

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
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STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
CURT T. OTAGURO
COMPTROLLER, DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
BEFORE THE
HOUSE COMMITTEE ON FINANCE
ON
FEBRUARY 6, 2019, 2:00 P.M.
CONFERENCE ROOM 308, STATE CAPITOL

HB 1259
RELATING TO CAPITAL IMPROVEMENT PROJECTS

Chair Luke, Vice Chair Cullen, and members of the Committee, thank you for the opportunity to testify before you on HB 1259.

The Department of Accounting and General Services (Department or DAGS) appreciates the intent of HB 1259, and offers comments and proposed amendments.

HB 1259 appears to be a vehicle to appropriate capital improvement projects for fiscal biennium (FB) 2019 – 2021 for the executive branch. We support this measure to fund the capital improvement projects. However, the funding amounts have been left blank, presumably to be inserted upon completion of program evaluation and recommendations by the various subject matter committees tasked with evaluating program resources of their assigned programs, as part of the legislature's desire to move the state towards performance-based budgeting. The Department looks forward to the opportunity to meet with the various subject matter committees and is confident that the capital improvement projects contained in

the Governor's executive biennium budget as proposed in HB 964 would be reflected in the final draft of this measure:

<u>Prog ID</u>	<u>Project Title</u>	<u>MOF</u>	<u>FY20 \$\$\$ (000)</u>	<u>FY21 \$\$\$ (000)</u>
AGS111	KEKAULUOHI HALON REPLACEMENT, OAHU	C	\$ 650	\$ -
AGS111	KEKAULUOHI BACKUP GENERATOR, OAHU	C	\$ 500	\$ -
AGS130	KALANIMOKU DATA CENTER UPS REPLACEMENT AND UPGRADE ELECTRICAL CIRCUIT PANEL, OAHU	C	\$ 1,800	\$ -
AGS130	ETS CYBERSECURITY CAPABILITY ENHANCEMENTS, OAHU	C	\$ 3,000	\$ 218
AGS131	LUMP SUM HEALTH AND SAFETY, INFORMATION AND COMMUNICATION SERVICES DIVISION, STATEWIDE	C	\$ 4,650	\$ 6,000
AGS131	RADIO SYSTEM ENHANCEMENT, STATEWIDE	C	\$ 365	\$ -
AGS221	LUMP SUM MAINTENANCE OF EXISTING FACILITIES, PUBLIC WORKS DIVISION, STATEWIDE	C	\$30,000	\$ -
AGS221	STATE CAPITOL BUILDING, OAHU	C	\$ 1,480	\$ -
AGS221	WASHINGTON PLACE, HEALTH AND SAFETY AND QUEEN'S GALLERY RENOVATION, OAHU	C	\$ 100	\$ 2,000
AGS233	LUMP SUM FIRE ALARM SYSTEMS REPLACEMENT & UPGRADE,	C	\$ 300	\$ 2,000
AGS881	No.1 CAPITOL DISTRICT BUILDING, SITE & ACCESSIBILITY IMPROVEMENTS, OAHU	B	\$ -	\$ 1,200
AGS889	LUMP SUM HEALTH AND SAFETY, ALOHA STADIUM, OAHU	C	\$20,000	\$10,000
	TOTAL REQUEST		\$62,845	\$21,418

The following provides details on the Department's capital improvement projects in Program ID order, with these exceptions:

- Attached agencies, specifically AGS 881 and AGS 889 (the State Foundation on Culture and the Arts and the Spectator Events and Shows-Aloha Stadium respectively), will present testimony separately regarding their budget requests for capital improvement projects.
- The Enterprise Technology Services (ETS) will also submit testimony separately for your consideration for their programs (AGS 130 and AGS 131).

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY		FISCAL YEAR	M O F	FISCAL YEAR	M O F
			APPROPRIATION (IN 000'S)		2019-2020		2020-2021	

AGS111 - ARCHIVES-RECORDS MANAGEMENT

1. AR101

KEKAULUOHI HALON REPLACEMENT, OAHU

DESIGN, CONSTRUCTION, AND EQUIPMENT TO REPLACE HALON GAS FIRE SUPPRESSION SYSTEM WITH NON-OZONE DEPLETING GAS (FM-200 OR EQUIVALENT).

DESIGN	89
CONSTRUCTION	560
EQUIPMENT	1
TOTAL FUNDING	AGS 650C

Design, Construction, and Equipment to replace the Halon Gas Fire Suppression system with non-ozone depleting gas (FM-200 or equivalent). Existing fire detection/control system (control panel, smoke detectors, and tank ignitors) have already been upgraded in 2018 to be compatible with the new system. The current fire suppression system in the State Archives Vault uses Halon 1301 agent that has been banned from manufacturers since 1994 as a known ozone depletant. Alternative to replacing the current system is recharging the current Halon tanks with more halon, which would cost more than replacing the entire system with a more modern, safer alternative and require removing the tanks and shipping them by boat to California for recharge and shipping them back, maintaining a 24-hour fire watch in the interim. If the system deploys, recharging the fire suppression system will be extremely difficult as the remaining Halon 1301 agent is extraordinarily expensive if it can be found at all. Improvement to include relocating the tanks to a centralized location that provides access that does not require dismantling shelving to access tanks.

AGS111 - ARCHIVES-RECORDS MANAGEMENT

2. AR102

KEKAULUOHI BACKUP GENERATOR, OAHU

DESIGN, CONSTRUCTION, AND EQUIPMENT TO INSTALL A BACKUP GENERATOR FOR ARCHIVAL STORAGE AREA CHILLER SYSTEM.

DESIGN	1
CONSTRUCTION	69
EQUIPMENT	430
TOTAL FUNDING	AGS 500C

The scope of the project is to add a backup generator into the existing ATS that was added in 2018 as part of the State Archives Chiller upgrade to provide continued operation of the environmental controls of Archival Storage during power outages at the State Archives. Currently, there is no redundant power options available at the State Archives. If power is out for more than a day or two, mold bloom on very important legal and historic records are a real and present possibility. Once mold starts, cleanup becomes a health hazard, a public records access issue (denial of access) and very expensive long-term treatment. An ATS power transfer unit was added

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	APPROPRIATION (IN 000'S) TITLE	EXPENDING AGENCY	FISCAL		FISCAL	
				YEAR	M	YEAR	M
				2019-2020	O F	2020-2021	O F

with the 2018 chiller upgrade to the Archival Storage Environmental controls, but to utilize this alternate means of providing power would require bringing in a generator from a third-party contractor. Secondary power source will ensure continued environmental control over the most important legal and historic records in Hawaii Government in the event of an extended natural disaster.

AGS221 - PUBLIC WORKS-PLANNING, DESIGN, AND CONSTRUCTION

3. P104

WASHINGTON PLACE, HEALTH AND SAFETY AND QUEEN'S
GALLERY RENOVATION, OAHU

PLANS, DESIGN, CONSTRUCTION, AND
EQUIPMENT TO ADDRESS IMMEDIATE
HEALTH & SAFETY NEEDS AT WASHINGTON
PLACE. PROJECT INCLUDES HAZARDOUS
MATERIAL ABATEMENT, BUILDING CODE
REQUIREMENTS, AND ADAAG REQUIREMENTS.
ASSOCIATED AND INTEGRAL TO THIS WORK
IS RENOVATION FOR BUILDING PRESERVATION
WITH THE RETENTION OF EXISTING
HISTORICAL MATERIAL.

PLAN		1	1
DESIGN		97	1
CONSTRUCTION		1	1,997
EQUIPMENT		1	1
TOTAL FUNDING	AGS	100C	2,000C

Project includes lead-based paint abatement/encapsulation, building code requirements (structural, electrical, plumbing, ventilation, and building envelope), and ADAAG requirements for primary access routes. Due to the broad nature of this project, associated and integral to this work is renovation for building preservation with the retention of existing historic material.

Washington Place, a prime representation of American Greek revival style, is historically highly significant in Hawaii's history as "Beretania," the site of early British settlement in Hawaii; later as the home of Queen Liliuokalani and home of the Governors of Hawaii since 1919. It is the oldest home in Hawaii that was still in use as a residence up to 2002 and one of the oldest and most historically valuable Governor's mansions in the United States. Certain elements are believed to be the finest examples of 1840's American architectural detailing in existence. Washington Place is listed in the National and State Historic Registries and received recognition as a registered National Landmark in 2007.

The primary goal in the renovation is to perpetuate the public benefit and safe enjoyment of Washington Place through its preservation, with the retention of existing historic material.

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING		FISCAL YEAR		FISCAL YEAR	
			AGENCY		2019-2020	M O F	2020-2021	M O F

AGS221 - PUBLIC WORKS-PLANNING, DESIGN, AND CONSTRUCTION

4. P19184

STATE CAPITOL BUILDING, OAHU

DESIGN, CONSTRUCTION, AND EQUIPMENT FOR REFURBISHMENT, RENOVATION, INSTALLATION, CONSTRUCTION, INFRASTRUCTURE, REPAIR FOR THE HAWAII STATE CAPITOL; EQUIPMENT AND APPURTENANCES.

DESIGN			149
CONSTRUCTION			1,330
EQUIPMENT			1
TOTAL FUNDING	AGS		1,480C

Work will include critical health and safety and/or operational improvements essential to the safe, effective, and efficient operation of this historic facility to meet its unique function. Projects may include, but not be limited to, elevator upgrades, HVAC system upgrades, and structural renovation or upgrades.

The Hawaii State Capitol is approaching the 50th anniversary of its original construction and work must continue to provide critical health and safety renovations and upgrades to ensure safe, effective, and efficient operation of this historic facility to meet its unique function.

AGS221 - PUBLIC WORKS-PLANNING, DESIGN, AND CONSTRUCTION

5. Q101

LUMP SUM MAINTENANCE OF EXISTING FACILITIES, PUBLIC WORKS DIVISION, STATEWIDE

PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR IMPROVEMENTS AND MAINTENANCE OF PUBLIC FACILITIES AND SITES, STATEWIDE. PROJECTS MAY INCLUDE REPAIRS AND IMPROVEMENTS.

PLANS			1
LAND			1
DESIGN			2,997
CONSTRUCTION			27,000
EQUIPMENT			1
TOTAL FUNDING	AGS		30,000C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY		FISCAL YEAR	M O F	FISCAL YEAR	M O F
			APPROPRIATION (IN 000'S)		2019-2020		2020-2021	

Building systems and sites will receive necessary major upgrades and maintenance that is required to protect our facilities and occupants from damage or injury due to deteriorated conditions. Repair/upgrade will be more comprehensive than would be possible under routine maintenance and will help allay larger costs to address future failure if nothing is done. Future maintenance costs to repair items such as air conditioning systems, large potholes, leaking roofs and leaking fire sprinkler pipes in public facilities will be eliminated for those facilities that receive work. These projects will reduce the State’s exposure to lawsuits and their associated costs and required manpower requirements.

