

JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON TRANSPORTATION
ON
SENATE BILL NO. 809, S.D. 2

March 16, 2023
10:00 a.m.
Room 312 and Videoconference

RELATING TO TRANSPORTATION

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 809, S.D. 2: 1) repeals the electric bicycle and electric moped rebate program and electric bicycle and electric moped subaccount of the Highway Development Special Fund; 2) establishes the Electric Mobility Rebate Program (EMRP) and Electric Mobility Special Fund (EMSF); 3) appropriates unspecified amounts of general funds for FY 23, FY 24 and FY 25 to be deposited into the EMSF; and 4) appropriates unspecified amounts out of the EMSF for FY 23, FY 24 and FY 25 for the operations of the EMRP.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and

the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 809, S.D. 2, it is difficult to determine whether the proposed EMSF will be self-sustaining.

B&F would also like to point out that S.B. No. 809, S.D. 2, as drafted, would adversely impact the State's efforts to meet federal Elementary and Secondary School Emergency Relief (ESSER) maintenance of effort (MOE) requirements in FY 23. State funds appropriated for EMSF in FY 23 would increase the denominator in the ESSER MOE formula, making it more difficult to meet the ESSER MOE requirement. Consequently, it is strongly recommended that any general funds appropriated in this measure be made only in FY 24 and FY 25 instead.

Thank you for your consideration of our comments.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

JOSH GREEN, M.D.
GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON TRANSPORTATION

March 16, 2023
10:00 AM
State Capitol, Conference Room 312 and Videoconference

In SUPPORT of
SB 809, SD2

RELATING TO TRANSPORTATION.

Chair Todd, Vice Chair Kila, and Members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 809, SD2, which appropriates funding for the electric mobility rebate program and expands eligibility of the program to micro-mobility options such as to electric powered standing scooters, skateboards and other similar devices.

For Hawai'i to meet its statutory target "to sequester more greenhouse gases than emitted as soon as practicable but no later than 2045", significant reductions in emissions from ground transportation will need to be made in the near to medium term. For significant reductions to be made all market segments in Hawai'i need to be addressed. SB 809, SD2, supports the proliferation of low-emission transportation options, including micro-mobility options which can reduce transportation emissions.

SB 809, SD2, may be particularly impactful in reducing fossil-fuel powered vehicle miles traveled and related transportation emissions because the majority of trips taken in Hawai'i are short trips, the ideal trip to be made via micro-mobility options. According to the Drivers of VMT and Priority Reduction Strategies Report for Hawaii, 30% of all trips made are under 1 mile, 60% of trips made are under 3 miles, and 70%

of trips made are under 5 miles.¹ This presents the State the tremendous opportunity to reduce fossil-fuel powered vehicle miles traveled and related transportation emissions by incentivizing the purchase of micro-mobility options that could serve residents' short trip needs.

SB 809, SD2, can reduce the cost of transportation for residents who need it the most. After housing, childcare, and food, the cost of transportation in Hawai'i represents the biggest monthly expense for many residents.² While the high costs affect everyone, they especially hit low-income people who are struggling to get by. The average cost of owning a vehicle in Hawai'i is \$8,100 annually, or \$675 per month, when factoring in the various costs, including gas, maintenance and insurance.³ With 80% of Hawai'i households owning two or more cars⁴, households who do own at least two cars face a \$16,200 annual expense, or about \$1,350 a month for transportation. Rebates for electric bicycles, scooters, and other micro-mobility devices will provide low-income residents with greater access to a diversity of affordable travel options while helping reduce Hawai'i's greenhouse gas emissions.

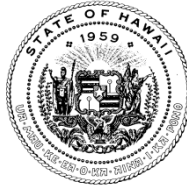
Thank you for the opportunity to testify.

¹ "Drivers of VMT and Priority Reduction Strategies for Hawaii." State Smart Transportation Initiative. 2022.

² <https://www.civilbeat.org/2022/03/why-it-costs-so-much-to-own-a-car-in-hawaii/#:~:text=According%20to%20a%202021%20study,includ%20gas%2C%20maintenance%20and%20insurance.>

³ <https://ulupono.com/news-listing/report-examines-hawaii-s-21-8-billion-vehicle-economy/>

⁴ <https://www.civilbeat.org/2022/03/why-it-costs-so-much-to-own-a-car-in-hawaii/#:~:text=According%20to%20a%202021%20study,includ%20gas%2C%20maintenance%20and%20insurance.>



LATE

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

March 16, 2023
10:00 A.M.
State Capitol
Via Videoconference
Conference Room 312

S.B.809 S.D.1 S.D.2
RELATING TO TRANSPORTATION

House Committee on Transportation

The Department of Transportation (DOT) **supports** this measure with recommendations.

