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TESTIMONY TO THE
SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND
INTERGOVERNMENTAL AFFAIRS
For Hearing on Monday, February 9, 2009
1:35 p.m., Conference Room 224

BY

BY MARIE C. LADERTA, DIRECTOR

**Senate Bill No. 1087
Relating to Pretax Transportation Benefit**

TO CHAIRPERSON KALANI ENGLISH AND MEMBERS OF THE COMMITTEE:

The purpose of S.B. No. 1087 is to require the Director of the Department of Human Resources Development to expand the Pre-Tax Transportation Benefit Pilot Program statewide and to make the Program permanent.

The Department of Human Resources Development (DHRD) appreciates the intent of this measure; however, given the current fiscal difficulties, it would not be prudent to pursue enactment at this time.

DHRD originally implemented the pre-tax benefit in May 2007. At that time, we undertook implementation with no additional staff or budget resources; therefore, we needed to launch the program on a pilot basis in manageable phases, beginning with the pre-tax Bus Pass option for State employees on Oahu. In June 2008, the pilot was expanded to include Senior and Disability Annual Bus Passes. Then, in October 2008,

the pilot was further expanded to include: (1) TheHandi-Van, which is the paratransit service for those who are disabled, and (2) Vanpool Hawaii, which is the State Department of Transportation-sponsored rideshare program administered by VPSI, Inc.

We then planned to expand the pilot to the Neighbor Islands, one-by-one, which would have required that we implement different operating procedures for each island since each has their own separate bus system, as well as modify the current computer system for processing enrollments and cancellations. However, when the State's fiscal situation unexpectedly worsened, resulting in the hiring freeze and budget reductions, it was necessary for us to suspend further action so as not to jeopardize our other core functions. At such time that the fiscal situation improves, we hope to resume our plan to expand the pilot to the Neighbor Islands.

If this bill is enacted, the pilot is made permanent, and we are required to expand it to the Neighbor Islands immediately, we will need additional staff and operating monies at a time when the State is already having difficulty in addressing the tight fiscal situation. In addition, if we are required to go through rulemaking, that time-consuming process alone could delay future expansion efforts by up to 1 year.

As such, we ask that the legislature hold this bill and allow DHRD to expand the pilot in the future, at a more opportune time.

Thank you for the opportunity to testify on this measure.

Respectfully submitted,



MARIE C. LADERTA
Director