These construction projects are essential to maintain DAGS-managed public facilities. The operational life span of many of our building systems has long-passed, and costs continue to escalate to maintain the obsolete systems. Failure of obsolete systems that are beyond repair pose health and safety risks for facility occupants. Urgent health and safety and mandated needs are included in this lump sum fund. This project will also ensure that those systems that are not being immediately replaced or upgraded will continue to function. Just as importantly, this project will be the stepping stone to allowing DAGS to proactively properly maintain all systems to protect our asset inventory.

AGS233 - CENTRAL SERVICES-BUILDING REPAIRS AND ALTERATIONS

6. CSD09

LUMP SUM FIRE ALARM SYSTEMS REPLACEMENT & UPGRADE, STATEWIDE

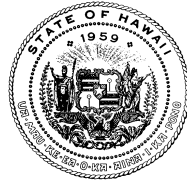
PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT TO REPLACE AND UPGRADE FIRE ALARM SYSTEMS TO MEET CODE REQUIREMENTS, STATEWIDE.

PLANS		1	1
DESIGN		299	1
CONSTRUCTION			1,997
EQUIPMENT			1
TOTAL FUNDING	AGS	300C	2,000C

Fire alarm system upgrades initially completed in select areas of buildings during partial renovation work would be completed for the remainder of the building. This provides more complete, effective coverage for the building to protect life and property.

Work is required to meet requirements as established by County Fire Departments during review and approval of building permits for State facility renovations. If work is not completed within established deadlines, fire alarm system permits for completed renovation may be revoked. The alternative may be to ask for time extensions to complete the upgrades, however, the State risks reduced performance of building-wide fire alarm systems in the interim.

The Department requests your favorable consideration of the capital improvement projects listed above. Thank you for the opportunity to submit testimony.



STATE OF HAWAII
DEPARTMENT OF HEALTH
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doh.testimony@doh.hawaii.gov

Testimony in SUPPORT of HB1259
RELATING TO THE DEPARTMENT OF HEALTH.

REP. SYLVIA LUKE, CHAIR
HOUSE COMMITTEE ON COMMITTEE ON FINANCE

Hearing Date: February 6, 2019

Room Number: 308

- 1 **Fiscal Implications:** Sufficient appropriations are required to assure optimal public health, and
- 2 \$1,068,513,465, all MOF, for fiscal year 2021.
- 3 **Department Testimony:** The Department of Health supports the Governor's Executive Budget
- 4 Request, as follows.

Fiscal Year 2019				
Act 53/18 Appropriation	Restriction	Emergency Appropriations	Total FY19	MOF
\$ 490,367,659.00	\$ (6,203,995.00)		\$ 484,163,664.00	A
\$ 203,699,060.00			\$ 203,699,060.00	B
\$ 87,478,064.00			\$ 87,478,064.00	N
\$ 53,891,894.00			\$ 53,891,894.00	P
\$ 4,417,031.00			\$ 4,417,031.00	U
\$ 211,594,712.00			\$ 211,594,712.00	W
\$ 1,051,448,420.00	\$ (6,203,995.00)	\$ -	\$ 1,045,244,425.00	Total
Fiscal Year 2020				
Act 53/18 Appropriation	Reductions	Additions	Total FY20	MOF
\$ 490,367,659.00	\$ (7,207,300.00)	\$ 24,251,995.00	\$ 507,412,354.00	A
\$ 203,699,060.00		\$ 1,484,483.00	\$ 205,183,543.00	B
\$ 87,478,064.00		\$ 41,949,009.00	\$ 129,427,073.00	N
\$ 53,891,894.00	\$ (4,045,915.00)	\$ 19,012,081.00	\$ 68,858,060.00	P
\$ 4,417,031.00		\$ 608,395.00	\$ 5,025,426.00	U
\$ 211,594,712.00		\$ 370,533.00	\$ 211,965,245.00	W
\$ 1,051,448,420.00	\$ (11,253,215.00)	\$ 87,676,496.00	\$ 1,127,871,701.00	Total

Fiscal Year 2021				
Act 53/18 Appropriation	Reductions	Additions	Total FY21	MOF
\$ 490,367,659.00	\$ (7,207,300.00)	\$ 31,070,088.00	\$ 514,230,447.00	A
\$ 203,699,060.00		\$ 2,765,344.00	\$ 206,464,404.00	B
\$ 87,478,064.00	\$ (5,552,632.00)		\$ 81,925,432.00	N
\$ 53,891,894.00	\$ (4,993,161.00)		\$ 48,898,733.00	P
\$ 4,417,031.00		\$ 612,173.00	\$ 5,029,204.00	U
\$ 211,594,712.00		\$ 370,533.00	\$ 211,965,245.00	W
\$ 1,051,448,420.00	\$ (17,753,093.00)	\$ 34,818,138.00	\$ 1,068,513,465.00	Total

1

2 The department request the Legislature’s attention for the following highlights. See Attachment
3 for all CIP requests.

4 **Capitol Improvement Projects**

5 Hawaii State Hospital – Maintenance and Furniture, Fixtures & Equipment (FFE) for new
6 forensic facility

- 7 • In FY20, \$1,920,000 is needed to replace chillers in Bldg Q. Assessment by consultant to
8 determine the air handlers that must be replaced immediately throughout the rest of the
9 campus.
- 10 • In FY20, \$6,525,000 is needed to purchase of furniture, fixtures and equipment for the
11 new facility. FF&E must be provided prior to the opening of the new facility.
- 12 • In FY21, \$8,997,000 is needed for Hawaii State Hospital Anti-Ligature and Other
13 Improvements.

14 **Recurring Base Budget Appropriations**

15 Executive Office on Aging

- 16 • Kupuna Care (base) \$4854305
- 17 • Kupuna Care \$3877063
- 18 • Kupuna Caregiver Program \$1200000

1 **New Appropriations Requests**

2 The Executive Biennium Budget (FB 19-21) for the Department of Health provides for 38.2 new
3 general funded FTE and \$13.6 M in additional general funded resources in FY20; and 168.2
4 general funded FTE and \$20M in additional general funded resources in FY21. As part of our
5 special fund request, the department is requesting 14 new special funded FTE and an increase in
6 special fund ceiling of \$1.5M in FY20 and FY21 for improved food safety. Departmental
7 requests and prioritization are based on the Department's core public health strategies.

8 Health Resources Administration

9 Emergency Medical Services – Collective Bargaining Request

- 10 • The EMSIPSB FY 2020 and FY 2021 budget request included \$11,537,812 (FY 20) and
11 \$14,563,637 (FY 21) for a mandatory union collective bargaining increase. This request
12 was disapproved in B&F recommendations.

13 Emergency Medical Services – Recurring Other Expenses for services providers contracted to
14 provide pre-hospital emergency medical service

- 15 • The EMSIPSB FY 2020 and FY 2021 budget request included \$2,367,866 (FY 20) and
16 \$3,622,950 (FY 21) for other current expenses cost increases. This request was
17 disapproved in B&F recommendations.
- 18 • The request includes, but is not limited to, costs for subcontracts, drugs/medication,
19 insurance, rental of space, meals, uniforms, fuel, repair and maintenance, staff training,
20 telecommunications service and equipment, utilities, indirect/administrative overhead,
21 equipment, and motor vehicles.

22 Medical Cannabis

- 23 • As required by Act 159, HRS (2018), the Department is currently engaged in a re-
24 organization process to integrate the Medical Cannabis Registry and the Medical

1 Cannabis Dispensary Programs into the new Office of Medical Cannabis Control and
2 Regulation to be managed directly under HTH595.

3 Family Health Services – Replace Funding for Family Planning Program (Title X)

- 4 • Proposed changes at the federal level restricts Hawaii’s comprehensive approach by
5 limiting family planning services offered to women. This request will institutionalize the
6 Hawaii Family Planning Program and solidify comprehensive family planning options for
7 Hawaii’s men and women regardless of changes in the political environment.

8 Environmental Health Administration

- 9 • Environmental Management Division - Positions and funding for enforcement of non-
10 point source water pollution regulations
 - 11 ○ The six positions will begin implementing Hawaii Revised Statutes (HRS) §342E,
12 Nonpoint Source Pollution Management and Control. HRS §342E was passed in
13 1993 and DOH has not implemented the law to date.
 - 14 ○ DOH has not implemented HRS §180C-4, Erosion and Sediment Control, which
15 was passed in 1974.
 - 16 ○ Under article XI, §1 of the Hawaii state constitution, DOH has a constitutional
17 mandate under the public trust doctrine to regulate nonpoint source pollution.
 - 18 ○ The federal Coastal Zone Act Reauthorization Amendments (CZARA) §6217
19 require DOH and the Department of Business, Economic Development &
20 Tourism (DBEDT) to develop and implement a Coastal Nonpoint Pollution
21 Control Program.
- 22 • Sanitation Branch - Positions and funding for sanitarians and funds for improved food
23 safety
 - 24 ○ To enable the Sanitation Branch to maintain the current inspection frequency and
25 workload to keep up with National Standards.

- 1 ○ Hawaii is a tourist destination and those visiting, as well as residents, expect that
- 2 food being served in restaurants and other food service establishments is safe and
- 3 wholesome.
- 4 ○ The promulgation and implementation of Hawaii Administrative Rules, Chapter
- 5 11-50 and placarding in July 2014 has dramatically reduced the risk of food-
- 6 related illness.
- 7 ○ With the positions requested, we will be moving towards staffing levels that will
- 8 reduce the occurrence of food illness risk by nearly 50%.

9 General Administration

10 Office of Health Status Monitoring (OSHM) - Re-engineer the Vital Statistics System

- 11 • The Office of Health Status Monitoring (OHSM) is responsible for registering all vital
- 12 events occurring in the State of Hawaii, which includes the registering and licensing of
- 13 over 50,000 vital events and approximately 80,000 requests resulting in over 300,000
- 14 certified copies annually.
- 15 • The Vital Statistics System (VSS) was developed over 20 years ago and is not
- 16 supportable with today's technology and security features. The replacement of the VSS
- 17 is to address security aspects of the system, improve customer service and efficiency to
- 18 register and issue certified copies of Birth, Marriage and Death.

19 Office of Policy, Planning, and Program Development (OPPPD) - Add Funds for Telehealth

20 Pilot Project

- 21 • Telehealth is one of three strategic priorities documented in DOH's strategic plan.
- 22 • This request is the third and last for the current DOH strategic planning cycle. The first
- 23 pilot is in southwest Hawaii, was requested through the Governor's budget. The second
- 24 is split between Wahiawa and (most likely) east Hawaii, and was a stand-alone bill
- 25 offered by the WAM Chair. The third as appealed on this form, is to be statewide in part
- 26 to fill pilot gaps in Maui and Kauai. DOH believes it is important to seed pilots in all

1 counties in the interest of fairness and to learn from the unique circumstances of each
2 county.

3 Behavioral Health Administration

4 Hawaii State Hospital Forensic Building – Positions and Funding

- 5 • A new forensic building is being constructed at Hawaii State Hospital and slated to open
6 spring 2021.
- 7 • The opening of two additional units is projected to occur during Fiscal Year 2023. To
8 ensure quality patient care, additional direct care staff are needed to run these additional
9 units.