S.B.809 S.D.1 S.D.2 does the following:

- Repealing, rather than amending, the existing electric bicycle and electric moped mobility rebate program and electric bicycle and electric moped subaccount of the highway development special fund.
- Establishing a new electric mobility rebate program that enlarges the scope of the electric bicycle and electric moped mobility rebate program to also include electric micro-mobility services.
- Inserting an appropriation for fiscal year 2022-2023.
- Inserting language to clarify that the appropriations made for fiscal years 2022-2023, 2023-2024, and 2024-2025 shall lapse on June 30, 2024; June 30, 2025; and June 30, 2026, respectively.
- Establishing an electric mobility special fund.
- Changing the effective date of the appropriations for fiscal years 2023-2024 and 2024-2025 to July 1, 2051, and the effective date of the remaining provisions of this measure to July 1, 2050, to facilitate further discussion on the measure.
- Making technical non-substantive changes for purposes of clarity, consistency, and style.

The DOT is committed to administering this rebate program as it aligns with the state's clean energy goals and supports the wide-spread adoption of small electric vehicles. This program will offer lower cost and zero-emission travel and commuting alternatives

to Hawai'i's residents. The current version of this measure provides flexibility for the department to effectively manage this program.

Implementation of the electric bicycle and electric moped rebate program created by Act 306, Session Laws of Hawaii 2022 was delayed as the Act did not provide for expenditure authority of the general funds appropriated.

More specifically, the measure does the following:

- Repeal of Act 306, Session Laws of Hawaii 2022.
 - Act 306 is no longer viable, and the DOT is in support of establishing the Electric Mobility Rebate Program.
 - Section 196-7.8, Hawaii Revised Statutes, Electric bicycle and electric moped rebate program; third-party; repeal of this subaccount special fund.
 - Section 264-122 (d), Hawaii Revised Statutes, Highway development special fund electric bicycle and electric moped repeal of this subaccount.

- Chapter 196, Hawaii Revised Statutes, is revised by adding a new section that establishes the Electric Mobility Rebate Program; third party administrator; special fund.
 - The new section will establish the Electric Mobility Rebate Program.
 - Expands the scope of the program to include the electric micro-mobility devices and an additional rebate type.
 - Will allow eligible individuals to own a motor vehicle with four or more wheels.
 - Allows the DOT to contract with a third-party administrator.
 - Subsection d (2)
 - To omit the requirement that at the time of sale, the signature of the buyer and individual responsible for the sale on behalf of a retail store. The signature is not necessary at this juncture. When applying for a rebate, a copy of the valid government issued photo identification of the buyer may be used as verification of eligibility to demonstrate the legitimate purchase of a new bicycle or new electric moped.
 - Revision to allow legitimate purchase to include an electric micro-mobility device.

- Appropriates general funds for fiscal years 2022-2023, 2023-2024, and 2024-2025 to be deposited into the electric mobility special fund. The amounts to be deposited into electric mobility special is to be determined.

- Appropriates electric mobility special funds for fiscal years 2022-2023, 2023-2024, and 2024-2025 for the purposes of the electric mobility rebate program. The amounts appropriated is to be determined. Funds appropriated shall not lapse at the end of the fiscal year for which it was appropriated, but any unencumbered funds remaining shall lapse at the end of the following fiscal year.
- Amends Chapter 264, Hawaii Revised Statutes by adding a new section that establishes the electric mobility special fund in the state treasury to be administered by the DOT for the purposes of the electric mobility rebate program.
 - Although the highway development special fund electric bicycle and electric moped subaccount was created in Section 264-122, HRS, with the intent to be used for the electric bicycle and electric moped rebate program, the highway development special fund was intended for deposits to and expenditures from support of the Highways Capital Improvement program. The rebate program is an operating function and does not implicate any CIP program. The DOT is in support of abolishing the highways development special fund bicycle and electric moped subaccount and establish a new special fund to address the before mentioned concerns.

