# HONOLULU CITY COUNCIL

*KE KANIHELA O KE KALANA O HONOLULU*

CITY AND COUNTY OF HONOLULU

No. 25-262

## RESOLUTION

REPEALING THE POLICY ON THE FAREBOX RECOVERY RATIO FOR THE CITY BUS SYSTEM.

WHEREAS, the public transit system of the City and County of Honolulu ("City") is comprised of a bus and rail system that provides regularly scheduled, fixed route service and a special transit service that provides paratransit services for persons with disabilities; and

WHEREAS, the City's bus system benefits the general welfare by increasing public mobility, lessening traffic congestion by diverting people from cars, reducing emissions and pollutants associated with vehicular travel, and decreasing the demand for limited on- and off-street parking; and

WHEREAS, an essential public service, the City's bus system is heavily used by visitors and residents alike; and

WHEREAS, through Resolution 00-29, CD1, the City Council ("Council") established a policy regarding the farebox recovery ratio, which is the ratio of bus fare revenues to operating cost; and

WHEREAS, Resolution 00-29, CD1, established a farebox recovery ratio of not less than 27 percent and not more than 33 percent; and

WHEREAS, Resolution 19-10 superseded Resolution 00-29, CD1, and established that the farebox recovery ratio not fall below 25 percent nor exceed 30 percent; and

WHEREAS, according to the City Administration's annual reports required by Resolution 00-29, CD1, and Resolution 19-10, the City has complied with its farebox recovery ratio policy during the following fiscal years: 2002, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, and 2016; and

WHEREAS, the City has not complied with its farebox recovery ratio policy in the following fiscal years: 2001, 2003, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, and

WHEREAS, it is anticipated that the City will not comply with the farebox recovery ratio policy for fiscal years 2025 and 2026; and

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WHEREAS, the Council finds that adherence to a predetermined farebox recovery ratio hinders efforts to expand and improve public transportation services, particularly in times of unforeseen circumstances or economic downturns; and

WHEREAS, jurisdictions in the United States that have recently repealed their public transit farebox recovery ratio policies include Maryland (Maryland Transit Administration) and Colorado (Denver Regional Transportation District), and jurisdictions in the United States that are considering repeal of their policies include Illinois and California; and

WHEREAS, the Council acknowledges that relying on farebox recovery as a primary metric for transit system performance does not fully account for the social, economic, and environmental benefits of accessible and affordable public transit; and

WHEREAS, the Council further acknowledges that the farebox recovery policy centered on usage of the bus system does not account for the availability and cost of rail transit, which will only continue to grow in its importance within the transit system; and

WHEREAS, the Council believes that a flexible approach to transit funding and operations, prioritizing ridership growth and service quality, will better serve the evolving transportation needs of residents and visitors alike; and

WHEREAS, the Council believes that subsidizing the transit system is a worthwhile use of City funds and would like to repeal the policy on funding the operating cost of the city bus system with specific farebox recovery ratios; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that Resolution 19-10, establishing the farebox recovery ratio for the bus system, is hereby repealed; and

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BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Mayor, the Director of Budget and Fiscal Services, the Director of Transportation Services, and the Rate Commission.

INTRODUCED BY:

DATE OF INTRODUCTION:

SEP 15 2025
Honolulu, Hawai'i

Councilmembers

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

# CERTIFICATE

**RESOLUTION 25-262**

Introduced: 09/15/25 By: TYLER DOS SANTOS-TAM Committee: CONSECUTIVE INFRASTRUCTURE, TRANSPORTATION & TECHNOLOGY (ITT) BUDGET (BUD)

Title: REPEALING THE POLICY ON THE FAREBOX RECOVERY RATIO FOR THE CITY BUS SYSTEM.

Voting Legend: * = Aye w/Reservations

| | | |
|---|---|---|
| 09/15/25 | INTRO | Introduced. |
| 09/24/25 | ITT | Committee Report reported out for adoption.<br><br>CR-320<br><br>(Note: Referred to the Committee on Budget due to its Consecutive Referral)<br><br>5 AYES: CORDERO, DOS SANTOS-TAM, OKIMOTO, TUPOLA, WEYER |
| 10/01/25 | CCL | Committee report adopted.<br><br>8 AYES: CORDERO, DOS SANTOS-TAM, KIA'ĀINA, NISHIMOTO, OKIMOTO, TULBA, WATERS, WEYER<br><br>1 ABSENT: TUPOLA |
| 10/14/25 | BUD | Reported out for adoption.<br><br>CR-340<br><br>5 AYES: KIA'ĀINA, NISHIMOTO, OKIMOTO, TULBA, WATERS |
| 11/05/25 | CCL | Committee report and Resolution were adopted.<br><br>8 AYES: CORDERO, DOS SANTOS-TAM, KIA'ĀINA, OKIMOTO, TULBA, TUPOLA, WATERS, WEYER<br><br>1 ABSENT: NISHIMOTO |

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.

GLEN I. TAKAHASHI, CITY CLERK

TOMMY WATERS, CHAIR AND PRESIDING OFFICER