10 Developmental Disabilities Division – Increase State match for Medicaid Intellectual and
11 Developmental Disabilities (I/DD) Home and Community Based Services Waiver

- 12 • DDD requests an increase of \$7,702,000 in state funding (which will be used to match
13 \$8,902,000 in federal funds) in fiscal year 2020 and an increase of \$5,814,000 in state
14 funding (which will be used to match \$6,582,000 in federal funds) in fiscal year 2021.
- 15 • This funding will allow DDD to complete implementation of provider rate changes and
16 other improvements to the I/DD Waiver program. Changes to provider payment rates and
17 other waiver policies ensures that the State will be in continued compliance with federal
18 requirements (with the federal government paying for more than half of the cost) and that
19 State residents with I/DD have access to quality services.

20 **Offered Amendments:** N/A.

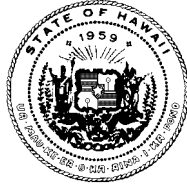
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2/5/2019		DOH CIP REQUEST		GOV Decision		
Department	ProgID	Lump Sum Title	Description	FY20	FY21	MOF
HEALTH	HTH100	KALAUPAPA SETTLEMENT IMPROVEMENTS, MOLOKAI	Reroof care home and patient homes. Design is complete.	2,100,000		C
HEALTH	HTH907	HEALTH AND SAFETY, STATEWIDE	Windward Health Center- electrical & fire alarm system imprv, mechanical system imprv; Lanakila Health Center- mechanical system imprv; Diamond Head Health Center- mechanical system imprv; Hanapepe Health Center- building imprv.	1,945,000	14,414,000	C
HEALTH	HTH710	HAWAII STATE LABORATORIES IMPROVEMENTS, STATEWIDE	Modifications to air handlers to allow for recirculating air in non-lab spaces; decommission unused equipment; replace cooling towers, reheat machines and pumps; replace air handlers and exhaust fans.	4,683,000	8,172,000	C
HEALTH	HTH430	HAWAII STATE HOSPITAL, HEALTH AND SAFETY, OAHU	Replace chillers; fixtures, furnishings and equipment for new patient facility, anti-ligature improvements in FY21.	8,445,000	8,997,000	C
HEALTH	HTH840	WASTEWATER TREATMENT REVOLVING FUND FOR POLLUTION CONTROL, STATEWIDE	STATE MATCH 20%. The Wastewater Pollution Control Revolving Fund, commonly referred to as the State Revolving Fund (SRF), was established by the 1988 State Legislature through the passage of Act 365. This program provides low interest loans to counties or State agencies for the construction of eligible water pollution control facilities conforming with the State Water Pollution Control Plan, authorized by Chapter 342D-54, HRS, as amended. The State has a financial responsibility to operate the SRF program in perpetuity.	2,487,000	2,487,000	C
HEALTH	HTH840	WASTEWATER TREATMENT REVOLVING FUND FOR POLLUTION CONTROL, STATEWIDE	FEDERAL MATCH 80%. The Wastewater Pollution Control Revolving Fund, commonly referred to as the State Revolving Fund (SRF), was established by the 1988 State Legislature through the passage of Act 365. This program provides low interest loans to counties or State agencies for the construction of eligible water pollution control facilities conforming with the State Water Pollution Control Plan, authorized by Chapter 342D-54, HRS, as amended. The State has a financial responsibility to operate the SRF program in perpetuity.	12,431,000	12,431,000	N
HEALTH	HTH840	SAFE DRINKING WATER REVOLVING FUND, STATEWIDE	STATE MATCH 20%. The scope of this project is to finance construction costs for safe drinking water treatment projects statewide.	2,221,000	2,221,000	C
HEALTH	HTH840	SAFE DRINKING WATER REVOLVING FUND, STATEWIDE	FEDERAL MATCH 80%. The scope of this project is to finance construction costs for safe drinking water treatment projects statewide.	11,107,000	11,107,000	N
HEALTH	HTH907	ENERGY SAVINGS IMPROVEMENTS, STATEWIDE	Kinau Hale- energy efficient windows; State Laboratory- photovoltaic system; State Hospital-photovoltaic system.	1,696,000	2,406,000	C
HEALTH	HTH907	REPAIRS AND MAINTENANCE, STATEWIDE	Maui Vector Control- building imprv; Windward Health Center- building and site imprv; Lahaina Health Center- building imprv; Waipahu Clubhouse- air conditioning and kitchen imprv; Kauai Vector Control- building imprv; Leeward Health Center- parking imprv; Lanakila Health Center- parking imprv; Halawa Vector Control- building imprv .	1,647,000	6,873,000	C



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 5, 2019

TO: The Honorable Representative Sylvia Luke, Chair
House Committee on Finance

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 1259 – RELATING TO CAPITAL IMPROVEMENT PROJECTS.**

Hearing: Wednesday, February 6, 2019, 2:00 p.m.
Conference Room 308, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this bill and requests amendments to include appropriations for capital improvement projects for the Office of Youth Services - Hawaii Youth Correctional Facilities (HYCF), and for the Division of Vocational Rehabilitation – Ho'opono Flood Zone Remediation Project. There are several bills regarding these requests, however, it is unclear at this time which vehicle will be the comprehensive measure.

PURPOSE: The purpose of the bill is to appropriate funds for capital improvement projects for fiscal biennium 2019–2021.

OFFICE OF YOUTH SERVICES – Capital Improvement Projects – HMS 503

Capital improvement funds are needed to plan and make campus improvements at the Hawaii youth correctional facility (HMS 503). Funds are needed to address health and safety needs of the wards as addressed in the Department of Justice Memorandum of Agreement with the State of Hawaii (2009), and to make necessary capital improvements to the existing infrastructure and facilities at the Hawaii Youth Correctional Facilities. Also, improvements are also required as the Office of Youth Services and the Hawaii Youth Correctional Facility expand its capacity to provide services to multiple high-risk youth

populations and their families. Planning funds of approximately \$800,000 is required.

Recent communication from the United States Environmental Protection Agency, Region IX, sought information related to the subsurface wastewater infrastructure at the HYCF campus. Based on the requirements, the facility's operational staff discovered two cesspools still in operation. These cesspools are in apparent violation of Title 42 USC §300j-4 of the Safe Drinking Water Act.

One of the cesspools serves the Kawaihoa Youth and Family Wellness Center's Homeless Shelter that houses 20 homeless young adults; the other cesspool serves Building 5 and will be removed under a separate capital improvement project. Approximately \$600,000 is required for sewer improvements.

The need for an assessment of the campus water system is warranted. Recent operational problems with the water pump station, the in-ability to cut off water for pipe repairs, and water tank deterioration have provided an opportunity to evaluate the water system, implement much needed repairs, and develop a future maintenance plan. Approximately \$900,000 is needed for water system improvements.

HYCF campus gymnasium was built in 1928 as part of the Kawaihoa Training School for Girls; its foundation needs repair as the campus gymnasium continues to be an intricate part of the mission of the Kawaihoa Youth and Family Wellness Center. Currently, the gym is utilized for recreational and programs by the students of Olomana School, students of a construction and mechanical vocational program called Kina'i Eha, community volleyball clubs, and the HYCF incarcerated population.

The scope of the HYCF campus gymnasium foundation repair is to correct the loss of bearing soils. The consultant will need to assess the condition of the floor to determine if the building has settled and if the work should involve re-leveling of the building before the foundation is repaired. Anticipated work includes: demolition of the concrete footing, excavation for the new footing, temporary framing to support the building, constructing the concrete footing, backfilling, hazardous materials removal, and related work. Once the foundation is secured, the gym will play an important role in the proposed master plan of the Kawaihoa Youth and Family Wellness Center's sports complex that will also include its swimming pool and recreational fields. These facilities and fields will be utilized for recreational activities for the youth and young adults on property as well as community DOE

athletic programs. Approximately \$225,000 is required to address the campus gymnasium foundation repair.

In summary, the HYCF requests for fiscal year 2019-2020 for the purpose of planning and repairing capital improvements at HYCF, including the hiring of necessary staff or contracting necessary consultants, as follows:

Campus Improvements Planning, Oahu (FY19.1)	\$800,000 C
Sewer Improvements, Oahu (FY20.1)	\$600,000 C
Water System Improvements, Oahu (FY20.5)	\$900,000 C
Gym Foundations Repair, Oahu (FY20.6)	<u>\$225,000 C</u>
Total funding	\$2,525,000 C

**DIVISION OF VOCATIONAL REHABILITATION –
CAPITAL IMPROVEMENT PROJECT HMS 802**

The Division of Vocational Rehabilitation, Ho'opono Services for the Blind facility requires additional capital improvement project funds to address recent changes in flood zone regulations. This request was not initially in the Executive Budget and will be submitted through a Governor's Message.

Act 49, Session Laws of Hawaii 2017, appropriated \$521,000 to DHS Division of Vocational Rehabilitation, for design and construction to replace basement walls with a structure to withstand forces due to potential flooding, elevate wall openings, and protect the equipment around the Ho'opono Services for the Blind building. The capital improvement project is known as the Ho'opono Flood Zone Remediation.

The Department of Accounting and General Services has advised the department of human services that additional capital improvement funding in the sum of \$810,310 C is required to respond to new flood zone mitigation requirements established by the City and County of Honolulu after the initial 2017 planned improvements were completed. The request is for fiscal year 2020-2021.

In summary, DHS requests capital improvement funds for fiscal year 2020-2021 for the purpose of planning and repairing the Ho'opono Services for the Blind facilities, including the hiring of necessary staff or contracting necessary consultants, as follows:

Construction and plan design	<u>\$810,310 C</u>
Total funding	\$810,310 C

Thank you for the opportunity to provide testimony on this measure.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
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Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Wednesday, February 6, 2019
2:00 PM
State Capitol, Conference Room #308

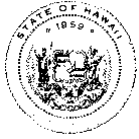
In consideration of
HB1259
RELATING TO CAPITAL IMPROVEMENT PROJECTS

Chair Luke, Vice Chair Cullen and Members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) offers comments on HB1259, which appropriates capital improvement project funds for the fiscal biennium 2019-2021. DBEDT requests that the following CIP projects be included:

Prog ID	Proj No	Project Title	MOF	FY20	FY21
BED142	BED001	Hawaii Broadband Initiative, Statewide	C	10,000,000	
BED150	KL01A	Kalaeloa Improvement District Project, Kalaeloa, Oahu	C	2,500,000	
BED150	KA01	Kakaako Improvement District Project, Kakaako, Oahu	C	3,500,000	
BED105	CID007	Creative Lab Space – Equipment (FTZ & Entrepreneurs Sandbox, Oahu)	C	500,000	

Prog ID	Proj No	Project Title	MOF	FY20	FY21
BED160	HFDC05	Dwelling Unit Revolving Fund Infusion, Statewide	C	50,000,000	25,000,000
BED160	HFDC09	Cash Infusion for Rental Housing Revolving Fund, Statewide	C	100,000,000	100,000,000
BED143	P20009	Entrepreneur's Sandbox, Hawaii Technology Development Corp, Oahu	C	500,000	
BED145		Cash Infusion for Hawaii Strategic Development Corporation Revolving Fnd for the Venture Capital Investment Program	C	5,000,000	

Thank you for the opportunity to testify.



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKAOKO
KALAELOA

David Y. Ige
Governor

John Whalen
Chairperson

Aedward Los Banos
Executive Director

STATEMENT OF
AEDWARD LOS BANOS, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
BEFORE THE
HOUSE COMMITTEE ON FINANCE

Wednesday, February 6, 2019
2:00 P.M.
State Capitol, Conference Room 308

in consideration of

HB 1259
RELATING TO CAPITAL IMPROVEMENT PROJECTS

Chair Luke, Vice Chair Cullen, and Members of the Committee.

The Hawaii Community Development Authority (HCDA) **supports** HB 1259, which appropriates Capital Improvement Projects for fiscal biennium 2019-2020.

HB1259 will help HCDA implement chapter 206E by providing funding for the community outreach, planning and design of improvements needed to the insufficient infrastructure (roadways, sidewalks, drainage and utilities) in the districts of Kakaako and Kalaeloa.

Thus, HCDA respectfully requests:

BED 150	KA01	Kakaako Improvement District	
Project, Kakaako, Oahu.	MOF C		FY20 3,500,000
BED 150	KAL01A	Kalaeloa Improvement District	
Project, Kalaeloa, Oahu.	MOF C		FY20 2,500,000

Thank you for the opportunity to support HB 1259.

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Honolulu, Hawaii
96813

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STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 6, 2019 at 2:00 p.m.
State Capitol, Room 308

In consideration of
H.B. 1259
RELATING TO CAPITAL IMPROVEMENT PROJECTS.

The HHFDC supports H.B. 1259 with the requested amendments shown below.

1. \$100,000,000 (MOF: C) in FY 2020 and \$100,000,000 (MOF: C) in FY 2021 Cash Infusion for Rental Housing Revolving Fund, Statewide (BED160/HF) in taxable General Obligation Bond funds for infusion into the Rental Housing Revolving Fund (RHRF).

RHRF applications are due to HHFDC in February 2019. Based on a survey of affordable rental housing developers, we anticipate RHRF requests totaling approximately \$115.4 million, to support the development of 835 rental units statewide.

2. \$50,000,000 (MOF: C) in FY 2020 and \$25,000,000 (MOF: C) in FY 2021 Dwelling Unit Revolving Fund Infusion, Statewide (BED 160/HD) in taxable General Obligation Bond funds for infusion into the Dwelling Unit Revolving Fund (DURF).

The major backbone infrastructure in the Villages of Kapolei was built under Act 15, SLH 1988. Consequently, HHFDC has been maintaining the infrastructure because of the inability to dedicate it to the City & County of Honolulu. HHFDC and the City are nearing agreement on necessary infrastructure improvements for dedication, which the requested DURF infusion will help fund. DURF funds may also be needed in FY 2020 to acquire the ground lease for Front Street Apartments in Lahaina, Maui pursuant to Act 150, Session Laws of Hawaii 2018.

Thank you for the opportunity to testify.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Acting Chairperson
Board of Agriculture

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF THE DEPARTMENT OF AGRICULTURE
BEFORE THE HOUSE COMMITTEE ON FINANCE

FEBRUARY 6, 2019
2:00 P.M.
CONFERENCE ROOM 308

HOUSE BILL NO. 1259
RELATING TO CAPITAL IMPROVEMENT PROJECTS

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to present testimony on House Bill 1259. This bill appropriates capital improvement projects for fiscal biennium 2019-2021. The Department supports this bill provided it does not impact the Department's priorities listed in the Executive Budget.

The items contained in the bill represents projects that will support agriculture by repairing and improving our irrigation systems and agricultural parks as well as projects to address major repairs and improvements to departmental facilities. Also addressed are preparations for the possible move of the Oahu Community Correctional Center to Halawa where some departmental operations are currently located.

We realize the budget will undergo further iterations before reaching its final form and look forward to working with the committees to craft a budget that is amenable to all of those involved.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR OF
HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committee on
FINANCE**

**Wednesday, February 6, 2019
2:00 P.M.
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 1259
RELATING TO CAPITAL IMPROVEMENT PROJECTS**

House Bill 1259 proposes to appropriate unspecified amounts from various means of financing for capital improvement projects (CIP) for certain programs under various departments statewide, including the Department of Land and Natural Resources (Department). **While the Department appreciates the overall intent of this measure as it may fund a portion of our CIP requests, we respectfully ask for consideration of all of the Department's Executive Budget CIP requests as indicated in House Bill 964.**

The Department offers the following comments.

- The Department's mission is to enhance, protect, conserve, and manage Hawaii's unique and limited natural, cultural and historic resources held in public trust for current and future generations of the people of Hawaii nei, and its visitors, in partnership with others from the public and private sectors.
- A list of all of the Department's CIP requests is attached.
- Projects were selected and prioritized based on public safety, compliance and public trust resource protection, in accordance with statutory mandates that guide the Department's vision, mission, goals and objectives to manage resources for the benefit of the public, and to protect the resources and the public.

Thank you for the opportunity to comment on this measure.

Department of Land and Natural Resources
Capital Improvements Program (CIP) Requests

Table 15

<u>Prog ID</u>	<u>Prog ID Priority</u>	<u>Dept- Wide Priority</u>	<u>Senate District</u>	<u>Rep. District</u>	<u>Project Title</u>	<u>MOF</u>	<u>FY20 \$\$\$</u>	<u>FY21 \$\$\$</u>
LNR153	1	1	14	29	ANUENUE FISHERIES RESEARCH CENTER SEWERLINE, OAHU	C	550,000	-
LNR101	1	2	12	22	ROYAL HAWAIIAN GROIN REPLACEMENT, OAHU	C	1,250,000	-
LNR101	1	2	12	22	ROYAL HAWAIIAN GROIN REPLACEMENT, OAHU	R	1,250,000	-
LNR141	1	3			ROCKFALL AND FLOOD MITIGATION, STATEWIDE	C	3,000,000	3,000,000
LNR806	1	4			STATE PARKS HAZARD MITIGATION IMPROVEMENTS, STATEWIDE	C	1,000,000	1,000,000
LNR806	2	5	23	47	MALAEKAHANA STATE RECREATION AREA, KAHUKU SECTION, OAHU	C	1,000,000	2,200,000
LNR806	2	5	23	47	MALAEKAHANA STATE RECREATION AREA, KAHUKU SECTION, OAHU	N	500,000	500,000
LNR172	1	6			DIVISION OF FORESTRY AND WILDLIFE HAZARDOUS TREE MITIGATION, STATEWIDE	C	200,000	200,000
LNR806	3	7	15	30	SAND ISLAND STATE RECREATION AREA, OAHU	C	1,250,000	500,000
LNR172	2	8	8	15	PUA LOKE BASEYARD, KAUAI	C	100,000	100,000
LNR172	3	9	4	6	PUU WAAWAA FOREST RESERVE, HAWAII	C	50,000	150,000
LNR172	4	10	1	1	PUU O`O SADDLE HOUSE, UPPER WAIAKEA FOREST RESERVE, HAWAII	C	103,000	-
LNR407	1	11			WATERSHED PROTECTION AND INITIATIVES, STATEWIDE	C	5,583,000	4,992,000
LNR101	2	12	1	2	DEMOLITION AND REMOVAL OF EXISTING IMPROVEMENTS, HILO, HAWAII	C	2,000,000	4,000,000
LNR101	3	13	3	5	HALOA AINA CONSERVATION EASEMENT ACQUISITION, HAWAII	B	1,000,000	-
LNR802	1	14	1	2	STATE HISTORIC PRESERVATION DIVISION, HILO OFFICE, HAWAII	C	50,000	-
LNR101	4	16	12	22	WAIKIKI MASTER PLAN IMPROVEMENTS, OAHU	B	-	1,500,000
LNR101	4	16	12	22	WAIKIKI MASTER PLAN IMPROVEMENTS, OAHU	C	-	1,850,000

Department of Land and Natural Resources
Capital Improvements Program (CIP) Requests

Table 15

<u>Prog ID</u>	<u>Prog ID Priority</u>	<u>Dept- Wide Priority</u>	<u>Senate District</u>	<u>Rep. District</u>	<u>Project Title</u>	<u>MOF</u>	<u>FY20 \$\$\$</u>	<u>FY21 \$\$\$</u>
LNR101	4	16	12	22	WAIKIKI MASTER PLAN IMPROVEMENTS, OAHU	R	-	3,000,000
LNR101	4	16	12	22	WAIKIKI MASTER PLAN IMPROVEMENTS, OAHU	T	-	4,000,000
LNR101	5	17	9	18	PIA VALLEY ACQUISITION DUE DILIGENCE, OAHU	B	100,000	-
LNR802	2	19	1	1	EAST HAWAII HISTORIC PRESERVATION CENTER, HAWAII	C	250,000	-
LNR804	1	20			NA ALA HELE PROGRAM PLAN REVISION, STATEWIDE	C	450,000	-
LNR402	1	22	7	13	COQUI FROG ERADICATION CONTAINMENT BARRIER, MAUI	C	650,000	100,000
LNR801	1	23	3	6	KAILUA-KONA WHARF, HAWAII	C	150,000	-
LNR402	2	25	6	4	MAUNA KEA FENCE, HAWAII	C	500,000	500,000
LNR801	2	26	1	2	WAILOA SMALL BOAT HARBOR, HAWAII	C	500,000	-
LNR806	4	27	9	19	DIAMOND HEAD STATE MONUMENT, OAHU	C	250,000	750,000
LNR402	3	28	7	12	KANAIO RESOURCE PROTECTION, MAUI	C	-	800,000
LNR407	2	30	7	12	KANAIO DRY FOREST FENCE, MAUI	C	300,000	-
LNR804	2	32	4	7	POLOLU TRAIL, HAWAII	C	-	500,000
LNR407	3	34	16 17	34	INVERTEBRATE AND PLANT PROPAGATION FACILITY, OAHU	C	-	200,000
LNR402	4	37	4	7	NORTH KONA GAME MANAGEMENT HABITAT CONSERVATION PLAN FENCING, HAWAII	C	200,000	200,000
LNR402	5	39	1	2	HILO BASEYARD BULK FUEL TANK INSTALLATION, HAWAII	C	150,000	-
LNR402	6	40	5	9	KANAHA POND STATE WILDLIFE SANCTUARY FENCE REPLACEMENT, MAUI	C	300,000	-
LNR402	7	41	5	9	DOFAW MAUI BASEYARD RESTROOM RENOVATION, MAUI	C	-	55,000
LNR402	8	42	5	9	DOFAW MAUI BASEYARD GENERATOR, MAUI	C	-	55,000
LNR402	9	43			KURE MARINE DEBRIS CRUISE, OAHU	C	200,000	245,000

Department of Land and Natural Resources
Capital Improvements Program (CIP) Requests

