

JAN 27 2010

S.B. NO. 2944

A BILL FOR AN ACT

RELATING TO THE STATE OFFICE OF CAPITAL IMPROVEMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that in order to build
2 and maintain a strong economic foundation and thriving business
3 conditions, the State must build and maintain a strong
4 infrastructure and state facilities. Adequate investment in
5 infrastructure and facilities is crucial to combat the effects
6 of a recession and to realize positive growth in the future.
7 The State, in concert with the federal government, has supported
8 efforts to maintain and even increase dedicated funding for
9 capital improvement program projects throughout the State, in
10 order to stimulate the economy and provide for the creation of
11 jobs, especially in a down economy.

12 As part of the State's capital improvement program, each
13 department identifies the need for new facilities, major
14 renovations, major permanent repairs, and other improvements
15 that are necessary to reduce or eliminate safety hazards or
16 respond to emergencies. Currently, the need for capital
17 improvements throughout the departments is unbalanced, with many
18 departments having little or no capital improvement needs.



1 Therefore, some departments have larger staffs dedicated to work
2 on the department's capital improvement program, while others
3 may have few or no positions for such purpose. Furthermore, on
4 a state level, there is no specialized office to oversee all
5 capital improvement program projects.

6 The legislature finds that the increased focus and
7 importance of investing in necessary infrastructure and
8 facilities in the State has spurred the need to appropriately
9 track and maintain comprehensive and detailed information on the
10 State's capital improvement program. This need has been
11 highlighted through the administration's recent CIP strikeforce
12 initiative to expedite \$1.8 billion of projects. A component of
13 the initiative includes a provision for transparency regarding
14 the projects. However, the lack of dedicated staff for the sole
15 purpose of tracking and overseeing the initiative's projects has
16 resulted in a lack of meaningful transparency and instead
17 produced information that is difficult to comprehend and
18 utilize.

19 The purpose of this Act is to establish the state office of
20 capital improvements to improve the way projects are delivered
21 and completed in the State, as well as provide oversight,
22 monitoring, evaluation, and reporting on the progress of the



1 capital improvement program of the State. This Act also
2 establishes the state capital improvements special fund to
3 provide for operating and other expenses of the state office of
4 capital improvements.

5 SECTION 2. The Hawaii Revised Statutes is amended by
6 adding a new chapter to be appropriately designated and to read
7 as follows:

8 "CHAPTER

9 STATE OFFICE OF CAPITAL IMPROVEMENTS

10 § -1 State office of capital improvements; established.

11 There is established within the department of budget and
12 finance, the state office of capital improvements to serve as a
13 centralized project delivery office and to provide oversight,
14 monitoring, evaluation, and reporting on the progress of the
15 capital improvement program of the State.

16 § -2 Executive director and staff. (a) The head of the
17 state office of capital improvements shall be known as the
18 executive director of capital improvements. The executive
19 director shall have experience in finance, business, law, or
20 other related fields. The executive director shall be appointed
21 by the governor without regard to chapters 76 and 89, and shall
22 be compensated at a salary level set by the governor.



1 (b) The executive director, without regard to chapters 76
2 and 89, may retain staff necessary for the purpose of this
3 chapter and may set their salary levels. The executive director
4 and staff shall be included in any benefit program generally
5 applicable to the officers and employees of the State.

6 § -3 General functions, duties, and powers of the state
7 office of capital improvements. (a) The state office of
8 capital improvements shall:

- 9 (1) Oversee the administration, coordination, and
10 development of state capital improvement projects;
- 11 (2) Formulate policies and administrative procedures for
12 the implementation of capital improvement programming,
13 budgeting, and monitoring;
- 14 (3) Provide technical assistance and coordination to the
15 departments and programs;
- 16 (4) Maintain budget and project information for all state
17 departments; and
- 18 (5) Provide information to the legislature and the public
19 on the progress of capital improvement projects for
20 the bond program and funds remaining from previous
21 projects.

22



1 (b) Notwithstanding any other law to the contrary, if any
2 of the responsibilities or duties of the state office of capital
3 improvements under subsection (a) overlap with the
4 responsibilities or duties of another agency or authority, the
5 state office of capital improvements shall have exclusive
6 jurisdiction and authority over those responsibilities and
7 duties.

8 § -4 State capital improvements special fund. (a)
9 There is created a state capital improvements special fund, into
10 which shall be transferred per cent of all state fund
11 appropriations for capital improvements designated for the
12 construction cost element; provided that this transfer shall
13 apply only to capital improvement appropriations that are
14 designated for the construction or renovation of state
15 buildings. The transfer requirement under this subsection shall
16 not apply to appropriations from the passenger facility charge
17 special fund established by section 261-5.5 and the rental motor
18 vehicle customer facility charge special fund established under
19 section 261-5.6.

20 (b) The state capital improvements special fund shall be
21 used solely for all costs related to the operating and program
22 expenses of the state office of capital improvements, including



1 any consultant or staff services required to carry out duties of
2 the office.

3 (c) The amount to be transferred to the state capital
4 improvements special fund under subsection (a) shall be included
5 in all capital improvement appropriations and shall be
6 calculated at the time the appropriation bills are signed into
7 law. The moneys shall be transferred into the state capital
8 improvements special fund upon availability of moneys from the
9 appropriations. Each agency receiving capital improvement
10 appropriations shall calculate the amount to be transferred
11 under subsection (a) and transfer the moneys into the state
12 capital improvements special fund."

13 SECTION 3. There is appropriated out of the state capital
14 improvements special fund of the State of Hawaii the sum of
15 \$ or so much thereof as may be necessary for fiscal
16 year 2010-2011 for the operating and program expenses of the
17 state office of capital improvements.

18 The sum appropriated shall be expended by the department of
19 budget and finance for the purposes of this Act.

20



1 SECTION 4. This Act shall take effect on July 1, 2010.

2 INTRODUCED BY: James Mercedo K.



Report Title:

State Office of Capital Improvements; Appropriation

Description:

Establishes a state office of capital improvements to oversee, monitor, evaluate, and report on the progress of state capital improvements. Makes appropriation for office.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

