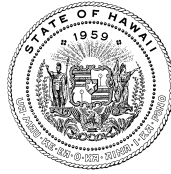


SB2542

Measure Title:	RELATING TO REPAIR AND MAINTENANCE.
Report Title:	State Facilities; Routine Repair and Maintenance; Funding Policy
Description:	Establishes a full funding policy and budgetary procedures for routine repair and maintenance of state facilities.
Companion:	
Package:	None
Current Referral:	GVO/JDL, WAM
Introducer(s):	TOKUDA, DELA CRUZ, ENGLISH, GALUTERIA, HARIMOTO, INOUE, KEITH-AGARAN, KIDANI, NISHIHARA, SHIMABUKURO, Baker

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

RODERICK K. BECKER
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON GOVERNMENT OPERATIONS AND
JUDICIARY AND LABOR
ON
SENATE BILL NO. 2542

February 16, 2016
1:15 p.m.

RELATING TO REPAIR AND MAINTENANCE

Senate Bill No. 2542 addresses the routine repair and maintenance of State-owned buildings, facilities, and other improvements by: 1) requiring a report on routine repair and maintenance funding needs be submitted to the Legislature; 2) providing for an extended lapse date for appropriation for routine repair and maintenance; and 3) requiring a routine repair and maintenance plan be submitted as part of capital improvement project requests.

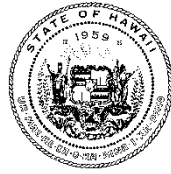
Although we support the general intent of this measure, the Department of Budget and Finance has several concerns.

First, regarding submittal of a report of routine repair and maintenance funding needs to the Legislature, departments currently provide information on routine repair and maintenance needs as part of their budget request. This information is based on the best information and resources available at the time of the request. In order to meet the additional reporting requirements and track actual appropriations and positions authorized, and actual expenditures and positions filled for routine repair and maintenance, departments may need additional resources.

Second, providing for an extended lapse date for appropriation for routine repair and maintenance, would require provisos specifying appropriations for those uses by department, program, and organizational code, by means of funding, to be able to track which specific funds would have an extended lapse date. It would also be necessary to create specific accounting system accounts to capture data necessary for the routine repair and maintenance funding needs for submittal to the Legislature. It should also be noted that this measure defines "Routine repair and maintenance" as repair and maintenance performed on a scheduled repair and maintenance cycle. This type of repair and maintenance should not normally require more than a fiscal year to expend or encumber.

Lastly, the requirement to include a routine repair and maintenance plan, as part of capital improvement projects, could increase the cost of projects as a plan would have to be developed during the design phase.

DAVID Y. IGE
GOVERNOR



DOUGLAS MURDOCK
Comptroller

AUDREY HIDANO
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
DOUGLAS MURDOCK, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEES
ON
GOVERNMENT OPERATIONS
JUDICIARY AND LABOR
ON
FEBRUARY 16, 2016

S.B. 2542

RELATING TO REPAIR AND MAINTENANCE

Chair Kim, Chair Keith-Agaran, and members of the Committees, thank you for the opportunity to submit written testimony on S.B. 2542.

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

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

DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
DIRECTOR

CINDY S. INOUE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

February 12, 2016

TESTIMONY TO THE
SENATE COMMITTEE ON GOVERNMENT OPERATIONS and
SENATE COMMITTEE ON JUDICIARY AND LABOR

For Hearing on Tuesday, February 16, 2016
1:15 p.m., Conference Room 414

BY

JAMES K. NISHIMOTO
DIRECTOR

Senate Bill No. 2542
Relating to Repair and Maintenance

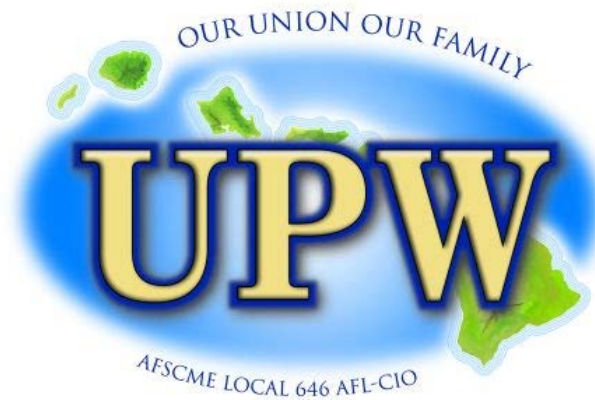
TO CHAIRPERSONS KIM AND KEITH-AGARAN, VICE-CHAIRPERSONS IHARA AND SHIMABUKURO AND MEMBERS OF THE COMMITTEES:

The Department of Human Resources Development (“DHRD”) **appreciates the intent** of S.B. 2542, whose purpose is to address the routine repair and maintenance of state-owned buildings, facilities, and other improvements in order to preserve public moneys, prevent additions to the State’s deferred maintenance backlog, and preserve the condition of state-owned buildings for public use or benefit. The bill proposes to establish a full funding policy and budgetary procedures for routine repair and maintenance of state facilities.

The requirement in S.B. 2542 that agencies that manage a state-owned building, facility, or other improvement shall submit an annual report on the funds and positions

deemed necessary to perform routine repair and maintenance is consistent with the State's efforts to address privatization issues.

Thank you for the opportunity to testify.



THE HAWAII STATE SENATE
The Twenty-Eighth Legislature
Regular Session of 2016

COMMITTEE ON GOVERNMENT OPERATIONS

The Honorable Donna Mercado Kim, Chair
The Honorable Les Ihara, Jr., Vice Chair

COMMITTEE ON JUDICIARY AND LABOR

The Honorable Gilbert S.C. Keith-Agaran, Chair
The Honorable Maile S.L. Shimabukuro, Vice Chair

DATE OF HEARING: Tuesday, February 16, 2016
TIME OF HEARING: 1:15 p.m.
PLACE OF HEARING: State Capitol, 415 South Beretania Street
Conference Room 414

TESTIMONY ON SENATE BILL 2542 RELATING TO REPAIR AND MAINTENANCE

By DAYTON M. NAKANELUA,
State Director of the United Public Workers (UPW),
AFSCME Local 646, AFL-CIO

My name is Dayton M. Nakanelua, State Director of the United Public Workers (UPW), AFSCME, Local 646, and AFL-CIO. The UPW is the exclusive bargaining representative for approximately 12,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

SB2542 establishes a full funding policy and budgetary procedures for routine repair and maintenance of state facilities. The fundamental purpose is to preserve the condition of state-owned buildings, facilities and other improvements for public use or benefit for the present and the future.

The UPW supports this measure. Thank you for the opportunity to submit this testimony.

From: mailinglist@capitol.hawaii.gov
To: [GVO Testimony](#)
Cc: rkailianu57@gmail.com
Subject: Submitted testimony for SB2542 on Feb 16, 2016 13:15PM
Date: Thursday, February 11, 2016 9:29:12 AM

SB2542

Submitted on: 2/11/2016

Testimony for GVO/JDL on Feb 16, 2016 13:15PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Rachel L. Kailianu	Individual	Support	Yes

Comments: In strong support.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
To: [GVO Testimony](#)
Cc: chowsher@hawaii.edu
Subject: *Submitted testimony for SB2542 on Feb 16, 2016 13:15PM*
Date: Saturday, February 13, 2016 12:08:54 PM

SB2542

Submitted on: 2/13/2016

Testimony for GVO/JDL on Feb 16, 2016 13:15PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Sherrianne Chow	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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