Table 15

<u>Prog ID</u>	<u>Prog ID Priority</u>	<u>Dept- Wide Priority</u>	<u>Senate District</u>	<u>Rep. District</u>	<u>Project Title</u>	<u>MOF</u>	<u>FY20 \$\$\$</u>	<u>FY21 \$\$\$</u>
LNR407	4	44	23	45	KAENA POINT PREDATOR PROOF FENCE RETROFITS, OAHU	C	22,000	20,000
LNR407	5	45			NURSERY AND FACILITY RENOVATION, KAUAI	C	75,000	75,000
LNR906	1	48			ENVIRONMENTAL STUDIES FOR VARIOUS PROJECTS, STATEWIDE	C	1,000,000	-
					SUBTOTALS BY MOF	B	1,100,000	1,500,000
						C	21,133,000	21,492,000
						N	500,000	500,000
						R	1,250,000	3,000,000
						T	0	4,000,000
					TOTAL - ALL MOF		23,983,000	30,492,000

DAVID Y. IGE
GOVERNOR



ARTHUR J. LOGAN
MAJOR GENERAL
ADJUTANT GENERAL

KENNETH S. HARA
BRIGADIER GENERAL
DEPUTY ADJUTANT GENERAL

STATE OF HAWAII
DEPARTMENT OF DEFENSE
OFFICE OF THE ADJUTANT GENERAL
3949 DIAMOND HEAD ROAD
HONOLULU, HAWAII 96816-4495

STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 1259
A BILL RELATING TO CAPITAL IMPROVEMENT PROJECTS

PRESENTATION TO THE
HOUSE COMMITTEES ON FINANCE

MAJOR GENERAL ARTHUR J. LOGAN
ADJUTANT GENERAL
DIRECTOR OF THE HAWAII EMERGENCY MANAGEMENT AGENCY
DIRECTOR OF HOMELAND SECURITY

FEBRUARY 5, 2019

Good afternoon Chairs Luke and Vice Chairs Cullen and Members of the House Committees on Finance.

Thank you for the opportunity to comment on the HB 1259. The Department of Defense (DOD) SUPPORTS THE INTENT of H.B. 1259 with the requested amendments shown below. DOD request that the House Committee on Finance add the following Capital Improvement Projects.

DEF 110/AA

Dept.

Priority #

2. \$665,000 (MOF C) in FY 2020 and \$1,240,000 (MOF C) in FY 2021
Fort Ruger B206 and B306A, Hurricane Hardening, Oahu.

DEF 110/AB

Dept.

Priority #

3. \$0 in FY 2020 (MOF C) and \$2,096,000 (MOF C) in FY 2021
Upgrades and Improvements to National Guard Readiness Centers and Facilities,
Statewide.
\$0 in FY 2020 (MOF P) and \$7,456,000 (MOF P) in FY 2021
Upgrades and Improvements to National Guard Readiness Centers and Facilities,
Statewide.

DEF 110/AD

Dept.

Priority #

4. \$2,500,000 (MOF C) in FY 2020
Disaster Warning and Communications Devices, Statewide.
5. \$0 in FY 2020 and \$3,000,000 (MOF C) in FY 2021
Retrofit Buildings with Hurricane Protective Measures, Statewide.
6. \$313,000 (MOF C) in FY 2020 and \$127,000 (MOF C) in FY 2021
Birkhimer Emergency Operation Center Security and Access Improvements, Oahu.

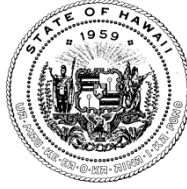
DEF 112/VA

Dept.

Priority #

1. \$31,783,000 (MOF C) in FY 2020
VA Long-Term Care Facility, Oahu
\$3,717,000 (MOF P) in FY 2020
VA Long-Term Care Facility, Oahu
7. \$1,000,000 (MOF C) in FY 2020
Hawaii State Veterans Cemetery Upgrades and Improvements, Oahu
\$4,546,000 (MOF P) in FY 2020
Hawaii State Veterans Cemetery Upgrades and Improvements, Oahu

Thank you for allowing me to testify SUPPORTING THE INTENT of HB 1259.



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 6, 2019
2:00 pm
State Capitol, Room 308

H.B. 1259
RELATING TO THE DEPARTMENT OF TRANSPORTATION

House Committee on Finance

The Department of Transportation (DOT) **supports the intent** of this bill.

H.B. 1259 appropriates funding for capital improvement projects for the DOT, Airports, Harbors, and Highways Divisions; however, the DOT respectfully requests your consideration that appropriations contained therein for the Airports Division be replaced with those included in the Governor's Executive budget (HB 964/SB 126), Part IV, Section 12, Items C-1 through C-21; as well as Highways Division be replaced with those included in the Governor's Executive budget (HB 964/SB 126), Part IV, Section 12, Items C-28 through C-75.

Moreover, the DOT respectfully requests that for Harbors Division your consideration of our complete list of Harbors Division CIP requests fully represented in the attached Exhibit-A be included in H.B. 1259. In addition, the DOT offers an amendment for consideration to Part V, Section 8. Harbors Revenue Bonds, Page 26, Line 7, of this bill in reference to "pilotage fees", be amended with "port entry fees".

Thank you for the opportunity to provide testimony.

EXHIBIT-A

PART III. CAPITAL IMPROVEMENT PROJECTS

SECTION 4. CAPITAL IMPROVEMENT PROJECTS AUTHORIZED. The sums of money appropriated or authorized in this Act for capital improvements shall be expended for the projects listed below. Accounting of the appropriations by the department of accounting and general services shall be based on the projects as such projects are listed in this section. Several related or similar projects may be combined into a single project if such combination is advantageous or convenient for implementation; provided that the total cost of the projects thus combined shall not exceed the total of the sum specified for the projects separately. The amount after each cost element and the total funding for each project listed in this part are in thousands of dollars.

Item No.	PROGRAM AND CAPITAL PROJECT	CAPITAL PROJECT NO.	PROGRAM ID	EXP. AGENCY	APPROPRIATIONS (\$1,000'S)			
					FISCAL YEAR	M O	FISCAL YEAR	M O
					2019-2020	F	2020-2021	F
1	HONOLULU HARBOR IMPROVEMENTS, OAHU PLANS, LAND ACQUISITION, DESIGN, AND CONSTRUCTION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS THAT WILL PROVIDE FOR SAFER, MORE EFFICIENT USE OF EXISTING AND/OR ADDITIONAL OPERATIONAL AREAS THROUGHOUT HONOLULU HARBOR, OAHU. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.	J51	TRN301	TRN				
	PLANS				4		4	
	LAND ACQUISITION				4		4	
	DESIGN				4		4	
	CONSTRUCTION				81,038		26,488	
	TOTAL FUNDING	J51	TRN301	TRN	4	B	4	B
		J51	TRN301	TRN	81,038	E	26,488	E
		J51	TRN301	TRN	4	N	4	N
		J51	TRN301	TRN	4	R	4	R

EXHIBIT-A

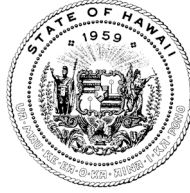
Item No.	PROGRAM AND CAPITAL PROJECT	CAPITAL PROJECT NO.	PROGRAM ID	EXP. AGENCY	APPROPRIATIONS (\$1,000'S)			
					FISCAL YEAR	M O F	FISCAL YEAR	M O F
					2019-2020	2020-2021	2020-2021	2021-2022
2	KALAELOA BARBERS POINT HARBOR IMPROVEMENTS, OAHU	J52	TRN303	TRN				
	PLANS, LAND ACQUISITION, DESIGN, AND CONSTRUCTION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS THAT WILL PROVIDE FOR SAFER, MORE EFFICIENT USE OF EXISTING AND/OR ADDITIONAL OPERATIONAL AREAS THROUGHOUT KALAELOA BARBERS POINT HARBOR, OAHU. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.							
	PLANS				4		4	
	LAND ACQUISITION				39,988		4	
	DESIGN				4		4	
	CONSTRUCTION				4		63,988	
	TOTAL FUNDING	J52	TRN303	TRN	4	B	4	B
		J52	TRN303	TRN	39,988	E	63,988	E
		J52	TRN303	TRN	4	N	4	N
		J52	TRN303	TRN	4	R	4	R
3	HILO HARBOR IMPROVEMENTS, HAWAII	L19	TRN311	TRN				
	PLANS, LAND ACQUISITION, DESIGN, AND CONSTRUCTION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS THAT WILL PROVIDE FOR SAFER, MORE EFFICIENT USE OF EXISTING AND/OR ADDITIONAL OPERATIONAL AREAS THROUGHOUT HILO HARBOR, HAWAII. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.							
	PLANS				4		4	
	LAND ACQUISITION				4,988		4	
	DESIGN				4		4	
	CONSTRUCTION				4		48,938	
	TOTAL FUNDING	L19	TRN311	TRN	4	B	4	B
		L19	TRN311	TRN	4,988	E	48,938	E
		L19	TRN311	TRN	4	N	4	N
		L19	TRN311	TRN	4	R	4	R
4	KAWAIHAE HARBOR IMPROVEMENTS, HAWAII	L20	TRN313	TRN				
	PLANS, LAND ACQUISITION, DESIGN, AND CONSTRUCTION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS THAT WILL PROVIDE FOR SAFER, MORE EFFICIENT USE OF EXISTING AND/OR ADDITIONAL OPERATIONAL AREAS THROUGHOUT KAWAIHAE HARBOR, HAWAII. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.							
	PLANS				4		4	
	LAND ACQUISITION				4		4	
	DESIGN				4		4	
	CONSTRUCTION				1,988		6,988	
	TOTAL FUNDING	L20	TRN313	TRN	4	B	4	B
		L20	TRN313	TRN	1,988	E	6,988	E
		L20	TRN313	TRN	4	N	4	N
		L20	TRN313	TRN	4	R	4	R

EXHIBIT-A

Item No.	PROGRAM AND CAPITAL PROJECT	CAPITAL PROJECT NO.	PROGRAM ID	EXP. AGENCY	APPROPRIATIONS (\$1,000'S)			
					FISCAL YEAR	M O	FISCAL YEAR	M O
					2019-2020	F	2020-2021	F
5	KAHULUI HARBOR IMPROVEMENTS, MAUI	M24	TRN331	TRN				
	PLANS, LAND ACQUISITION, DESIGN, AND CONSTRUCTION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS THAT WILL PROVIDE FOR SAFER, MORE EFFICIENT USE OF EXISTING AND/OR ADDITIONAL OPERATIONAL AREAS THROUGHOUT KAHULUI HARBOR, MAUI. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.							
	PLANS				4		4	
	LAND ACQUISITION				4		4	
	DESIGN				4		4	
	CONSTRUCTION				41,988		14,488	
	TOTAL FUNDING	M24	TRN331	TRN	4	B	4	B
		M24	TRN331	TRN	41,988	E	14,488	E
		M24	TRN331	TRN	4	N	4	N
		M24	TRN331	TRN	4	R	4	R
6	NAWILIWILI HARBOR IMPROVEMENTS, KAUAI	K13	TRN361	TRN				
	PLANS, LAND ACQUISITION, DESIGN, AND CONSTRUCTION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS THAT WILL PROVIDE FOR SAFER, MORE EFFICIENT USE OF EXISTING AND/OR ADDITIONAL OPERATIONAL AREAS THROUGHOUT NAWILIWILI HARBOR, KAUAI. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.							
	PLANS				4		4	
	LAND ACQUISITION				4		4	
	DESIGN				4		4	
	CONSTRUCTION				11,988		2,988	
	TOTAL FUNDING	K13	TRN361	TRN	4	B	4	B
		K13	TRN361	TRN	11,988	E	2,988	E
		K13	TRN361	TRN	4	N	4	N
		K13	TRN361	TRN	4	R	4	R
7	PORT ALLEN HARBOR IMPROVEMENTS, KAUAI	K14	TRN363	TRN				
	PLANS, LAND ACQUISITION, DESIGN, AND CONSTRUCTION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS THAT WILL PROVIDE FOR SAFER, MORE EFFICIENT USE OF EXISTING AND/OR ADDITIONAL OPERATIONAL AREAS THROUGHOUT PORT ALLEN HARBOR, KAUAI. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.							
	PLANS				0		4	
	LAND ACQUISITION				0		4	
	DESIGN				0		4	
	CONSTRUCTION				0		3,988	
	TOTAL FUNDING	K14	TRN363	TRN	0	B	4	B
		K14	TRN363	TRN	0	E	3,988	E
		K14	TRN363	TRN	0	N	4	N
		K14	TRN363	TRN	0	R	4	R

