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**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**

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WRITTEN TESTIMONY  
OF  
DOUGLAS MURDOCK, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
HOUSE COMMITTEE  
ON  
FINANCE  
ON  
FEBRUARY 23, 2016

H.B. 2527

RELATING TO STATE CONSTRUCTION PROJECTS

Chair Luke and members of the Committee, thank you for the opportunity to submit written testimony on H.B. 2527.

The Department of Accounting and General Services (DAGS) supports this measure.

DAGS recommends several changes to the measure which are included at the end of our testimony as underlined text. The changes:

- Authorize the governor to include special interest projects below \$25,000,000,
- allow the committee to establish standardized reports to be prepared by the expending agencies,
- allow the committee to elect one or more vice chairpersons,
- provide for appropriation of funds to allow DAGS to support the committee, and
- clarify that expending agencies will bear their own costs in reporting to the committee.

The committee on progress of construction projects may need a budget to cover expenses. DAGS is concerned that these expenses may extend beyond provision of project documentation and meeting facilities to include specialized support, including, but not limited to travel to meetings, training, specialty consultants, etc. DAGS currently does not have any funds available for this purpose and therefore requests consideration to appropriate funds to assist DAGS with bearing the expenses of the committee on progress of construction projects. If the committee is established without an appropriation, DAGS will be extremely limited in the administrative support it can provide.

Thank you for the opportunity to submit written testimony on this matter.

**"§27- Committee on progress of construction projects; established; powers and duties.** (a) The governor shall convene a committee on progress of construction projects to:

- (1) Monitor all construction projects of the State for which at least \$25,000,000 has been appropriated or which are designated as special interest projects by the governor; and
- (2) Identify impediments to the progress of those projects so that those impediments may be reduced or eliminated.

(b) The committee on progress of construction projects shall monitor each project that qualifies under subsection (a)(1) and the performance of the expending agencies and shall bring any significant project impediments to the attention of relevant decision-makers so that necessary decisions and other action may be facilitated and expedited as needed.

(c) The committee on progress of construction projects shall consist of no more than nine members, who shall be appointed by the governor without regard to section 26-34. The committee shall elect a chairperson and one or more vice chairpersons from among its members. The committee shall be attached to the department of accounting and general services for administrative purposes.

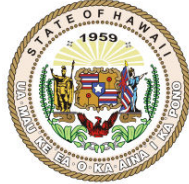
(d) The governor shall convene a meeting of the committee on progress of construction projects at least once during each quarter of each fiscal year.

(e) The committee on progress of construction projects shall be authorized to require that reports be prepared by the expending agency in a standardized format and to review all documents related to construction projects that qualify under subsection (a)(1) other than documents that are confidential pursuant to chapter 92F or as otherwise provided by law.

(f) Each agency of the State shall notify the committee on progress of construction projects of any construction project that is subject to subsection (a)(1) and shall cooperate fully in any review of a project by the committee.

(g) The department of accounting and general services shall bear all expenses of the committee on progress of construction projects utilizing funds appropriated for that purpose."

(h) Each expending agency shall bear its own costs in complying with reporting requirements and requests of the committee.



**LATE**

**EXECUTIVE CHAMBERS**

HONOLULU, HAWAII

David Y. Ige  
Governor

**WRITTEN TESTIMONY  
H.B. No. 2527  
RELATING TO STATE CONSTRUCTION PROJECTS  
Committee on Finance  
February 23, 2016**

The Office of the Governor submits the following comments for the Committee's consideration on this measure:

The process of managing state construction projects involves a multitude of executive agencies, including the Department of the Attorney General, the Department of Budget and Finance, the Department of Accounting and General Services, and the state agency or entity to which the appropriation is made for such project. For some projects, the Department of Health, Office of Environmental Quality Control, may be required to conduct environmental assessments. For other projects, the Board of Land and Natural Resources might be involved in considering applications for land use and water permits.

We respectfully request that the legislature consider passing a session law or concurrent resolution requesting the Legislative Reference Bureau (LRB) conduct a study to identify the respective federal and state laws and regulations that impact state construction projects. We believe that such a study will identify which state entities are responsible for implementing the various stages of state construction projects.

If the legislature requests such a study, the Office of the Governor will assist the LRB, as appropriate, in gathering information from the various executive agencies.