Employers that provide financial incentives to their employees for ridesharing, using public transportation, car sharing or nonmotorized commute options may apply for CTR tax credits against business and occupation or public utility taxes.

Since 2008, the number of businesses applying for credits has more than doubled. In 2012, 754 employers applied for $6.42 million in credits. Only $2.75 million dollars in CTR credits are available each fiscal year. The Multimodal Account reimburses the General Fund for the full amount of credits. The CTR Board recommends an extension of the credit, modifications to the credit program and enhanced funding.

The Path:

Expand trip reduction, because all trips matter

Engage our communities to find more efficient ways to move people and to use the transportation system

Make a small investment that delivers substantial returns

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Washington State Department of Transportation

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