EXHIBIT-A

Item No.	PROGRAM AND CAPITAL PROJECT	CAPITAL PROJECT NO.	PROGRAM ID	EXP. AGENCY	APPROPRIATIONS (\$1,000'S)			
					FISCAL YEAR 2019-2020	M O F	FISCAL YEAR 2020-2021	M O F
8	MODERNIZATION PROGRAM - HARBORS DIVISION CIP PROJECT STAFF COSTS, STATEWIDE	I21	TRN395	TRN				
	PLANS FOR COSTS RELATED TO WAGES AND FRINGE BENEFITS FOR PERMANENT HARBOR MODERNIZATION PLAN PROJECT FUNDED STAFF POSITIONS FOR THE IMPLEMENTATION OF MODERNIZATION PROGRAM PROJECTS FOR THE DEPARTMENT OF TRANSPORTATION'S HARBORS DIVISION, STATEWIDE. PROJECTS MAY ALSO INCLUDE FUNDS FOR NON-PERMANENT CAPITAL IMPROVEMENT PROGRAM RELATED POSITIONS.							
	PLANS				2,000		2,000	
	TOTAL FUNDING	I21	TRN395	TRN	2,000	E	2,000	E
9	COMMERCIAL HARBORS ADMINISTRATION INITIATIVES, STATEWIDE	I27	TRN395	TRN				
	PLANS, LAND ACQUISITION, DESIGN, AND CONSTRUCTION FOR COSTS RELATED TO STATEWIDE IMPROVEMENTS FOR THE DEPARTMENT OF TRANSPORTATION'S HARBORS DIVISION, STATEWIDE.							
	PLANS						3	
	LAND ACQUISITION						3	
	DESIGN						3	
	CONSTRUCTION				14,991		14,991	
	TOTAL FUNDING	I27	TRN395	TRN	4	B	4	B
		I27	TRN395	TRN	14,992	E	14,992	E
		I27	TRN395	TRN	4	R	4	R



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Testimony of
DOUGLAS MURDOCK
Chief Information Officer
Enterprise Technology Services

Before the

SENATE COMMITTEE ON FINANCE
Wednesday, February 6, 2019

HOUSE BILL No. 1259
RELATING TO CAPITAL IMPROVEMENT PROJECTS

Dear Chair Luke, Vice Chair Cullen and members of the committee:

ETS supports this measure which is intended to appropriate CIP funding for executive branch budgets. We submit comments as it pertains to the CIP budgets for our program AGS 130 and AGS 131.

We respectfully request that the following items (K-2, K-3, and K-4) found in HB 964 from the Governor's Executive Budget be inserted in this bill.

ITEM NO.	PROGRAM AND CAPITAL PROJECT	CAPITAL PROJECT NO.	PROGRAM ID	EXPENDING AGENCY	FISCAL YEAR 2019-2020	M O F	FISCAL YEAR 2020-2021	M O F
K 2.00	KALANIMOKU DATA CENTER UPS REPLACEMENT AND UPGRADE ELECTRICAL CIRCUIT PANEL, OAHU		AGS130					
	PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR FULL REPLACEMENT AND UPGRADE OF TWO CURRENT END-OF-SERVICE-LIFE BUILDING ROOM B-30 AND UPGRADE ELECTRICAL CIRCUIT PANEL. UNINTERRUPTIBLE POWER SUPPLY (UPS) SYSTEMS IN THE KALANIMOKU	Y103						
	PLANS						1	
	DESIGN						178	
	CONSTRUCTION						1620	
	EQUIPMENT						1	
	TOTAL FUNDING			AGS			1800	C

This request is to appropriate funds in AGS 130 for replacing the large uninterruptable power supply (UPS) and upgrading the electrical circuit panel at the Kalanimoku state data center. The current UPS is beyond expected life. The data center houses important servers, network equipment and systems for statewide operations. This upgrade will give the Data Center necessary power redundancy. The state will also benefit from reduced electric consumption which translates to monthly cost savings.

Currently, there are two UPS's, a 225 kVA and a 150 kVA. The existing 225kVA UPS became operational in September of 2001 and the 150 kVA UPS became operational in November of 2005. They are now 17 and 13 years old respectively and have reached their recommended service life of 12-14 years. The batteries for both UPS's were last replaced in November of 2015. They will be 4 years old in 2019 and would need to be replaced. Rather than allocating funds towards battery replacement, it would be more economically efficient to direct those funds towards a new UPS. Acquiring factory Original Equipment Manufacturer (OEM) parts is getting more difficult and costlier. Also, many current circuit panels in the Data Center are either obsolete or cannot be repaired due to the unavailability of parts. It is very difficult to find available circuit space to expand the State's IT infrastructure.

ITEM NO.	PROGRAM AND CAPITAL PROJECT	CAPITAL PROJECT NO.	PROGRAM ID	EXPENDING AGENCY	FISCAL YEAR 2019-2020	M O F	FISCAL YEAR 2020-2021	M O F
K 3.00	LUMPSUM HEALTH AND SAFETY, INFORMATION AND COMMUNICATION SERVICES DIVISION, STATEWIDE		AGS131					
	PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR REPAIRS, MODERNIZATION, AND EXPANSION OF CRITICAL COMMUNICATIONS SYSTEMS, INCLUDING THE STATEWIDE ANUENUE AND HAWAIIAN MICROWAVE SYSTEMS AND LAND MOBILE RADIO, STATEWIDE SHARED BLENDED RADIO SYSTEM, AND NEW RADIO SITES AND TOWERS STATEWIDE	Q102						
	PLANS					1		1
	LAND ACQUISITION					1		1
	DESIGN					447		597
	CONSTRUCTION					4200		5400
	EQUIPMENT					1		1
	TOTAL FUNDING			AGS		4650	C	6000 C

As the State and U.S. Coast Guard (USCG) finish the ĀNUENUE microwave system's statewide backbone with the conclusion of major projects at Mt. Kaala and Waiakea, the State will continue to add to State-owned radio and fiber optic links to enable State agencies to connect to the ĀNUENUE and HAWAIIAN systems. The ĀNUENUE and HAWAIIAN towers and antennas will be used to support new radio links to increase overall capacity, provide redundancy, and prepare for additional public safety communication payloads. This will allow the State to expand communications coverage off the ĀNUENUE and HAWAIIAN systems to communication sites that will provide service to areas that currently lack or have insufficient coverage.

Expansion of the Statewide Shared Blended (SSB) land mobile radio (LMR) system will continue statewide. Replacement of the existing SSB single channel radio systems are near completion and additional equipment will be procured as communications coverage is expanded. The SSB replaces the "stovepipe" agency LMR systems with a single, public safety grade land mobile radio system to serve all State agencies and to facilitate inter-operability with County and Federal agencies.

Communications infrastructure, such as communications towers, generators, and air conditioning systems at various sites are reaching the end of their useful life. Renovation or replacement is necessary to ensure continued communications coverage for first responders.

The project will provide new radio towers, equipment buildings, generator and fuel systems, air conditioning, system backup batteries, and digital microwave systems at various sites statewide. Where possible, the State will seek to collocate in existing communications facilities.

The lack of government owned connections to the ĀNUENUE and HAWAIIAN radio systems would limit agency access to the public safety grade back haul and related services, such as access to the SSB, required to support agency programs, especially on the neighbor islands and in O'ahu's outlying areas. Many neighbor island ĀNUENUE and HAWAIIAN sites are close to, but currently not connected to, potential users of the system.

Many facilities and support equipment originally constructed and furnished for the HAWAIIAN microwave sites are twenty years old. The only alternative to replacing obsolete equipment and adding or upgrading the backup power, fuel, and air conditioning systems, and replacing failing towers is to accept outages of critical communications systems, often during the times when they are most needed, especially at remote neighbor island facilities.

Not expanding the SSB will continue the inefficiency and duplication of effort resulting from the need to support "stovepipe" agency LMR systems.

ITEM NO.	PROGRAM AND CAPITAL PROJECT	CAPITAL PROJECT NO.	PROGRAM ID	EXPENDING AGENCY	FISCAL YEAR 2019-2020	M O F	FISCAL YEAR 2020-2021	M O F
K 4.00	RADIO SYSTEM ENHANCEMENT, STATEWIDE		AGS131					
	PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR DIGITAL RADIO COMMUNICATION SYSTEM UPGRADES AND ENHANCEMENTS.	Y102						
	PLANS				1			
	DESIGN				33			
	CONSTRUCTION				330			
	EQUIPMENT				1			
	TOTAL FUNDING			AGS	365	C		

GreenNet is DLNR’s land mobile radio system that supports its various law enforcement divisions within the department. GreenNet is a collection of loosely connected radio sites statewide for their voice communications for day-to-day operations and during natural and manmade disasters. The purpose of this request is to replace the DLNR aged and failing repeaters in a way that connects them all through the State’s radio system (HIWIN), upgrading DLNRs communications equipment to current standards, and augmenting further with statewide connectivity and interoperability on the State’s radio system. Interoperability is a new and necessary feature that will allow multiple agencies to communicate with DLNR’s various divisions for emergency response.

Upgrades to the DLNR GreenNet and connection to HIWIN are necessary to allow GreenNet to be fully vendor supported and operational, as the current system is outdated and no longer supported. GreenNet supports approximately 600 user radios in extremely remote locations. Connecting GreenNet to HIWIN would provide DLNR with additional statewide coverage at no additional cost.

With GreenNet under the HIWIN network, the department’s radio communication network will be greatly enhanced, restoring and enabling radio and interoperable communications within and outside of DLNR’s existing network. This year there have been many disasters which revealed a clear need for State departments such as DLNR to work with County public safety agencies and medical services. This request would alleviate many issues such as limited or no land mobile radio coverage and communicating via “messenger” in areas where radio coverage was lacking.