The DOT recommends amending the bill by inserting the following language for the purpose of an emergency appropriation in fiscal year 2023: “Section 1. This Act is recommended by the governor for immediate passage in accordance with section 9 of article VII of the Constitution of the State of Hawaii.”

Thank you for the opportunity to provide testimony.

OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR

MATTHEW GONSER, AICP, CFM
EXECUTIVE DIRECTOR &
CHIEF RESILIENCE OFFICER

NICOLA HEDGE
DEPUTY DIRECTOR &
DEPUTY CHIEF RESILIENCE OFFICER

THURSDAY, MARCH 16, 2023, 10:00 A.M.

STATE OF HAWAII
HOUSE COMMITTEE ON TRANSPORTATION

**TESTIMONY ON SENATE BILL 809, SD2
RELATING TO TRANSPORTATION**

BY,

MATTHEW GONSER
EXECUTIVE DIRECTOR AND CHIEF RESILIENCE OFFICER
OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

Dear Chair Todd, Vice Chair Kila, and Members of the Committee:

The City and County of Honolulu (“City”) Office of Climate Change, Sustainability and Resiliency (CCSR) **supports** SB809 SD2, which repeals the existing Electric Bicycle and Electric Moped Rebate Program to establish the Electric Mobility Rebate Program that expands the scope of the existing program to include electric micro-mobility devices and additional rebate types.

Ground transportation alone is responsible for one fifth of O’ahu’s greenhouse gas emissions and is one of the highest expenses for O’ahu residents, who, on average, spend almost a fifth of their annual income on transportation, placing undue burden on low-income residents. SB809 SD2 aligns with the City’s transportation and affordability goals outlined in the O’ahu Bike Plan (2019), Climate Action Plan (2021), and O’ahu Pedestrian Plan (2022), which includes transforming ground transportation to 100 percent renewable-fueled sources by 2045.

Achieving carbon neutrality in the transportation sector cannot rely on electric vehicles alone. We additionally need improved access to alternative modes of clean transportation, such as electric mobility devices, that get residents out of single-occupancy vehicles. A rebate for the purchase of an e-mobility device is an incredible tool that we can use to save residents money and support affordable, clean, and healthy alternative transportation options. We greatly appreciate the state’s efforts to equitably improve access to clean transportation and lower transportation costs and

Chair Todd and Vice Chair Kila
SB809 SD2
March 16, 2023
Page 2

hope that electric mobility rebates can be easily accessed and available as close to point of sale as possible in order to achieve those outcomes.

Thank you for the opportunity to testify in support of SB809 SD2.



Email: communications@ulupono.com

HOUSE COMMITTEE ON TRANSPORTATION
Thursday, March 16, 2023 — 10:00 a.m.

Ulupono Initiative supports SB 809 SD2, Relating to Transportation.

Dear Chair Todd and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono supports SB 809 SD2, which repeals the Electric Bicycle and Electric Moped Rebate Program and Electric Bicycle and Electric Moped Subaccount of the Highway Development Special Fund and establishes the Electric Mobility Rebate Program and Electric Mobility Special Fund.

We would enthusiastically applaud the expansion of the program to more electric mobility devices, the addition of more funding for the program, and increased support available for those for whom access to affordable and reliable transportation can be life-changing. In 2022, the City of Denver's e-bike subsidy program touted the following outcomes¹:

- Delivering actual mode shift and reduced emissions
 - On average, e-bike users ride 26 miles a week with 22 of those miles replacing car travel
 - 71% of survey respondents said they are using gas-powered vehicles less often
 - E-bikes in the rebate program are replacing on average more than 100,000 vehicle miles weekly
- Improving access to opportunities and destinations for those who need it
 - On average, income-qualified residents ride their e-bikes more than standard rebate recipients—32 miles weekly vs. 22 miles weekly
- Illustrating how the subsidy made a difference in their consumer decisions

¹ <https://www.denverpost.com/2023/01/05/ebike-rebate-program-denver-2023/>

- 96% of respondents said the voucher made the difference when deciding to buy an e-bike

Ulupono Initiative welcomes these same types of benefits here in Hawai'i with the anticipated launch of Hawai'i's program in February 2023.

