HOUSE RESOLUTION

REQUESTING THE DIRECTOR OF HUMAN RESOURCES DEVELOPMENT TO EQUALIZE TRANSIT BENEFITS AND SUBSIDIES FOR ALL STATE EMPLOYEES REGARDLESS OF MODE OF TRANSPORTATION.

WHEREAS, section 132(f) of the Internal Revenue Code, known as the Transportation Equity Act for the 21st Century, allows employers to offer qualified transportation benefits for transit passes, parking, bicycle commuting, and van pool rides on a pretax basis, providing employees with an opportunity to save money on federal, state, and Federal Insurance Contributions Act (FICA) taxes and thereby increasing their take-home pay; and

WHEREAS, since 2007, the State, through the Department of Human Resources Development, has operated a public transportation benefit program, The Pre-Tax Transportation Benefit Pilot Program, that allows certain State executive branch employees who live and work on Oahu to purchase monthly bus passes, fare coupons for The Handi-Van, and vouchers for the cost of vRide vanpool rides through payroll deductions taken before taxes are calculated; and

WHEREAS, although Act 45, Session Laws of Hawaii 2012, sought to make benefits similar to the Pre-Tax Transportation Benefit Pilot Program available to more employees by authorizing the chief executives of all State Executive and Judicial Branch entities and the Mayors of the counties to establish transportation benefit programs, numerous state employees are still denied the opportunity to participate in such a program and realize the pre-tax savings; and

WHEREAS, for many years, the State has offered its employees the ability to pay for monthly parking privileges at a Department of Accounting and General Services controlled lot located at or near the employee's workplace through pre-tax payroll deductions; and

H.R. NO. 150

WHEREAS, in addition to the savings for purchasing the employee parking passes pre-tax, the parking privileges are offered at a rate of approximately one-third of the public rate for parking in the same State lots so that employee parking rates in the Honolulu downtown area, for example, are \$30 to \$60 per month prior to any pre-tax savings, which is a fraction of the cost to park in a nearby private lot; and

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WHEREAS, the cost of a monthly adult bus pass on Oahu is \$60 and the State does not reduce the cost through a subsidy for its employees; and

WHEREAS, State employees who travel to work by bicycle, foot, or private car-sharing do not receive any transportation subsidy or other fringe benefit even though their modes of transportation reduce the number of cars driving on the State's roads and parking in state lots; and

WHEREAS, a pre-tax payroll deduction, subsidy, or other comparable benefit for public transportation, walking, biking, and car-sharing for all state employees would further encourage greater use of alternative transportation means, in addition to making compensation for state employees more equitable; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-eighth Legislature of the State of Hawaii, Regular Session of 2015, that the Director of Human Resources Development, in consultation with the Department of Accounting and General Services as necessary, is requested to develop and implement a comprehensive pre-tax public transportation benefit program for various modes of transportation that equalizes the transportation benefits, including subsidies, available to all state employees, regardless of mode of transportation; and

BE IT FURTHER RESOLVED that the Director of Human Resources Development is requested to submit a report to the Legislature no later than 20 days before the convening of the Regular Session of 2016 on the progress made toward implementing the program; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Director of Human Resources Development and the Comptroller.

OFFERED BY:

Kolkhod

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