

STAND. COM. REP. NO. 309

Honolulu, Hawaii

FEB 13 2019

RE: S.B. No. 1079
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 1079 entitled:

"A BILL FOR AN ACT RELATING TO DEFERRED MAINTENANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a deferred maintenance task force within the Office of the Governor to create a standardized and uniform approach to address deferred maintenance projects in the State and make an appropriation for the task force.

Prior to decision making on this measure, your Committee made available for public review a proposed S.D. 1 of this measure. The proposed S.D. 1 retained the contents of this measure and also inserted provisions that:

- (1) Rename the task force the Asset Management Task Force;
- (2) Place the task force under the Office of the Lieutenant Governor, rather than the Office of the Governor;
- (3) Amend the duties of the task force to include creating a schedule of repairs and replacement of state-owned facilities; deciding on the use of a single asset management system for consistency between departments; and deciding on a priority order for data collection of



state-owned facilities in need of repair and replacement;

- (4) Require the task force to submit a preliminary report to the Legislature by October 31, 2020, and amend the date for submission of the final report to October 31, 2021; and
- (5) Change the appropriation for the task force from \$350,000 to an unspecified amount, to be expended by the Office of the Lieutenant Governor.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawai'i State Judiciary and one individual. Your Committee received comments on the proposed S.D. 1 from the Department of Accounting and General Services.

Your Committee finds that under existing law, there is no standardized procedure to determine maintenance needs across state departments. This often results in dilapidated aging infrastructure that often fails, and requires emergency response that is ultimately more expensive to fix in terms of staff time and dollars. The proposed S.D. 1 establishes an Asset Management Task Force in charge of addressing and alleviating the deferred maintenance backlog, which will ultimately result in the improved maintenance and condition of state facilities.

Your Committee also finds that clarification is needed regarding the asset management system. According to the testimony received by your Committee, concerns were raised about using a single asset management system, because some departments may already be investing state resources into that department's own asset management system. It may therefore be more efficient for the task force to focus on developing common standards, assumptions, and plan presentations.

Your Committee notes the additional testimony from the Judiciary suggesting certain other relevant changes to the composition and duties of the task force. Your Committee agrees with these recommendations and concludes that amendments to this measure are necessary.



Your Committee has amended this measure by adopting the proposed S.D. 1 and by making further amendments that:

- (1) Amend the duties of the task force to include developing common standards, assumptions, and plan presentations; considering whether a class of bond funds should be issued with a term shorter than twenty years; and evaluating and encouraging the use of computerized management systems;
- (2) Amend membership on the task force to include the Administrator of the Courts;
- (3) Clarify that the date of dissolution of the task force shall be January 14, 2022;
- (4) Insert an appropriation of \$250,000 for fiscal year 2019-2020; and
- (5) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1079, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,

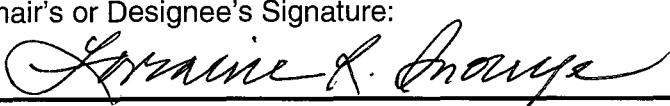


LAUBA H. THIELEN, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* <i>SB 1079</i>	Committee Referral: <i>GVO, WAM</i>	Date: <i>2/7/2019</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
THIELEN, Laura H. (C)	✓			
INOUYE, Lorraine R. (VC)	✓			
BAKER, Rosalyn H.				✓
KANUHA, Dru Mamo	✓			
FEVELLA, Kurt				✓
TOTAL	<i>3</i>			<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes