

Bill 89 (2020), FD1
Testimony

MISC. COM. 119

BUD

To: Works Office Re: Bill 8902
Date Feb 3, 2021 4D
From: Barbara Jumentrout - Commission
on Rate Commission Ph 808

To: Budget Committee
Calvin K. Y. Say, Chair
Radiant Cordero, Vice Chair
Brendon Elefante
Esther Kia'aina
Heidi Tsuneyoshi
Andria Tupola

Aloha Committee,

I do not have a computer
had difficulty calling in /
testimony.

The rate commission spent
hours & meetings listening
Paratrust testimony
many months.

The index all expenses.

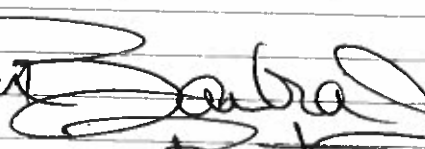
and made it known BEFORE
Covid-19 that being on limited
income they needed help with
a reduced fare for ParaTransit
for Extreme Low Income if ³
when the fares for ParaTransit
were raised.

The Rate Commission agreed
(see attached Dec 8, 2020)

Meeting Minutes.

I only see that ELI ap-
plies to Bus Transit fares
So where is the HandyVan
(ParaTransit) ELI? ○

Thank you! I will be
glad to meet with any
Council member about this.

missioner  Sabra Armentrout
Rate Commission

Attached to Testimony
Feb 3, 2021
Budget
Barbra Armentrout

Rate Commission
City and County of Honolulu

Meeting Minutes
Tuesday, December 8, 2020

Commission members present:
Cheryl Soon, Chair
Barbra Armentrout
Ann Bouslog - Remote
James Burke
Gary Gill
Maeda Timson

City Staff present:
Jon Nouchi (DTS) - Remote
Erica Osterkamp (COR)
Eileen Mark (DTS) - Remote
Eric Stoetzer (DTS)
Denise Liu (DTS)

Howard "Puni" Chee (DTS)
Elena Tadena (DTS)
Loling Ursulum (DTS)
Jeanie Hioki (DIT)

Guests present:
Rose Pou
Donald Sakamoto (CFADAR/CAT) - Remote
Bryan Mick (DCAB)

21 FEB 3 AM 8:51 CITY CLERK

1. Call to order

Chair Soon called the meeting to order.

2. Roll call

Commissioners Gill, Armentrout, Timson, Burke, Bouslog (remote) and Chair Soon present. Vice Chair Hui absent.

Chair provided general guidelines for participating in the commission meeting for those in attendance and for those participating remotely.

3. Approval of Minutes of October 13, 2020

Chair entertained a motion to approve the minutes of the October 13, 2020 meeting. Commissioner Gill moved to approve the minutes. Commissioner Timson provided a second. Commissioner Armentrout said that she had not received the minutes prior to the meeting and had not read them. Chair asked that a hard copy of communications emailed to Rate Commission members be mailed to Commissioner Armentrout in the future. Chair asked if members were in favor of approval and conducted a roll call vote: Burke, Timson, Gill, Chair Soon. [4] AYES; [0] NOS.

4. Bills 87, 89, and 91

Chair provided an update on the bills introduced by the city administration. The bills passed first reading in the City Council in November. The Budget Committee held a hearing on Bills 87 and 89. Bill 91 is the extremely low income (ELI) category fare advocated by the Rate Commission. The City Council has the bills on their agenda tomorrow for second reading. Bill 89 has absorbed most of the content of Bill 91 with additional features that need to be part of the Rate Commission discussion, including:

- ELI category was not included in the fare rate structure table and being treated as a program rather than as a fare category.
- Cap placed on ELI eligibility participation at 2,000 persons.
- Sunset provision ending program on June 30, 2022 – effective for one-year.
- Implementation date for paratransit/ELI of July 1, 2021 with other fare increases and HOLO card implementation of March 2021. Suggested implementation July 1, 2021 to eliminate confusion of two implementation dates and allow adequate time to educate the public about the changes.

Commissioner Gill thanked the Chair for her report on the bills' status and commented on the issue of the implementation date. He reminded his colleagues that when the commission made their recommendations to the City Council that they left the implementation dates open ended due to the complexities of ridership, response to the COVID epidemic and the overall policy concerns that the fare increase would have on the budget. Commissioner Gill said that although he agreed with the Chair's concern about the effective date, in principle, he clarified that to stipulate a time implementation now would be contrary to the commission's previous recommendation. He felt that the City Council could figure out the best time to implement any fare increases and that any date on the bill currently was likely to change.

Commissioner Timson commented that a March implementation date would be too short of a period for everyone to get information about the rate changes. Commissioner Burke commented that an implementation date of March 1, 2021 is rather quick and that he had two concerns:

- Not sure HOLO card will be ready by the March 1, 2021 implementation date – it probably will.
- Will be hard pressed to have a decision made and the ordinance take effect in 2021.

Commissioner Burke said that he was taking a position similar to Commissioner Gill and believed that the City Council will be able to make an appropriate decision regarding implementation timing.

Commissioner Timson asked if the Chair would be testifying before the City Council the following day and if she could raise the commission's concerns about the implementation date. Chair responded that she would be providing testimony and asked if that would be acceptable to the commission.

Commissioner Gill said that he would articulate a policy motion to guide the Commission's testimony before the council. Motion: *The recommendation of the Rate Commission would be:*

- *The Council assure that there is enough time to educate the public about the new fares before they are implemented.*
- *That the HOLO card is technically ready for roll out.*
- *To reduce confusion, that the implementation date of all the matters the Rate Commission has recommended to Council be on the same date.*

Commissioner Burke provided a second.

Chair restated the motion and conducted a roll call vote: Burke, Timson, Armentrout, Gill, Bouslog, Chair Soon. [6] AYES; [0] NOS.

Chair asked commissioners for any discussion regarding the extremely low income (ELI) provisions. Commissioner Bouslog said that she had a number of concerns with Bill 91 (which was absorbed into Bills 87 and 89) because it might hamper participation in the program. Her concerns include:

- DCS to be responsible for intake and processing. It was the Commission's intent to allow DCS to engage community partners (as is done in Oregon) to lessen the burden on DCS and to make the program more accessible to more people. That was not provided for in this bill.
- Called for an annual recertification which places a tremendous burden on DCS and anyone else

- doing the certification. She would rather make it more accessible to more people that need it.
- Suggested that the program would be implemented by providing a City rate card (HOLO). It was the intent of the Rate Commission, at least in the interim, to use cash in the short term. Don't understand why they would burden the ELI group with that restriction.

Commissioner Bouslog summarized that all of those concerns seem to discourage participation in the program, which was not the Commission's intent.

Chair informed Commissioners that there was a Floor Draft (FD1) that was attached to the agenda.

Commissioner Gill sought to clarify the concerns of Commissioner Bouslog. He continued that the bill states that DCS shall support DTS and that the Commission expected DCS to do the screening on behalf of DTS. If that was the concern, he didn't understand the point. Commissioner Bouslog clarified that it was too much of a burden for DCS to take on alone. When the issue was discussed, the Commission talked about the Oregon Community Partners Program that enlisted community partners to allow intake at multiple places throughout the city, through participating agencies, to tremendously reduce the burden on DCS. This bill does not seem to allow for that, which she thought placed a burden on DCS and likely a discouragement to participation in the program and making it less accessible to the people that needed it. Chair suggested that it didn't prohibit it. Commissioner Bouslog responded that it made it less accessible.

Commissioner Gill said he understood the concern but that DCS would have the authority to certify applications based on any number of factors, such as eligibility in other programs; they would just have to state what those are. DCS has a wide range of possibilities in how this could be accomplished. He thought it was worthy in making that note in the Commission's testimony and encouraging the City to allow a simplified process in certifying applicants by using a wide range of measures that are implemented by other government agencies. Chair thanked Commissioner Gill for his comments.

Commissioner Gill said that he wanted to clarify Commissioner Bouslog's concern about the HOLO card so that the Commission could address the issue. Commissioner Bouslog said that in Bill 91, eligible individuals shall receive a City payment card programmed with a single ride fare of \$1.20, daily ride capped at \$3.00 and so on so that discounted ELI fares would be provided on HOLO cards. There is no mention of the ELI fare being available through any other payment means. The Commission proposed fare structure recognized that in order to realize the daily or monthly caps, the rider would have to have a HOLO card. It was still the Commission's intent, at least in the short term, to allow ELI travelers, like anybody else, pay cash for a single ride.

Commissioner Gill said he would not object to the recommending of those points. Chair said that her reading of the new bill does allow for cash payments and that no change will be given if riders don't have the exact fare. Commissioner Bouslog thanked the Chair as the issue seemed to have been addressed.

Commissioner Gill said that in terms of recommendations to Commissioner Bouslog's point, he moved:
The Rate Commission articulate to the City Council its support of:

- *Allowing DCS to use a wide range of indicators to streamline the certification process for ELI eligible individuals.*
- *To consider (rather than eligibility on an annual basis) a longer eligibility period to reduce the administrative burden.*
- *Cash fares allowed by ELI eligible riders.*

Commissioner Armentrout commented that DCS handles Section 8 and they know how to obtain all of the information needed to determine an individual's eligibility. Based on the testimony received over the

past couple of years and the people that have testified, they are very upset that nothing has been done to help anyone, low income, riding the Handi-Van. There are people on the Handi-Van that barely have enough money as it is. Bill 91 does not address anything to help ELI for specialized transit. They are the people that are disabled. They cannot ride the bus. Without taxi vouchers, which would help, there's nothing there to help them. They came out to testify during the three meetings we had around the island. Unfortunately, the Commission did not address this.

Chair clarified that the Commission did address the issue by applying the ELI category to both bus and Handi-Van. Commissioner Armentrout said that Bill 91 did not apply to Handi-Van. Chair explained that Bill 91 had been merged with Bill 89 (FD1).

Commissioner Gill asked to add to his prior motion Commissioner Armentrout's point that the Commission's ELI recommendation for Handi-Van be incorporated into the bill.

Chair restated the elements of Commissioner Gill's four-part motion:

- *Encouraging DCS to work with community partners.*
- *Encouraging use of a wide range of people to support the qualifications.*
- *Eligibility period be longer than one year.*
- *Supporting the use of cash fares and the ELI category applying to Handi-Van riders.*

Commissioner Gill moved. Commissioner Bouslog provided a second. Chair asked for continued discussion. Commissioner Bouslog asked how the Council's ELI proposal got to \$1.20 per ride rather than \$1.25 which the Commission recommended to be in line with the senior fare.

Commissioner Burke commented that the ELI category was not reflected on the fare structure table and some of the questions which are being asked could be clarified if it had been included in the fare table.

Commissioner Gill commended Commissioner Bouslog for "catching" what was thought to be a typo as the Commission's recommendation was \$1.25 (Bill 91) for an eligible ELI rider and that it was not consistent with the fare table. Commissioner Bouslog added that the Commission wanted to discourage those applying for ELI who already qualified for the senior category by keeping the rates the same.

Commissioner Gill asked the Chair, if appropriate, to add that as point five to the Council testimony recommendation. Chair asked if there was any additional discussion. As there was no additional discussion, Chair conducted a roll call vote: Burke, Timson, Gill, Armentrout (requested a recap of the motion).

Chair restated the proposed recommendations for the testimony to the City Council:

- *DCS is encouraged to use community partners to simplify the process of qualifying people.*
- *Eligibility period be longer than the one year currently stated.*
- *Support the continued use of cash fare in addition to the HOLO card.*
- *ELI category is meant to apply to Handi-Van riders and that should be reflected in the fare rate structure.*
- *Correct (what the Commission believes to be) a typo of \$1.20 for the Handi-Van fare to \$1.25.*

Chair continued the roll call vote: Armentrout, Bouslog, Chair Soon. [6] AYES; [0] NOS.

Chair said that the set of approved recommendations would be forwarded to the City Council for the following day's Council meeting.

Commissioner Gill offered a motion to address the three issues identified in the Chair's report.

- ELI category is not listed as a fare in the chart and is listed as a program (FD).
- Limits the number of ELI riders to 2,000.
- Program would sunset after one year.

Commissioner Gill moved: *That the Rate Commission advise the City Council of the Commission's original recommendations and ask that the floor draft incorporate the original recommendations:*

- *ELI is a rate category and should be represented in the chart.*
- *Not place a limit on the number of people who can be deemed eligible.*
- *That the recommendations be incorporated without at sunset timeline.*

Commissioner Burke provided a second. Chair asked for further discussion. With no discussion, Chair conducted a roll call vote: Burke, Timson, Armentrout, Gill, Bouslog, Chair Soon. [6] AYES; [0] NOS.

Chair asked if there was any further discussion on Bills 87, 89 and 91 which have now become Bill 89, HD1.

