
A BILL FOR AN ACT

RELATING TO DEFERRED MAINTENANCE.

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

1 SECTION 1. The legislature finds that the deferred
2 maintenance of state buildings, facilities, and other
3 improvements is a problem that needs to be addressed. The
4 extent of the deferred maintenance backlog is substantial.
5 According to the executive biennium budget 2019-2021, prepared
6 by the department of budget and finance on December 17, 2018,
7 there is a deferred maintenance backlog of approximately \$4.3
8 billion statewide among departments. However, there is no
9 consistent criteria for determining maintenance and repair
10 needs, and no standardized methodology to determine needs across
11 state departments.

12 The legislature finds that this Act is necessary to:

- 13 (1) Preserve state-owned buildings and facilities for
14 public use or benefit, now and into the future;
15 (2) Decrease future unfunded obligations of the State;
16 (3) Preserve public moneys by making near-term investments
17 for maintenance instead of incurring much more



1 expensive capital replacement or renewal costs in the
2 future; and

3 (4) Promote transparency by publicly displaying
4 information regarding the liabilities of the State.

5 The purpose of this Act is to convene an asset management
6 task force to create a schedule of repairs and replacement of
7 state-owned facilities, develop consistent criteria and
8 standardized methodology for determining maintenance and repair
9 needs, and address the deferred maintenance backlog of state-
10 owned buildings, facilities, and other improvements.

11 SECTION 2. (a) The asset management task force is
12 established within the office of the governor for administrative
13 purposes. The office of the governor shall provide
14 administrative and clerical support required by the task force.

15 (b) The task force shall:

16 (1) Develop a maintenance and replacement schedule for
17 repairs and replacement of state-owned facilities to
18 eliminate the increased costs of deferred maintenance
19 over time, including proposed annual appropriations
20 for maintenance costs projects, by fiscal year and
21 means of financing. The schedule shall take into



- 1 account current deferred maintenance needs as well as
2 ongoing maintenance costs;
- 3 (2) Develop consistent criteria and standardized
4 methodology for identifying maintenance projects and
5 priorities;
- 6 (3) Use agreed upon criteria and methodology in
7 determining an accurate estimate of the total amount
8 of deferred maintenance backlog by state departments
9 and divisions;
- 10 (4) Consider best policies, practices, and laws from other
11 jurisdictions related to maintenance of state-owned
12 buildings, facilities, and other improvement;
- 13 (5) Develop common standards, assumptions, and plan
14 presentations so the schedule of repairs and
15 replacement for state-owned facilities are consistent
16 between departments;
- 17 (6) Decide the priority order to conduct data collection
18 of all state-owned facilities in need of repair and
19 replacement, such as by department or by island;
- 20 (7) Consider whether a class of bond funds should be
21 issued with a term shorter than twenty years, to



1 reflect that certain major building systems or
2 components may have expected useful lives of less than
3 twenty years and may require replacement on a shorter
4 cycle; and

5 (8) Evaluate and encourage the use of computerized
6 management systems to manage facility maintenance work
7 orders, improve accountability of facilities service
8 providers, and assist tracking of scheduled
9 maintenance and proactive, predictive identification
10 of service needs.

11 (c) The asset management task force shall consist of the
12 following members, or their designated representatives:

13 (1) The governor's administrative director, who shall
14 serve as the chairperson;

15 (2) The comptroller;

16 (3) The director of finance;

17 (4) The administrator of the state procurement office;

18 (5) The president of the University of Hawaii;

19 (6) The superintendent of education;

20 (7) The chairperson of the board of land and natural
21 resources;



- 1 (8) The director of transportation;
- 2 (9) The administrator of the courts;
- 3 (10) A member of the house of representatives, appointed by
- 4 the speaker of the house of representatives;
- 5 (11) A member of the senate, appointed by the president of
- 6 the senate;
- 7 (12) A private sector representative with experience in
- 8 construction, appointed by the speaker of the house of
- 9 representatives; and
- 10 (13) A private sector representative with experience in
- 11 construction, appointed by the president of the
- 12 senate.

13 Task force members may invite persons with appropriate
14 specialized expertise to become a member of the task force,
15 subject to approval by the chairperson.

16 (d) The asset management task force shall submit a
17 preliminary report, including a status update on the task
18 force's progress and any anticipated needs for completion, to
19 the legislature no later than October 31, 2020.

20 (e) The asset management task force shall submit a final
21 report of its findings and recommendations, including any



1 proposed legislation, to the legislature no later than
2 October 31, 2021.

3 (f) The task force shall be dissolved on January 14, 2022.

4 SECTION 3. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so much
6 thereof as may be necessary for fiscal year 2019-2020 and the
7 sum of \$ or so much thereof as may be necessary for
8 fiscal year 2020-2021 for the asset management task force to
9 develop the plans to address deferred maintenance projects in
10 the State, pursuant to section 2 of this Act.

11 The sums appropriated shall be expended by the office of
12 the governor for the purposes of this Act.

13 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Asset Management; Task Force; Deferred Maintenance; Backlog

Description:

Establishes the Asset Management Task Force within the Office of the Governor to develop a standardized schedule for repairs and replacement of state-owned facilities and to submit to the Legislature a preliminary report by October 31, 2020, and a final report by October 31, 2021. Appropriates funds for the task force to develop the plans. (SB1079 HD1)

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