This request is a joint collaborative effort on the part of ETS and DLNR. ETS is coordinating the purchase of repeaters with DLNR so that DLNR can be put on the State HIWIN (formerly known as SSB) system to provide connectivity and connection statewide.

Thank you for this opportunity to provide testimony on this bill.

DAVID Y. IGE
GOVERNOR

CURT T. OTAGURO
COMPTROLLER



An Agency of the State of Hawaii

ROSS I. YAMASAKI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

RYAN G. ANDREWS
DEPUTY MANAGER

TESTIMONY
OF
SCOTT L. CHAN, MANAGER
ALOHA STADIUM
STADIUM AUTHORITY
TO THE
HOUSE COMMITTEE
ON
FINANCE
February 6, 2019

H.B. 1259

RELATING TO CAPITAL IMPROVEMENT PROJECTS

Chair Luke, Vice Chair Cullen, and members of the committee, thank you for the opportunity to submit testimony in support of H.B. 1259.

The Stadium Authority Board and I appreciate the Legislature's commitment and support in appropriating funds to address critical health and safety requirements necessary to continue to safely operate the existing Aloha Stadium facility while all parties concurrently address the details of a new facility and related ancillary development of the property. Passage of H.B. 1259 will help mitigate the impact of zero-funding for health and safety in the prior 2017-2019 biennium period.

For the upcoming biennium, to continue to address our most urgent health and safety requirements, the Stadium Authority is requesting the sum of \$30,000,000 in capital improvement funding (\$20,000,000/\$10,000,000, respectively, in each year of the biennium). This request aligns with and does not vary from the Governor's executive budget as presented in H.B. 964 and S.B. 126, Relating to the State Budget. The prioritization of urgent health and safety projects planned with the requested funding is based on a structural analyses completed by the structural engineering firm contracted to monitor and assess the ongoing condition of the Aloha Stadium facility.

As the Aloha Stadium is entrusted with continuing to serve the needs of the general public, it is imperative that funding is provided for critical health and safety repair work to ensure the safety of all parties involved.

We look forward to working with the Legislature and the Governor's Administration to address the goals, objectives, and mission statement of the Stadium Authority.

Thank you for the opportunity to provide this testimony in support of H.B. 1259.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

IN REPLY PLEASE REFER TO:

Statement of
Executive Director Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON FINANCE

February 6, 2019 2:00 P.M.
Room 308, Hawaii State Capitol

In consideration of
HB 1259
RELATING TO CAPITOL IMPROVEMENT PROJECTS

Honorable Chair Luke and Members of the House Committee on Finance, thank you for the opportunity to provide testimony concerning House Bill (HB) 1259, relating to capital improvement projects.

The Hawaii Public Housing Authority (HPHA) **strongly supports, with amendments**, the enactment of HB 1259, which appropriates capital improvement projects for fiscal biennium 2019-2021.

Due to the age of our housing inventory, and unexpected issues that often occur, the HPHA respectfully requests the following language be inserted into the measure, as you have done in the previous appropriations, to allow the HPHA the flexibility it needs to address and expedite the extensive capital need of the agency's housing stock.

Project Title: LUMP SUM PUBLIC HOUSING DEVELOPMENT, IMPROVEMENTS, AND RENOVATIONS, STATEWIDE

Description: PLANS, DESIGN, CONSTRUCTION, AND EQUIP. TO DEVELOP, UPGRADE, OR RENOVATE PUBLIC HOUSING FACILITIES, INCLUDING GROUND AND SITE IMPROVEMENTS, MODERNIZATION OF ELEVATORS, INFSTRCTR., EQUIP., APPURTENANCES, AND ALL RELATED AND ASSOCIATED PROJECT

COSTS FOR PUBLIC HOUSING DEVELOPMENT, IMPROVEMENTS, AND RENOVATIONS, STATEWIDE, INCLUDING FUNDS FOR PERMANENT AND NON-PERMANENT CIP PROJECT RELATED POSITIONS.

Almost all the HPHAs construction projects are rehabilitation or modernization projects as opposed to new construction. Modernization and renovation projects are much more complex and filled with a high likelihood of unforeseen conditions than with new construction. Due to the age of our housing inventory, and unexpected issues that often occur, the HPHA appreciates your consideration for a lump sum budget request (as you have done in the past), which will provide the agency with the flexibility of managing and expending capital funds in an expeditious manner.

The condition of a property can change in an instant by accidental fires, tenants who drive their vehicles into buildings, discovering arsenic in soil, discovering heavy mold after removing drywall, or by the occasional act of nature that sends a boulder down a hill into a newly renovated building. The \$35M lump sum request for each year of the biennium will go toward projects that are mostly shovel-ready or will be at year's end. These projects include site improvements, ADA compliance, lead based paint abatement, structural repairs, re-roofing, infrastructure upgrades, concrete spall repairs and painting.

As mandated by the U.S. Department of Housing and Urban Development (HUD), the HPHA secured the services of Helber, Hastert, and Fee (HHF) Planners to do a thorough inspection and create an assessment report for each property's capital improvement needs. In 2013, that amount was approximately \$750M, and with the Legislature's CIP funding assistance, that amount has been brought down approximately \$200M currently through from 2013. The HPHA, in compliance with HUD, is in the process of updating these reports to reflect the improvements that were made during the past 5 years.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony regarding HB 1259. We thank you very much for your dedicated support.



STATE OF HAWAII
Executive Office on Early Learning
2759 South King Street
HONOLULU, HAWAII 96826

February 5, 2019

TO: Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice-Chair
House Committee on Finance

FROM: Lauren Moriguchi, Director
Executive Office on Early Learning

SUBJECT: Measure: H.B. No. 1259 – RELATING TO CAPITAL IMPROVEMENT PROJECTS
Hearing Date: February 6, 2019
Time: 2:00 p.m.
Location: Room 308

Bill Description: Appropriates capital improvement projects for fiscal biennium 2019–2021.

EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Comments

Good afternoon. I am Lauren Moriguchi, Director of the Executive Office on Early Learning (EOEL). EOEL respectfully requests that the Office's CIP request to expand the EOEL Public Prekindergarten Program with additional classrooms be included in the bill.

EOEL is statutorily responsible for the development of the State's early childhood system that shall ensure a spectrum of high-quality development and learning opportunities for children throughout the state, from prenatal care until the time they enter kindergarten, with priority given to underserved or at-risk children.

To address the need to increase access to pre-K for our keiki, the 2014 Legislature allocated funds to EOEL to implement a high-quality pre-K program starting with 20 classrooms in the 2014-2015 school year. In 2017, EOEL requested funds for 10 additional classrooms and received funding for five classrooms. We are grateful to the Legislature for its recognition of the need to increase access to high-quality early learning. As a result, the EOEL Public Pre-K Program can serve up to 520 four-year-old children in Hawaii; EOEL recognizes that other providers, including federal Head Start and community-based providers, also play a critical role in increasing access for our children. EOEL has plans to expand the Program to ensure high-quality pre-K for our keiki as it continues to work intently with its partners to develop the severely limited pool of qualified early childhood educators needed to teach in new classrooms.

In fall 2018, DOE identified 22 public schools at which classrooms are available for pre-K. EOEL is currently working with DOE to review school applications. For the past few years, EOEL has reviewed school applications using the following criteria:

- (1) **Community need.** The percentage of the population of school/community that meets the priority categories identified in statute – targeting those who can benefit the most from early learning opportunities – is considered. In addition to the following underserved and at-risk populations, EOEL must prioritize families with incomes at or below 300% of the federal poverty guidelines for Hawaii:
 - a. Special education;
 - b. English language learners;
 - c. Foster children; and
 - d. Homeless.
- (2) **Community need.** Existing programs on the school campus and in the surrounding area, as well as the community's need for additional seats, is considered. (An existing program may have already developed good relationships with families, the community, and school, and should not be replaced by a new pre-K classroom.)
 - a. Schools are required to include this information on applications. EOEL also looks into information on EOEL's end (including community data, the results of the 2017 Early Learning Needs Assessment, and location of federal Head Start and charter school pre-K classrooms).
- (3) **Availability of space.** The school has a classroom and identified outdoor play space that addresses (or which may reasonably be retrofitted to address) the health and safety requirements of a program for 4-year-old children (based on Hawaii Department of Human Services administrative rules).
 - a. We recognize the high costs of facilities, and are trying to be fiscally responsible. Since the start of our program 4 years ago, we have not had to request any CIP funds.
- (4) **Principal interest.** The principal is committed to implementing a high-quality early learning program through active participation in professional development sessions with school teams and professional learning communities, with the end goal of having a high-quality early learning program in which there is continuity and alignment between and across programs and grade levels to ensure positive outcomes are sustained. The principal, as the school's leader and who supports and evaluates his/her pre-K teachers, is key to implementation of a successful pre-K program.
 - a. As other states across the nation are building up their public pre-K programs, they too are finding that their principals need ongoing support and training.

DOE has indicated that the cost to retrofit the classrooms at the 22 public schools it has identified as having space for pre-K, is \$650,000 per classroom, totaling \$14.3 million.

Thank you for your consideration, and for the opportunity to testify on this bill. I am happy to answer any questions you may have.



HAWAI'I

STATE FOUNDATION on
CULTURE and the ARTS

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**TESTIMONY OF
THE STATE FOUNDATION ON CULTURE AND THE ARTS
TO THE COMMITTEE ON FINANCE**

February 6, 2019 at 2:00 p.m. in Rm. 308

H.B.1259

**RELATING TO CAPITAL IMPROVEMENT PROJECTS FOR AGS881
THE STATE FOUNDATION ON CULTURE AND THE ARTS**

Chair Luke and members of the Committee, I am Jonathan Johnson, Executive Director of the State Foundation on Culture and the Arts (SFCA), and I am grateful for the opportunity to testify in **SUPPORT** of H.B. 1259.

Section H. Item No.1. is ***The No. 1 Capitol District Building, Site & Accessibility Improvements project*** which includes construction improvements to the facility and site to accommodate increased access and building use. These improvements include renovation of building walkway and entrance for ADA access, relocation of property entrance, expansion of vehicular drop off/pick up area and other improvements to make the facility more accessible to the increasing numbers of school children and the general public.

In 1928, the Army Navy YMCA opened on Hotel Street serving young men stationed in Hawai'i. The Hemmeter Corporation purchased the property in 1987 and completed an extensive renovation including the construction of a wall that still surrounds the property today. In 2000, the State purchased the building and in 2002 the Hawai'i State Art Museum (HiSAM) opened on the second floor.

The Hawai'i State Art Museum is of and for the people of Hawai'i. It advances the SFCA's mission by providing broadly accessible educational programs, exhibitions, and activities that promote and encourage the excellence and diversity of the arts and culture of Hawai'i. Over the past four years, attendance at HiSAM has doubled due to programming and relevance. In Fiscal Year 2018, 62,000 people visited HiSAM. Building access improvements will increase the capacity of the SFCA to provide quality culture and arts programming, strengthen engagement with the community, significantly increase the attendance and improve the visitor experience at this public institution.

The budget request for the No. 1 Capitol District Building, Site & Accessibility Improvements project is \$1.2 million for construction in fiscal Biennium 20-21. Funds are available from the Works of Art Special Fund S-319-M.

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



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
February 6, 2019 at 2:00 p.m.

By

Jan Gouveia, Vice President for Administration
University of Hawai'i System

HB 1259 – RELATING TO CAPITAL IMPROVEMENT PROJECTS

Chair Luke, Vice Chair Cullen, and members of the committee:

Thank you for the opportunity to submit testimony on HB 1259. The University of Hawai'i ("University") respectfully requests funds to support the Capital Improvement Projects (CIP) budget adopted by the Board of Regents for the University of Hawai'i ("Board") which totals \$295 million and \$319.5 million for FY 2019–2020 and FY 2020–2021, respectively.

The Board approved CIP budget represents a comprehensive and strategic approach to its capital program framed primarily by the 2017 Integrated Academic and Facilities Plan for the University of Hawai'i System, which commits the University to maximizing the use of existing space through shared classrooms and flexible furniture that support diverse programs and interdisciplinary learning. Additionally, in 2018, the Board adopted a Resolution Supporting Moratorium on Square Footage Growth, which places a moratorium on "all new construction that results in an increase in the total campus building square footage without an equivalent reduction in square footage on any campus with an overall deferred maintenance backlog greater than 10% of the replacement value of its facilities" (except for P3 opportunities and 5 specific projects).

Based on these principles, the University adopted a 6-year CIP Plan that concentrates on modernizing existing facilities and increasing the quality of the learning, research and work environment. The process for developing the plan was driven by the Office of the Vice President for Administration and involved input from facilities teams, academic leaders, instructional and research faculty, surveys, enrollment data, course registration data, and Sightlines data. Goals and deliverables were determined through reviewing best practices and strategies for capital investment and facilities management; examining research and modern practices in teaching, learning and research; coordinating facilities planning with academic programs; and evaluating current space utilization and conditions of facilities.

In total, the University manages over 13.5 million gross square feet of facilities – ranging from complex biosafety laboratories to NCAA athletic stadiums and facilities. The University has been monitoring its deferred maintenance backlog for over 10 years and has seen a steady growth in the balance due primarily to inadequate and unpredictable funding. Currently, the University has over \$800 million in its deferred maintenance backlog, and a minimum of \$90 million a year is needed just to prevent it from further increasing.

As the only public institution of higher education in the State, the University strives to be a premier provider of knowledge and inspiration by offering dynamic and engaged learning experiences. Unfortunately, it has reached a point where the current condition of our facilities is impeding our mission. Full funding of the Board approved FY 2019–2021 CIP budget is needed to provide quality learning and research environments.

A summary of the Board approved FY 2019–2021 CIP budget is provided below:

Program ID	Project Description	MOF	FY20	FY21
UOH100	RIM Projects	C	\$135.5M	\$110.5M
UOH100	Sinclair Library Renovation	C	\$41M	
UOH100	Snyder Hall	C		\$55M
UOH100	Holmes Hall	C	\$2M	\$35M
UOH100	Kuykendall Hall	C	\$2M	
UOH100	Keller Hall/Physical Science	C	\$1M	
UOH210	RIM Projects	C	\$21M	\$20.5M
UOH210	Pharmacy Laboratory Improvements	C	\$3M	
UOH700	RIM Projects	C	\$0.5M	\$2M
UOH700	General Education Building I	C	\$1M	
UOH700	Development & Infrastructure	C	\$7M	\$8M
UOH700	Planning Projects	C	\$0.5M	\$0.5M
UOH800	Capital Renewal & Deferred Maintenance	C	\$25M	\$25M
UOH800	Minor Capital Improvement Projects	C	\$10M	\$10M
UOH800	Hawai'i CC – Campus Development Phase I	C	\$2M	\$50M
UOH800	Honolulu CC Science Building	C	\$43.5M	
UOH800	Windward CC Agripharmatech Bioprocessing Facility	C		\$3M
	TOTAL		\$295M	\$319.5M

Thank you for the opportunity to testify on HB 1259.

STATE OF HAWAII
DEPARTMENT OF DEFENSE

LATE

TESTIMONY ON HOUSE BILL 1259
A BILL RELATING TO CAPITAL IMPROVEMENT PROJECTS

PRESENTATION TO
THE HOUSE COMMITTEE ON FINANCE

MAJOR GENERAL ARTHUR J. LOGAN
ADJUTANT GENERAL,
DIRECTOR OF THE HAWAII EMERGENCY MANAGEMENT AGENCY AND
DIRECTOR OF HOMELAND SECURITY

FEBRUARY 5, 2019

Chairs Luke and Vice Chairs Cullen and Members of the House Committee on Finance.

I am Major General Arthur Logan, Adjutant General, Director of the State Emergency Management Agency and Director of Homeland Security. I am providing written testimony for HB 1259.

The Department of Defense (DOD) **SUPPORTS THE INTENT** of HB 1259 with the requested amendments shown below.

The total Capital Improvement Project (CIP) request for DOD totals \$44,524,00 in FY 2020 and \$13,919,000 in FY 2021.

DOD request that the House Committee on Finance add the following CIP based on our priority:

DEF 110/AA

Dept. Priority #2 \$665,000 (MOF C) in FY 2020 and \$1,240,000 (MOF C) in FY 2021
Fort Ruger B06 and B306A, Hurricane Hardening, Oahu.

DEF 110/AB

Dept. Priority #5 \$0 in FY 2020 (MOF C) and \$2,096,000 (MOF C) in FY 2021
Upgrades and Improvements to National Guard Readiness Centers and
Facilities, Statewide.
\$0 in FY 2020 (MOF P) and \$7,456,000 (MOF P) in FY 2021
Upgrades and Improvements to National Guard Readiness Centers and
Facilities, Statewide.

DEF 110/AD

Dept. Priority #3 \$2,500,000 (MOF C) in FY 2020
Disaster Warning and Communications Devices, Statewide.
Dept. Priority #4 \$0 in FY 2020 and \$3,000,000 (MOF C) in FY 2021
Retrofit Buildings with Hurricane Protective Measures, Statewide.

Dept. Priority #6 \$313,000 (MOF C) in FY 2020 and \$127,000 (MOF C) in FY 2021
Birkhimer Emergency Operation Center Security and Access
Improvements, Oahu.

DEF 112/VA

Dept. Priority #1 \$31,783,000 (MOF C) in FY 2020 and \$0 in FY 2021
VA Long-Term Care Facility, Oahu

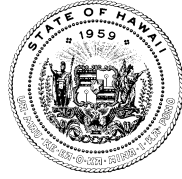
\$3,717,000 (MOF P) in FY 2020 and \$0 in FY 2021
VA Long-Term Care Facility, Oahu

Dept. Priority #7 \$1,000,000 (MOF C) in FY 2020 and \$0 in FY 2021
Hawaii State Veterans Cemetery Upgrades and Improvements, Oahu
\$4,546,000 (MOF P) in FY 2020 and \$0 in FY 2021
Hawaii State Veterans Cemetery Upgrades and Improvements, Oahu

Thank you for allowing me to testify **SUPPORTING THE INTENT** of HB 1259.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



JOBIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

WILLIAM J. AILA, JR.
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805



TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON FINANCE
HEARING ON FEBRUARY 6, 2019 AT 2:00PM IN CR 308

HB 1259 RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

February 5, 2019

Aloha Chair Luke and members of the Committee:

Thank you for the opportunity to testify on House Bill 1259, which appropriates capital improvement projects for fiscal biennium 2019-2021. The Department of Hawaiian Home Lands (DHHL) greatly appreciates the bill's intent of appropriating CIP funding for our program, HHL 602 – Planning and Development for Hawaiian Homesteads.

The Hawaiian Homes Commission approved the “Sufficient Sums” biennium budget request, which DHHL submitted to the Governor and the Legislature as detailed in our budget briefing testimony that can be reviewed at https://www.capitol.hawaii.gov/session2019/testimony/Info_Testimony_WAM-HWN_01-09-19_HHL.pdf. While DHHL's obligation to make this request is clear, the CIP funding included in the Governor's budget of \$25 million each fiscal year with \$5 million for repair & maintenance of existing infrastructure and \$20 million for lot development is appropriate given our current staffing levels and the CIP funding already provided over the past two years.

One technical amendment we wanted to bring to the Committee's attention is the placement of HHL602 – Planning and Development for Hawaiian Homesteads under the program area for Social Services instead of Health.

Thank you for your consideration of our testimony.

February 5, 2019



To: Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice-Chair
House Committee on Finance

From: Robert G. Peters, Chair
Early Learning Board

Subject **Measure:** H.B. No. 1259 – RELATING TO CAPITAL IMPROVEMENT PROJECTS
Hearing Date: February 6, 2019
Time: 2:00 p.m.
Location: Room 308

Bill Description: Appropriates capital improvement projects for fiscal biennium 2019–2021.

Early Learning Board Position: Comments

I am Robert G. Peters, Chair of the Early Learning Board (ELB). On behalf of the ELB, I respectfully request that the Executive Office on Early Learning CIP request to expand the EOEL Public Prekindergarten Program with additional classrooms be included in the bill.

EOEL is statutorily responsible for the development of the State’s early childhood system that shall ensure a spectrum of high-quality development and learning opportunities for children throughout the state, from prenatal care until the time they enter kindergarten, with priority given to underserved or at-risk children.

To address the need to increase access to pre-K for our keiki, the 2014 Legislature allocated funds to EOEL to implement a high-quality public pre-K program starting with 20 classrooms in the 2014-2015 school year. In 2017, EOEL requested funds for 10 additional classrooms and received funding for five. As a result, the EOEL Public Pre-K Program can serve up to 520 four-year-old children in Hawaii. While the ELB appreciates this Legislative support, it recognizes that much work remains to address the need to broaden access to quality prekindergarten experiences for Hawaii’s keiki, given the number of children not yet being served. The ELB supports EOEL plans to expand the Public Prekindergarten Program.

In fall 2018, the Department of Education identified 22 public schools at which classrooms are available for pre-K. For those classrooms to meet prekindergarten standards and create a developmentally appropriate environment for young children requires retrofitting those rooms. The DOE has indicated that the cost to retrofit the classrooms at the 22 public schools it has identified as having space for pre-K, is \$650,000 per classroom, totaling \$14.3 million.

The ELB supports the request for CIP funding for these classrooms and thanks the committee for the opportunity offer this testimony.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

LATE

Date: 02/06/2019

Time: 02:00 PM

Location: 308

Committee: House Finance

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: HB 1259 RELATING TO CAPITAL IMPROVEMENT PROJECTS.

Purpose of Bill: Appropriates capital improvement projects for fiscal biennium 2019–2021.

Department's Position:

The Hawaii State Department of Education (Department) supports HB 1259 as a means to fund Capital Improvement Programs (CIP). The Department has adjusted its budgeting approach, adopting several new lump sum categories to be included within EDN100, focusing on key aspects of the maintenance and development of our schools. The lump sum categories of capacity, repair and maintenance, instructional, support, compliance, equipment, health and safety, innovation, information technology, and project completion better position the Department to address the needs of our facilities.

Thank you for the opportunity to submit testimony on this bill.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.