Commissioner Bouslog pointed out that in Bill 89 there was a provision that permitted the transfer of cards among people in the adult passenger category. She felt that allowing transfers could subvert the intention of the caps. Chair said that she thought it would be a provision that DTS wouldn't want.

Commissioner Gill said that in a prior discussion with DTS, the question of whether a parent could loan a HOLO card to a child to pay for a ride was allowable and the answer was "yes". He thought it was reflective of that policy although he did not know why it was written that way. Chair clarified that if she purchased a card as an adult and a child used it, the child would be charged an adult rate. Commissioner Gill said he could also pass it to his spouse; it's just the regular rate. It's not a discounted rate. Commissioner Bouslog said the problem arises when we hit the issue of capping fares. In theory, one family could share a single card if they travel at different times and she doesn't know that that was the Commission's intent.

Howard Chee added that senior and youth issued HOLO cards (as with other specialized categories) were provided when special conditions (e.g. income, age, etc.) are met. Adult cards do not require any special conditions to be met. Chair asked if it was DTS' intent for adult cards to be transferrable to a lower paid category but not the reverse. Chee said that he could not speak to that but because discounted cards were issued to individuals (in specific categories) based on special conditions, they were not transferrable.

Commissioner Gill said that Commissioner Bouslog raises an interesting point but that he wasn't willing at this point to opine on the subject as the Commission has not had an opportunity to dissect what the policy would be. If it were adopted as written, adult passenger categories are transferrable. There could be additional rules or conditions placed on that transfer as the City works out how the HOLO card works. He could see how people could share cards and not pay the fare that they should. It seems that it is a pretty small and obscure possibility and maybe the Commission should go with this, see how it works and fix it later if it needs fixing.

Commissioner Burke said that when you buy a regular bus pass it says it is not transferrable. With the HOLO card you can register the card if you want but you don't have to. And, because of the cap system, if someone tries to game the system by letting people use their HOLO cards, DTS will fix it. He added that the Commission had not seen DTS' testimony. Chair said that DTS provided oral testimony at the Budget Committee hearing.

Chair Soon had a comment on the legislative schedule as the bills are scheduled for second reading and public hearing tomorrow. It is the last scheduled Council meeting of the year. Chair had discussed the timing with current Council Chair Kobayashi who said that it was technically possible to have the Budget Committee hold a special meeting and for the Council to hold a special meeting if there were agreement but there are a lot of positions that still need to be ironed out. Rate Commission may find that by the time the next committee meeting is scheduled there could be a new City Council.

Commissioner Gill added that third reading will definitely be before the new council. If the bills are going to second reading-public hearing tomorrow then it will have to cross back to the subject matter committee before being reported out for adoption at the next full Council meeting. There is no full Council meeting scheduled before the new Council comes in. Regardless of how it is amended at second reading there are two more chances to fix it. Chair added that there will be a new subject matter committee chair.

Chair asked if there was any final discussion on the bills.

5. Draft Rate Commission Report for Year 2020

Chair asked for discussion on the draft report. Commissioner Gill said that he was ready to recommend adoption, submit the report and finish the Commission's business for the year. He moved: *To adopt the 2020 Annual Report of the Honolulu Rate Commission.* Commissioner Burke provided a second.

Commissioner Bouslog thanked the Chair for a great recap of the year and asked if the Commission needed to include the day's discussion as it is the 2020 report? Chair said that she would do that. Commissioner Gill said that for the record, he would take that request as a friendly amendment and adopt the annual report as submitted and amended to reflect the day's discussion. Chair said that she would update the current status to reflect the current discussion and FD1. Chair conducted a roll call vote: Burke, Timson, Armentrout, Gill, Bouslog, Chair Soon. [6] AYES; [0] NOS.

6. Public Input

Bryan Mick (DCAB) raised the issue of transfers between paratransit and rail. He said the Commission may need to give some thought to the issue of transfer window and caps moving forward.

Chair asked if there was anyone else that wanted to testify. Denise Liu checked with remote access participants for any comments or testimony. No additional testimony was offered.

7. Adjournment

Chair thanked the DTS staff and Corporation Counsel for their support of the Rate Commission and wished everyone a Happy Holiday Season. Chair entertained a motion for adjournment. Commissioner Gill moved to adjourn. Commissioner Armentrout provided a second. All in favor.

Chair said she will monitor the bills and keep the Commissioners apprised. She would like to invite the new HOLO card vendor to the next meeting to provide status on the program.

APPROVED:

Cheryl D. Soon, Chair

Date