We offer a recommendation for consideration based on the Transportation Research and Education Center's 2022 white paper on "Using E-bike Purchase Incentive Programs to Expand the Market—North American Trends and Recommended Practices."²

- Evaluate the program annually to ensure it is meeting its stated outcomes. It would also be beneficial to assess other outcomes desired by other state goals such as vehicles miles traveled, mode shift, active living, etc.

Electric mobility devices can transform our community's transportation habits easily and help provide real transportation choices. We look forward to the success of the program.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

² https://ppms.trec.pdx.edu/media/project_files/E-bike_Incentive_White_Paper_5_6_2022.pdf



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HOUSE COMMITTEE ON TRANSPORTATION
Thursday, March 16, 2023 – 10:00am

Hawai'i Bicycling League Supports SB809 SD2, relating to Electric Bicycle Rebates

Aloha Chair Todd, Vice Chair Kila, and Committee Members,

My name is Travis Counsell, and I am the Executive Director of the Hawai'i Bicycling League (HBL). We are a non-profit organization founded in 1975 with the mission of enabling more people to ride bicycles for health, recreation, and transportation. We strive to create communities across our islands that have safe, accessible, and inclusive environments for people to bike, walk, and roll.

Hawai'i Bicycling League supports SB809 SD2, which establishes the electric mobility rebate program and electric mobility special fund. This bill repeals the existing Electric Bicycle and Electric Moped Rebate Program and replaces it with the Electric Mobility Rebate Program. It appropriates funds for the program and expands the scope of the existing program to include electric micro-mobility devices.

We applaud the expansion of this program to make affordable and reliable transportation options available for a broader audience. With the cost of living rising substantially in recent years and transportation being a significant portion of those cost, this program seeks to provide lower cost transportation alternatives. Electric bicycles, mopeds, and other micro-mobility devices are the future of personal transportation. These devices not only reduce the cost of living but are a critical tool for achieving the State's climate goals.

Mahalo for the opportunity to provide testimony. Please support **SB809 SD2** and help create more affordable transportation alternatives.

Ride Aloha,

Travis L. Counsell
Executive Director
Hawai'i Bicycling League



Maui Metropolitan
Planning Organization

200 South High Street
Wailuku, HI 96793
www.mauiimpo.org

March 16, 2023

Testimony of Pam Eaton
Maui MPO Executive Director
On behalf of Maui MPO Policy Board

Before the House Committee on Transportation

March 16, 2021 at 10:00 a.m.
Conference Room 312

SB 809 S.D. 2 RELATING TO TRANSPORTATION

Honorable Chris Todd, Chair
Honorable Darius K. Kila, Vice Chair
Honorable Members of the House Committee on Transportation

The Maui Metropolitan Planning Organization **supports** SB 809 SD2. This measure will expand the scope of the program to include electric micro-mobility devices and an additional rebate type. The purpose of this bill aligns with Maui MPO's efforts to improve mobility choices to reduce traffic congestion and to reduce transportation-related emissions, as outlined under the goals of the *Hele Mai Maui 2040 Transportation Plan*. This program will offer lower cost and zero-emission travel and more affordable commuting alternatives to Hawai'i residents. This bill can reduce the cost of transportation for residents who need it the most. The costliest expenses in Hawai'i are housing, childcare, food and the cost of transportation. While these costs affect everyone, the low-income community struggling to get by, are hit especially hard. With the expansion of this program to provide more affordable and reliable transportation options, it will reach a much broader audience.

Additionally, we support the suggested amendments and revisions offered by the Hawai'i Department of Transportation that will provide flexibility and efficiency to successfully implement and manage this important program.

Thank you for the opportunity to testify in **support** of SB 809 S.D. 2.

Sincerely,

Pam Eaton

Pam Eaton
Executive Director, Maui MPO

SB-809-SD-2

Submitted on: 3/13/2023 7:04:23 PM

Testimony for TRN on 3/16/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Anthony Chang	Individual	Support	Written Testimony Only

Comments:

Aloha

As a proud owner of an electric bicycle since May, I wanted to share my experiences and analysis.

It is a relatively clean and healthy form of transportation. While e-bikes have a higher emission rate than bicycles, they still overall have [a lower emission rate](#) compared to gas-powered, electric or hybrid vehicles.

Electric bicycles are gaining in popularity all around the world, including in Hawaii, despite very little support from the federal government — unlike electric cars which get plenty of subsidies and infrastructure support. This is even as electric bicycles [have outsold electric cars](#) for years in the United States.

