
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 H.R. No. 191, urging the department of
13 accounting and general services and department of human
14 resources development to evaluate subsidizing public transit for
15 public employees. Currently, the only transportation benefit
16 the State offers is authorization for government employees to
17 use pre-tax paycheck dollars to purchase transit passes and



1 parking pursuant to Internal Revenue Service regulations. The
2 State indirectly subsidizes employee parking stalls in downtown
3 Honolulu as workplace parking in state facilities at far below
4 market rates for dedicated parking, valued between \$130 and \$238
5 per month. However, the State provides no subsidy to employees
6 who use public transit, carpooling, vanpooling, or walking,
7 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 over fifty-three
20 per cent stated they would walk, bike, or ride a scooter to work
21 with a financial incentive. The focus groups also revealed that



1 over twenty-two 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 transportation, to develop a plan for a
21 comprehensive transportation demand management program for all



1 state government employees to reduce vehicle emissions and miles
2 traveled by single-occupancy vehicles.

3 SECTION 2. (a) The department of accounting and general
4 services and department of transportation shall collaboratively
5 develop a plan for a comprehensive transportation demand
6 management program for all state government employees. The plan
7 shall be for a comprehensive transportation demand management
8 program that:

- 9 (1) Encourages the use of healthy, economical, and
10 environmentally sustainable modes of transportation
11 and discourages the use of single-occupancy commuting;
- 12 (2) Works collaboratively and in coordination with the
13 Oahu metropolitan planning organization to administer
14 and promote the program;
- 15 (3) Distributes education and outreach materials to state
16 and private sector employees, promoting the benefits
17 of transportation demand management;
- 18 (4) Requires all state workplaces to appoint a volunteer
19 employee transportation coordinator to assist with the
20 distribution of educational and marketing materials



1 and provide guidance on encouraging employees to shift
2 modes of commuting; and

3 (5) Requires the department of accounting and general
4 services to:

5 (A) In coordination with county transit agencies,
6 offer fully subsidized public transit and
7 bikeshare passes as a benefit option to all state
8 government employees. The department shall
9 integrate the public transit and bikeshare passes
10 with employee badges in accordance with existing
11 transit pass badging programs; and

12 (B) Authorize and develop a parking opt-out program,
13 providing a financial incentive, as determined by
14 the department, to employees who opt out of
15 offered parking at state parking facilities.

16 (b) One permanent full-time equivalent (1.0 FTE)
17 transportation demand management program co-administrator
18 position shall be established in each of the following:

- 19 (1) Department of accounting and general services; and
- 20 (2) Department of transportation;



1 to oversee the development of the plan for a comprehensive
2 transportation demand management program pursuant to this Act.

3 SECTION 3. The department of accounting and general
4 services, in coordination with the department of transportation,
5 shall submit a report of its findings and recommendations on the
6 plan for a comprehensive transportation demand management
7 program, including any proposed legislation, to the legislature
8 no later than twenty days prior to the convening of the regular
9 session of 2026.

10 SECTION 4. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$ or so
12 much thereof as may be necessary for fiscal year 2025-2026 and
13 the same sum or so much thereof as may be necessary for fiscal
14 year 2026-2027 for the development of a plan for a comprehensive
15 transportation demand management program, including two
16 permanent full-time (2.0 FTE) co-administrator positions,
17 pursuant to this Act.

18 The sums appropriated shall be expended, respectively, by
19 the:

- 20 (1) Department of accounting and general services; and
- 21 (2) Department of transportation;



1 for the purposes of this Act.

2 SECTION 5. This Act shall take effect on January 1, 2491.

3



Report Title:

DAGS; DOT; Oahu Metropolitan Planning Organization; State Employees; Commuting; Transportation Demand Management Program; Planning; Positions; Report; Appropriations

Description:

Requires the Department of Accounting and General Services and Department of Transportation to develop a plan for a Comprehensive Transportation Demand Management Program to reduce vehicle emissions and miles traveled by single-occupancy vehicles. Establishes two permanent full-time equivalent (2.0 FTE) co-administrator positions, one in the Department of Accounting and General Services and one in the Department of Transportation. Requires a report to the Legislature. Appropriates funds. Effective 1/1/2491. (SD1)

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