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# A BILL FOR AN ACT

RELATING TO TRANSPORTATION DEMAND MANAGEMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that ground  
2 transportation makes up thirty-eight per cent of transportation  
3 emissions in the State, and light-duty vehicles make up  
4 eighty-five per cent of those emissions. The legislature  
5 recognizes that reducing vehicle miles traveled by commuters  
6 will be a key component to meeting the State's decarbonization  
7 goals, achieved by promoting alternative modes of  
8 transportation, including walking, rolling, skating, biking, or  
9 using public transit, carpool, vanpool, and ridesharing.

10           The legislature further finds that Hawaii state government  
11 employees have limited commuter benefits. In 2024, the house of  
12 representatives passed House Resolution No. 191, urging the  
13 department of accounting and general services and department of  
14 human resources development to evaluate subsidizing public  
15 transit for public employees. Currently, the only  
16 transportation benefit the State offers is authorization for  
17 government employees to use pre-tax paycheck dollars to purchase



1 transit passes and parking pursuant to Internal Revenue Service  
2 regulations. The State indirectly subsidizes employee parking  
3 stalls in downtown Honolulu as workplace parking in state  
4 facilities at far below market rates for dedicated parking,  
5 valued between \$130-\$238 per month. However, the State provides  
6 no subsidy to employees who use public transit, carpooling,  
7 vanpooling, or walking, rolling, and biking.

8 The legislature also finds that opting for public transit  
9 and active modes of transportation over private vehicles for  
10 commutes helps employees save money on energy and fuel,  
11 insurance, parking, and vehicle maintenance costs, which can  
12 reduce the cost of living. In addition, active modes of  
13 transportation can enhance quality of life, health, and well-  
14 being through physical activity.

15 The legislature notes that state employee focus groups  
16 conducted in July and August 2024 by the Oahu metropolitan  
17 planning organization revealed that fifty-four per cent of focus  
18 group participants would ride public transit to work if transit  
19 passes were fully subsidized or discounted and forty-eight per  
20 cent stated they would walk, bike, or ride a scooter to work  
21 with a financial incentive. The focus groups also revealed that



1 almost thirty per cent of participants were unaware that they  
2 could pay for a public transit pass using pre-tax deductions  
3 from their paycheck. Education, outreach, and promotion are  
4 integral to effectively promoting active and shared modes of  
5 transportation, which can encourage mode shift and lead to cost  
6 savings for state employees.

7 The legislature also notes that other jurisdictions,  
8 including Redmond, Washington, have implemented transportation  
9 demand management programs to reduce vehicle miles traveled and  
10 improve employee transportation benefits. As a result, these  
11 jurisdictions have reported increased employee retention and  
12 decreased tardiness or absences upon participation in the  
13 commuter benefits program. These parking opt-out programs  
14 enable and encourage employees to use active and shared modes of  
15 transportation to get to work by offering a financial incentive.  
16 Parking opt-out programs have been shown to decrease employee  
17 vehicle miles traveled by as much as twelve per cent.

18 Accordingly, the purpose of this Act is to require the  
19 department of accounting and general services, in collaboration  
20 with the department of human resources development, and in  
21 coordination with the Oahu metropolitan planning organization,



1 to establish and implement a comprehensive transportation demand  
2 management program for all state government employees to reduce  
3 vehicle emissions and miles traveled by single-occupancy  
4 vehicles.

5 SECTION 2. (a) The departments of accounting and general  
6 services and human resources development shall collaboratively  
7 establish, develop, and implement a comprehensive transportation  
8 demand management program for all state government employees  
9 within the department of accounting and general services for  
10 administrative purposes. The program shall encourage the use of  
11 healthy, economical, and environmentally sustainable modes of  
12 transportation and discourage the use of single-occupancy  
13 commuting.

14 (b) One permanent full-time equivalent (1.0 FTE)  
15 transportation demand management program co-administrator  
16 position shall be established in the:

- 17 (1) Department of accounting and general services; and  
18 (2) Department of human resources development;  
19 to oversee the development and implementation of the  
20 comprehensive transportation demand management program pursuant  
21 to this Act.



1 (c) The comprehensive transportation demand management  
2 program shall work collaboratively and in coordination with the  
3 Oahu metropolitan planning organization to administer and  
4 promote the program. The program shall also distribute  
5 education and outreach materials to state and private sector  
6 employees, promoting the benefits of transportation demand  
7 management.

8 (d) All state workplaces shall appoint a volunteer  
9 employee transportation coordinator. The transportation demand  
10 management program's co-administrators, pursuant to subsection  
11 (b), shall host a meeting with the volunteer transportation  
12 coordinators not less than once per month to assist with the  
13 distribution of educational and marketing materials and provide  
14 guidance on encouraging employees to shift modes of commuting.

15 (e) Pursuant to the requirements in this Act, the  
16 department of accounting and general services shall:

17 (1) In coordination with county transit agencies, offer  
18 fully subsidized public transit and bikeshare passes  
19 as a benefit option to all state government employees.  
20 The department shall integrate the public transit and



1 bikeshare passes with employee badges in accordance  
2 with existing transit pass badging programs; and  
3 (2) Authorize and develop a parking opt-out program,  
4 providing a financial incentive, as determined by the  
5 department, to employees who opt out of offered  
6 parking at state parking facilities.

7 SECTION 3. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$ or so  
9 much thereof as may be necessary for fiscal year 2025-2026 and  
10 the same sum or so much thereof as may be necessary for fiscal  
11 year 2026-2027 for the transportation demand management program,  
12 including:

- 13 (1) Two permanent full-time (2.0 FTE) co-administrator  
14 positions, pursuant to this Act;
- 15 (2) Full subsidization of public transit and bikeshare  
16 passes for all state employees; and
- 17 (3) A financial incentive for employees who opt out of  
18 parking, as determined by the department of accounting  
19 and general services.

20 The sums appropriated shall be expended, respectively, by  
21 the:



- 1 (1) Department of accounting and general services; and  
2 (2) Department of human resources development;  
3 for the purposes of this Act.

4 SECTION 4. This Act shall take effect on July 1, 2025.  
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INTRODUCED BY: \_\_\_\_\_

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# S.B. NO. 1092

**Report Title:**

DAGS; DHRD; Oahu Metropolitan Planning Organization; State Employees; Commuting; Transportation Demand Management Program; Benefits; Parking Opt-Out; Bikeshare; Appropriation

**Description:**

Establishes a transportation demand management program to reduce vehicle emissions and miles traveled by single-occupancy vehicles. Establishes 2 permanent full-time equivalent (2.0 FTE) co-administrator positions, 1 in the department accounting and general services and 1 in the Department of Human Resources Development. Subsidizes public transit and bikeshare passes for state employees. Authorizes incentives for parking opt-out. Appropriates moneys.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

