

HB 1252, hd1

Measure Title:

RELATING TO GOVERNMENT FACILITIES

Report Title:

Changes the formula for assessments on construction projects managed by the department of accounting and general services to carry out the program of centralized engineering services. Effective on July 1, 2030. (HB1252 HD1)

NEIL ABERCROMBIE
GOVERNOR



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TESTIMONY
OF
BRUCE A. COPPA, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
PUBLIC SAFETY, GOVERNMENT OPERATIONS, AND MILITARY AFFAIRS
ON

March 17, 2011

H.B. 1252, H.D. 1

RELATING TO GOVERNMENT FACILITIES

Chair Espero and members of the Committee, thank you for the opportunity to testify on H.B. 1252, H.D. 1.

The Department of Accounting and General Services (DAGS) opposes H.B.1252, H.D. 1, for the following reasons:

This proposed bill needs to clarify:

- A. How the purposes of the DAGS program of centralized engineering services and the DAGS program of repair and maintenance for State Office Buildings are to be separately funded under Section 107-1.5, Hawaii Revised Statutes.
- B. If a "public works repair and maintenance assessment fund" needs to be created for this purpose, how can DAGS ensure the assessments are collected,

deposited, and expended in a timely manner? [NOTE: In accordance with Section 107-1.5, Hawaii Revised Statutes (as currently written), the DAGS-Public Works Division manages the funds collected and deposited into the “public works project assessment fund” (based on a logarithmic curve developed by DAGS) for carrying out only the DAGS program of centralized engineering services.]

- C. How (if it is the intent of this proposed bill) can DAGS assessments for this purpose be applied to all construction CIP appropriations but used only for the repair and maintenance of DAGS managed and controlled State Office Buildings? Also, what happens if other State agencies want DAGS to use the assessments collected for this purpose to do repair and maintenance work on their buildings or facilities?
- D. That DAGS will continue to get CIP appropriations for repair and maintenance or repair and alteration of State Office Buildings that will supplement the funds collected and deposited into a DAGS account set up for this purpose.

2. It is recommended this proposed bill indicate:

- A. The DAGS assessment on applicable construction CIP appropriations should be at least five percent (5%).
- B. The Department of Budget and Finance (B&F) should assist DAGS in setting aside funds for this purpose during the CIP allotment process.

3. DAGS will defer to B&F on any financial considerations or concerns on this matter.

Thank you for the opportunity to testify on this matter.