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February 25, 2019
3:00 p.m.
State Capitol, Room 308



H.B. 755, H.D.1
RELATING TO THE STATE BUDGET.

House Committee on Finance

The Department of Transportation (HDOT) **supports** the intent of H.B.755, H.D.1. with concerns. The bill appropriates insufficient funds and positions for HDOT's operating budget for fiscal biennium 2019-2021. The HDOT respectfully has the following concerns regarding H.B. 755, H.D.1 in its current form.

Airports Division

H.B. 755, H.D.1 eliminates permanent state funded FTE positions (some of which are filled) and funding in the programs below:

- Individual program funding variance as stated below:

<u>FY20</u>			Gov. Exec. Budget		Variance
TRN	MOF	HB755 HD1	SB126		
102	B	-	186,015,958		(186,015,958)
102	N	-	0		-
104	B	-	10,034,990		(10,034,990)
111	B	-	24,033,752		(24,033,752)
114	B	-	31,108,925		(31,108,925)
116	B	-	1,718,173		(1,718,173)
118	B	-	719,500		(719,500)
131	B	-	38,998,002		(38,998,002)
133	B	-	1,021,833		(1,021,833)
135	B	-	3,163,247		(3,163,247)
141	B	-	4,211,323		(4,211,323)
143	B	-	1,017,850		(1,017,850)
151	B	-	3,486,561		(3,486,561)
161	B	-	26,250,190		(26,250,190)
163	B	-	46,841		(46,841)
195	B	303,035,902	266,176,154		36,859,748
Totals		303,035,902	598,003,299		(294,967,397)

<u>FY21</u>			Gov. Exec. Budget		Variance
TRN	MOF	HB755 HD1	SB126		
102	B	-	194,042,089		(194,042,089)
102	N	-	0		-
104	B	-	10,142,453		(10,142,453)
111	B	-	23,999,705		(23,999,705)
114	B	-	28,685,081		(28,685,081)
116	B	-	1,946,044		(1,946,044)
118	B	-	519,500		(519,500)
131	B	-	39,674,545		(39,674,545)
133	B	-	1,684,702		(1,684,702)
135	B	-	2,357,621		(2,357,621)
141	B	-	4,119,532		(4,119,532)
143	B	-	1,020,719		(1,020,719)
151	B	-	3,915,613		(3,915,613)
161	B	-	25,981,531		(25,981,531)
163	B	-	21,841		(21,841)
195	B	303,035,902	293,097,157		9,938,745
Totals		303,035,902	631,208,133		(328,172,231)

- Individual program position FTE variance as stated below:

FY20	MOF	HB755 HD1		Gov. Exec. Budget SB126		Variance	
		Perm	Temp	Perm	Temp	Perm	Temp
102	B	0.00	0.00	685.00	2.00	-685.00	-2.00
104	B	0.00	0.00	31.00	0.00	-31.00	0.00
111	B	0.00	0.00	86.00	0.00	-86.00	0.00
114	B	0.00	0.00	120.00	0.00	-120.00	0.00
116	B	0.00	0.00	4.00	0.00	-4.00	0.00
118	B	0.00	0.00	0.00	0.00	0.00	0.00
131	B	0.00	0.00	175.00	0.00	-175.00	0.00
133	B	0.00	0.00	8.00	0.00	-8.00	0.00
135	B	0.00	0.00	11.00	0.00	-11.00	0.00
141	B	0.00	0.00	14.00	0.00	-14.00	0.00
143	B	0.00	0.00	7.00	0.00	-7.00	0.00
151	B	0.00	0.00	12.00	0.00	-12.00	0.00
161	B	0.00	0.00	116.00	0.00	-116.00	0.00
163	B	0.00	0.00	0.00	0.00	0.00	0.00
195	B	131.00	1.00	133.00	1.00	-2.00	0.00
Total		131.00	1.00	1402.00	3.00	-1271.00	-2.00

