

DEPARTMENT OF TRANSPORTATION SERVICES
CITY AND COUNTY OF HONOLULU

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June 5, 2017

The Honorable Ron Menor
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

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Dear Chair Menor and Councilmembers:

SUBJECT: Testimony in Opposition to Bill 28 CD1 and Offering Proposed Amendments

The Department of Transportation (DTS) is in opposition to Bill 28 CD1. We would like to offer amendments responding to the intent of Bill 28 CD1 making the overall public transportation fare structure equitable for all users including those with low incomes. The amendment would add the following to Bill 28 CD1:

Section 3. Section 13-4.5 of the Revised Ordinances of Honolulu 1990, as amended, is amended by amending subsection (a) to read as follows:

“(a) Single Fare.

- (1) Any person issued a paratransit eligibility identification card under Section 13-4.3 and any person accompanying the ADA paratransit eligible individual utilizing the special transit service shall pay a fare of \$2.00 through December 31, 2017, \$2.50 effective January 1, 2018, \$3.00 effective July 1, 2018, \$3.50 effective July 1, 2019 and \$4.00 effective July 1, 2020 per person per one-way passenger trip or a fare allowed by the ADA, whichever is less, except as provided in Section 13-2.6. Revenues from the fare shall be deposited into the bus transportation fund.
- (2) Any person to whom a current paratransit eligibility identification card has been issued under Section 13-4.3 shall pay a single cash fare in accordance with Section 13-2.1 to ride a city transit bus or the city ferry service upon display to the bus operator of the card; except when a fare for special services is charged under Section 13-2.1.”

Section 4. Section 13 of the Revised Ordinances of Honolulu 1990, as amended, is hereby amended by adding a new section. Section 13-2.11 is added to read as follows:

“Sec. 13-2.11 Paratransit fares for those with extremely low incomes.

- (a) The department of transportation services shall offer a program for paratransit eligible individuals whose household incomes meet the federal department of housing and urban development guidelines for households with “extremely low income” within the City and County of Honolulu for the applicable household size. The cost of a single ride paratransit fare under this program shall be \$2.00.
- (b) The director of community services shall determine the eligibility of the individual for the paratransit fares for those with extremely low incomes established under this section upon review and verification of an application to participate in the program. The application form shall be prescribed by the director of community services. To verify the information on the application, the director of community services shall require proof of age and total household income, which may include, but not be limited to, true copies of personal income tax returns, bank statements, or other financial records. The director of community services may require proof of nonreceipt of income from relief programs such as supplemental security income, welfare, and unemployment compensation, and may require such authorization from the household to enable the director to fully verify household income. The period for which a determination shall remain in effect shall be determined by the director of community services.

The applicant may refuse to provide such records, information or authorization. However, upon such refusal, the director of community services may deny the application to participate in the paratransit fares for those with extremely low incomes established under this section. The director of community services shall determine whether an applicant qualifies for the paratransit fares for those with extremely low incomes within 30 days of receipt of the application, and the director’s decision shall be final.

- (c) The department of transportation services may adopt rules in accordance with HRS Chapter 91 and having the force and effect of law to implement the provisions of this section.”

The amendment offers the same type of fare program now offered for fixed route riders with extremely low incomes provided for in the Revised Ordinances of Honolulu (ROH) Section 13-2.10. The proposed new ROH, Section 13-2.11 would follow the same eligibility requirements, verification procedures, application form information requests as the current program. Eligible riders for a reduced fare would pay the same fare currently paid while those who are more able to afford the service would be doing so at a level more comparable to those using the fixed route system. The Handi-Van single fare increase is essential to managing paratransit demand based upon the results of the Paratransit Growth Management Study (PGMS).

Without a fare increase, TheHandi-Van’s performance will decline. TheHandi-Van is at or near capacity and cannot add resources quickly enough to meet the projected increase in demand. Supplemental transportation service providers are also at or near capacity. Adding service through supplemental providers would require a rate increase to allow these companies to add vehicles to their fleet and to make trips by TheHandi-Van riders more attractive to their drivers.

Analysis

Without a fare increase, TheHandi-Van would be following the “Improved On-Time Performance” scenario described in the PGMS. The demand projection in the PGMS and DTS extrapolation of Fiscal Year 2017 (FY17) trip demand were used to project the budget and fleet size impact Bill 28 CD1 on Fiscal Year 2018 (FY18). Bill 28 CD1 does not include TheHandi-Van fare increases proposed in Bill 28:

Projected Impact to FY18 Handi-Van Budget and Fleet Size						
Scenario	Operating (x\$1,000)	Δ	Capital (x\$1,000)	Δ	Fleet	Δ
Current FY18 Budget Request†	\$51.3	\$0.0	\$21.7	\$0.0	191	0
PGMC “Improved On-Time Performance”**	\$60.0	\$8.7	\$26.4	\$4.7	232	41
Based on FY17 Actual Demand**	\$52.0	\$0.7	\$24.4	\$2.7	197	6

†Assumes demand management through proposed fare increase.
 *Assumes additional resources to improve the effective pickup window from 45 minutes to 35 minutes.
 **Annualized 7/1/16 – 3/31/17 data. Assumes no improvements in on-time performance from FY17.

Refinements to the Analysis

In view of facility and other resource limitations, staff consulted with the Oahu Transit Services (OTS) Paratransit Vice President to determine a realistic estimate of additional TheHandi-Van service capacity available in FY18 if funding were increased. It was determined that no substantive service capacity increases in FY18 are estimated even if additional funding is made available for the following reasons:

- Fleet. Vehicle procurement normally requires two years. Even an expedited process would not be able to deliver additional vans in the near term. Also, OTS estimates that vehicle parking space and maintenance capability are near capacity. DTS would need to locate, design, and construct a third facility to accommodate any significant fleet increase. If OTS increases services using its existing fleet, these vehicles will require more frequent and expensive maintenance and replacement. Mechanical failures and service delays will also become more frequent and degrade the system's reliability.
- Drivers. OTS Paratransit has traditionally struggled to maintain its operator pool. Despite regular and ongoing recruitment and training, TheHandi-Van operator pool is projected to decrease from 311 at the start of FY17 to 302 by June 30, 2017.
- Supplemental Service Providers. The majority of taxi drivers on Oahu are independent contractors who pay a company for dispatching service. These operators often agree to transport a TheHandi-Van rider only one way, then give the "return" trip to TheHandi-Van at the last minute in favor of more lucrative fares. The problem is especially prevalent during peak hours when TheHandi-Van's need for overflow capacity is at its highest. To remain competitive, OTS has raised the rate it pays to supplemental taxi contractors several times. An increase in trips from TheHandi-Van would likely require an additional rate increase. Also, the majority of taxi vehicles are only accessible to ambulatory riders which restricts the population of TheHandi-Van users that have the option to use this service.

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Conclusion

TheHandi-Van lacks the means to increase trip capacity regardless of any additional funding in the near-term. Any increase will require the development of a third maintenance facility, additional vehicles, drivers, and support staff. As a result, on-time performance is expected to decline, reversing several years of slow but positive improvements demonstrated both statistically and through rider feedback.

The decline in on-time performance will place this vulnerable population at risk. As Americans with Disability Act (ADA) paratransit service is considered a civil right, it will also place the City in jeopardy of lawsuits, consent decrees, and the potential loss of Federal funding.


Thank you for your consideration of our proposed amendment.

Very truly yours,


Wes Frysztacki
Director

Attachments

APPROVED:


Roy K. Amemiya, Jr.
Managing Director