

Miami-Dade County

Transit Fare Corporate Discount Program Analysis

Introduction

This report is in response to a request from the Office of Chairman Jean Monestime. Its objective is to provide the relevant information needed to determine the necessity of reviewing the Miami-Dade Transit (MDT) Corporate Discount Program (CDP), in order to attract more business patrons. We reviewed the CDPs of three other major metropolitan areas (*San Diego Transit System, Dallas Rapid Transit, and Metropolitan Atlanta Transit Authority*) that are similar to MDT's CDP. We compared the four CDPs in categories of fare discount, revenue generated, level of ridership, number of participating businesses, and the number of employees participating through those businesses during a three year period (2012 - 2014).

Background

In 2010, MDT implemented the CDP to encourage employees to use public transportation for commuting to work. Since its inception, the CDP has been attracting employees. MDT offers a discount of ten percent to employers having between four and 99 participating employees, and 15 percent to employers having 100 or more participants. As of May 2015, about 200 employers in Miami-Dade County offer the CDP to their employees as part of their benefits package, including the University of Miami, Baptist Health Trust, Intercontinental Hotel, and Jackson Memorial Hospital. Over 12,000 employees are currently enrolled in the program through those employers. The program has generated an average of \$9 million for the past three years (2012-2014). Although the CDP has been fulfilling its intended purposes, improving the program to attract more businesses to participate will extend its benefits to more employees, and generate increased ridership and revenue for MDT.

Results

The results of our review is summarized in Attachment I and detailed below:

Miami-Dade Transit (MDT)

- Average revenue for three years, \$9,116,426.
- Average number of passes sold for three years, 11,478.
- Number of participating businesses, 200.
- Number of participating employees, 12,000.

San Diego Transit System (SDTS)

- Average revenue for three years of \$1,751,374 is lower by \$7,365,052.
- Average number of passes sold for three years of 24,333 is higher by 12,855.
- Number of participating businesses of 23. (*Please, see note 1*)¹
- Number of participating employees of 4,349 is lower by 7,651.

¹ We did not compare the number of participating businesses for SDTS with that of MDT because the number 23 includes a business association that purchases passes on behalf of an undisclosed number of member businesses.

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DALLAS Rapid Transit System (DRTS)

- Average revenue for three years of \$9,933,042 is higher by \$816,616.
- Average number of passes sold for three years of 17,175 is higher by 5,697.
- Number of participating businesses of 220 is higher by 20.
- Number of participating employees of 19,000 is higher by 7,000.

Metropolitan Atlanta Transit Authority (MATA)

- Average revenue for three years of \$15,500,000 is higher by \$6,383,574.
- Average number of passes sold for three years of 10,500 is lower by 978.
- Number of participating businesses of 257 is higher by 57.
- Number of participating employees of 10,000 is lower by 2,000.

Overall, MDT's CDP appears to be quite similar to most of the other programs in terms of the results produced. However, it appears to have underperformed in comparison to the other three peers in terms of the average passes sold expressed as a percentage of the total population served. MDT serves a population of 2.66 million and sold an average of 11,478 CDP passes (0.43%); SDTS serves a population of 3.26 million and sold an average of 24,333 passes (0.75%); DART serves a population of 2.52 million and sold an average of 17,175 passes (0.68%); MATA serves a population of approximately one million and sold an average of 10,500 CDP passes (1.05%). MDT's ability to encourage more employers to participate in its CDP will certainly enhance its performance comparatively.

Transit Fare Corporate Discount Program Analysis										
County	County Population	Number of Passes Required to Obtain Discount	Number of Employees Required	Discount Granted	Standard Fare (Per Month)	Discounted Fare	Average Fare Revenue for 3 Years (2011-2014)	Average Number of Passes Sold for the Last Three Years	Number of Participating Businesses	Number of Participating Employees as of May 2015
SANDIEGO TRANSIT SYSTEM	3,263,431	300 -1200	25 - 100	10%	\$72.00	\$64.80	\$1,751,374	24,333	*** 23	4,349
		1,212 - 4,800	101 - 400	20%	\$72.00	\$57.60				
		4,812 Plus	401 Plus	25%	\$72.00	\$54.00				
MIAMI DADE TRANSIT	2,662,874	No Minimum	4 - 99	10%	\$112.50	101.25	\$9,116,426	11,478	200	12,000
		No Minimum	100 Plus	15%	\$112.50	95.65				
DALLAS RAPID TRANSIT	2,518,638	* 11 Minimum	No Minimum	25%	\$80.00	\$60.00	\$9,933,042	17,175	220	19,000
		** 5 Minimum	No Minimum	25%	\$960.00	\$720.00				
METROPOLITAN ATLANTA TRANSIT AUTHORITY	996,319	0 - 49	No Minimum	0%	\$95.00	\$95.00	\$15,500,000	10,500	257	10,000
		50 - 149	No Minimum	3%	\$95.00	\$92.15				
		150 - 1,999	No Minimum	5%	\$95.00	\$90.25				
		2,000 - 2,999	No Minimum	7%	\$95.00	\$88.35				
		3,000 - 5,999	No Minimum	8%	\$95.00	\$87.40				
		6,000 - Plus	No Minimum	10%	\$95.00	\$85.50				
Notes:										
* The 11 Minimum is a requirement for monthly pass program.										
** The 5 minimum is required for the yearly pass. The 960 and the 720 respectively, are the yearly standard and discounted fares.										
*** The Downtown Business Center in San Diego (one of the 23 participating businesses shown on the table) purchases passes on behalf of member businesses. The number of those member businesses is undisclosed.										