Studies have shown that people on average [get more exercise](#) on e-bikes than on regular bikes. They are on them more on average because they are having so much fun.

This is true for me. I plateaued on weight loss on a normal bike but started losing weight again when I bought my e-bike in May. I've probably ridden my electric bike at least twice as much as I would a normal bicycle.

No, It's Not Cheating

It is a common argument that e-bike riders are “cheating.” But most e-cyclists say they get more exercise than on regular bikes. And [there is no evidence](#) electric cyclists use their bikes in nonelectric bike competitions. It is not a competition to do errands, commute or run a small business. This argument also falls apart if people choose to use electric bicycles over cars.

Electric bikes [make hills a lot easier](#), especially those that have motors designed for hills. You'll also be able to see more in a shorter amount of time, as even the slowest e-bike moves at 20 mph on pedal assist, meaning you have to pedal to get the power. Some e-bikes have a top speed of 28 mph on pedal assist while still being able to go on paths cars cannot.

Some bikes have throttles, meaning you just turn a knob and it carries you on their own. They are paired with pedal assist modes to not make them a moped. Being able to choose the level of assistance is great, as you can choose how much exercise or how hard you want to work out.

There are some disadvantages to using and owning an electric bicycle. They are expensive, costing around \$1,000 for reputable brands. The bike is also single speed, gearing-wise, though you have choices when it comes to motorized assist levels.

You can save money by buying cheaper bikes with traditional chains and derailleurs. Though they are cheaper, they require more maintenance, more frequently. And you may end up spending more money in the long run because of maintenance and replacement costs.

Because they're so expensive, e-bikes can make tempting targets for thieves. You'll want to lock them up for peace of mind. I use a cafe lock only during deliveries along with a brake lock that has an alarm feature. For longer errands and commutes I use 2 D locks — a cafe lock that acts like a boot for the back tire and a chain that attaches to the D lock. E-bikes also weigh more than conventional bikes so they're harder to steal if locked up properly.

As there are fewer e-bikes than conventional bikes, most drivers aren't expecting you to move at 20 mph and instead expect you to move slower. Even if they're supposed to yield, if they see you coming, they may turn into your lane because they think you're moving slower than you actually are moving.

But this will change over time, as e-bikes are growing in popularity. And collisions [that result in death](#) are rare, according to the Hawaii Department of Transportation.

In fact, you are far more likely to get a head injury [crossing the street](#) than riding a bicycle, electric or not electric.

There is debate on whether to wear helmets with e-bikes. I personally do not wear a helmet during my one-mile work commute, as it's on shared-use paths with pedestrians, where buses never try to pass me and the speed limit is 15 mph (the odds of death and injury are incredibly low at that speed).

However, during deliveries I do wear a helmet all the time, as I am in heavier traffic and go into areas where I'm less familiar with traffic patterns. A helmet also helps restaurant staff identify me as a delivery person.

You can earn income a lot easier on an electric bicycle than a bicycle. For me personally the income I've gotten has more than paid for my electric bike. As a bicycle delivery person, I make anywhere from \$18 to \$50 an hour depending on the time of day, the day of the week and the weather. I have a full-time office job now but still do deliveries on weekends and some evenings.

I have had a lot of fun on my electric bicycle. It's the first vehicle I ever bought — my previous bicycle, non-electric, was a gift from a friend. I don't own a car and never plan to.

Growing up here on Oahu, my single mom raised me and my sister without ever driving. We walked everywhere and rode the bus for longer distances. I will be able to give her rides on [my next electric bicycle](#).

Mahalo

SB-809-SD-2

Submitted on: 3/14/2023 8:10:13 AM

Testimony for TRN on 3/16/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Christopher Tipton	Individual	Support	Written Testimony Only

Comments:

I urge the passage of SB809. Electric bikes provide those who may want to replace some of their driving with biking but lack the confidence to do so on a regular bike. They are also good for those with a hilly commute or of a long distance. We should financially support this new market with this bill.

LATE

SB-809-SD-2

Submitted on: 3/16/2023 9:48:29 AM

Testimony for TRN on 3/16/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
james pirtle	Individual	Oppose	Written Testimony Only

Comments:

I opose this bill. The legislature is not lawfully elected thus does not have the authority to enact laws and bills. All actions are treason against the United States of America.