FY21	MOF	HB755 HD1		Gov. Exec. Budget SB126		Variance	
		Perm	Temp	Perm	Temp	Perm	Temp
102	B	0.00	0.00	693	2.00	-693.00	-2.00
104	B	0.00	0.00	31.00	0.00	-31.00	0.00
111	B	0.00	0.00	86.00	0.00	-86.00	0.00
114	B	0.00	0.00	120.00	0.00	-120.00	0.00
116	B	0.00	0.00	4.00	0.00	-4.00	0.00
118	B	0.00	0.00	0.00	0.00	0.00	0.00
131	B	0.00	0.00	175.00	0.00	-175.00	0.00
133	B	0.00	0.00	8.00	0.00	-8.00	0.00
135	B	0.00	0.00	11.00	0.00	-11.00	0.00
141	B	0.00	0.00	14.00	0.00	-14.00	0.00
143	B	0.00	0.00	7.00	0.00	-7.00	0.00
151	B	0.00	0.00	12.00	0.00	-12.00	0.00
161	B	0.00	0.00	116.00	0.00	-116.00	0.00
163	B	0.00	0.00	0.00	0.00	0.00	0.00
195	B	131.00	1.00	133.00	1.00	-2.00	0.00
Total		131.00	1.00	1410.00	3.00	-1279.00	-2.00

- The Airports Division's operational needs requires trade-offs/transfers to best utilize available resources within the budget ceiling. Therefore, trade-offs and transfers are necessary to best utilize existing budget authority to meet the division's operations and maintenance requirements. Trade-offs/transfers for all programs should be included in an amendment to H.B. 755, H.D.1:
 - TRN 111/BD Hilo International Airport trade-offs/transfers for this program reflect a decrease of (1.00) FTE \$91,430 (B) in FY 2020 and FY 2021.
 - TRN 114/BE Ellison Onizuka Kona International Airport trade-offs/transfers for this program reflect an increase of 1.00 FTE \$91,430 (B) in FY 2020 and FY 2021.
 - TRN 116/BE Waimea-Kohala Airport: Trade-offs/transfers for this program reflect a decrease of (1.00) FTE \$106,906 (B) in FY 2020 and in FY 2021.
 - TRN 131/BF Kahului Airport: Trade-offs/transfers for this program reflect a decrease of (1.00) FTE \$81,235 (B) in FY 2020 and in FY 2021.
 - TRN 195/BB Airports Administration: Trade-offs/transfers for this program reflect a net increase of 2.00 FTE \$188,141(B) in FY 2020 and FY 2021.

- Additional funds and positions, as included in the Governor's Executive Budget, are needed to meet individual program needs. Beyond base budget appropriations and positions, total add-ons of \$221,449,938 and 65.00 FTE positions in FY2020 and \$253,794,322 and 73.00 FTE positions in FY2021 are necessary to adequately support Airports Division programs.

Harbors Division

H.B. 755, H.D.1 proposes to reduce appropriations for the Harbors Division programs for the fiscal biennium 2019-2021. Harbors Division has concerns regarding H.B. 755, H.D.1 in its current form.

The Harbors Division respectfully requests restoration of the Harbors Division's operating appropriations for the fiscal biennium 2019-2021 to reflect funds as included in the Governor's Executive Budget.

- Individual program funding variance as stated below:

<u>FY20</u>		Harbors Requested		
TRN	MOF	HB755 HD1	Appropriation Allocation**	Variance
301	B	20,371,905	20,371,905	0
303	B	1,279,755	1,279,755	0
311	B	2,285,410	2,285,410	0
313	B	793,376	793,376	0
331	B	3,241,146	3,241,146	0
333	B	12,519	12,519	0
341	B	206,158	206,158	0
351	B	132,006	132,006	0
361	B	2,608,331	2,608,331	0
363	B	188,223	188,223	0
395	B	87,980,358	92,980,358	(5,000,000)
Totals		119,099,187	124,099,187	(5,000,000)

<u>FY21</u>		Harbors Requested		
TRN	MOF	HB755 HD1	Appropriation Allocation**	Variance
301	B	20,456,061	20,456,061	-
303	B	1,282,209	1,282,209	-
311	B	2,293,812	2,293,812	-
313	B	793,376	793,376	-
331	B	3,252,271	3,252,271	-
333	B	12,519	12,519	-
341	B	206,157	206,157	-
351	B	132,006	132,006	-
361	B	2,619,836	2,619,836	-
363	B	188,222	188,222	-
395	B	87,980,358	92,980,358	(5,000,000)
Totals		119,216,827	124,216,827	(5,000,000)

** Based on the Governor's FB19-21 Base Budgets + Requested Special Maintenance Projects (SMP)

- Individual program position FTE variance as stated below:

FY20 & FY21		Gov. Exec. Budget					
		HB755 HD1		SB126		Variance	
TRN	MOF	Perm	Temp	Perm	Temp	Perm	Temp
301	B	114.00	1.00	114.00	1.00	0.00	0.00
303	B	6.00	0.00	6.00	0.00	0.00	0.00
311	B	15.00	0.00	15.00	0.00	0.00	0.00
313	B	2.00	0.00	2.00	0.00	0.00	0.00
331	B	18.00	0.00	18.00	0.00	0.00	0.00
333	B	0.00	0.00	0.00	0.00	0.00	0.00
341	B	1.00	0.00	1.00	0.00	0.00	0.00
351	B	1.00	0.00	1.00	0.00	0.00	0.00
361	B	15.00	0.00	15.00	0.00	0.00	0.00
363	B	1.00	0.00	1.00	0.00	0.00	0.00
395	B	77.00	1.00	77.00	1.00	0.00	0.00
Totals		250.00	2.00	250.00	2.00	0.00	0.00

Highways Division

H.B. 755, H.D.1 is not sufficient to meet Highways Division's funding requirements for its various programs. The Highways Division has the following concerns regarding H.B. 755, H.D.1 in its current form:

- Reduces positions and funding for the Highways Division's districts: TRN 501 Oahu Highways, TRN 511 Hawaii Highways, TRN 531 Maui Highways and TRN 561 Kauai Highways.
- TRN 595 Highways Administration and TRN 597 Highways Safety budgets are not adequately funded to meet program needs.

- Individual program funding variance as stated below:

<u>FY20</u>			Gov. Exec. Budget		
TRN	MOF	HB755 HD1	SB126		Variance
501	B	-	82,278,562		(82,278,562)
511	B	-	16,702,491		(16,702,491)
531	B	-	17,875,648		(17,875,648)
561	B	-	9,294,522		(9,294,522)
595	B	170,877,765	142,055,614		28,822,151
595	N	7,207,918	7,557,418		(349,500)
597	B	10,696,387	10,950,851		(254,464)
597	N	3,817,704	4,065,433		(247,729)
597	P	754,989	754,989		-
Totals		193,354,763	291,535,528		(98,180,765)

<u>FY21</u>			Gov. Exec. Budget		
TRN	MOF	HB755 HD1	SB126		Variance
501	B	-	82,716,787		(82,716,787)
511	B	-	16,870,247		(16,870,247)
531	B	-	17,992,854		(17,992,854)
561	B	-	9,221,150		(9,221,150)
595	B	170,877,765	145,872,767		25,004,998
595	N	7,207,918	7,557,418		(349,500)
597	B	10,696,387	10,950,851		(254,464)
597	N	3,817,704	4,065,433		(247,729)
597	P	754,989	754,989		-
Totals		193,354,763	296,002,496		(102,647,733)

- Individual program position FTE variance as stated below:

FY20 & FY21		HB755 HD1		Gov. Exec. Budget SB126		Variance	
TRN	MOF	Perm	Temp	Perm	Temp	Perm	Temp
501	B	0.00	0.00	195.00	0.00	-195.00	0.00
511	B	0.00	0.00	131.00	0.00	-131.00	0.00
531	B	0.00	0.00	89.00	1.00	-89.00	-1.00
561	B	0.00	0.00	51.00	0.00	-51.00	0.00
595	B	112.00	5.00	112.00	5.00	0.00	0.00
595	N	0.00	1.00	0.00	1.00	0.00	0.00
597	B	31.20	0.00	31.20	0.00	0.00	0.00
597	N	6.00	0.00	6.00	0.00	0.00	0.00
597	P	0.80	0.00	0.80	0.00	0.00	0.00
Totals		150.00	6.00	616.00	7.00	-466.00	-1.00

The Highways Division respectfully requests the amendment of H.B. 755, H.D. 1 to reflect the Governor's Executive Budget (S.B.126):

- The restoration of positions and funding for TRN 501 Oahu Highways, TRN 511 Hawaii Highways, TRN 531 Maui Highways, TRN 561 Kauai Highways.
- Adequately fund TRN 595 Highways Administration and TRN 597 Highways Safety to meet program needs.

The Governor's Executive Budget (S.B. 126) request is based on B&F's base budget and the following adjustments:

- The Highways Division operational needs requires trade-offs/transfers to best utilize limited resources within the fiscal constraints of the budget ceiling. The Highways Division operations and maintenance budget authority is limited to state highway fund revenue streams. Therefore, trade-offs and transfers are necessary to best utilize existing budget authority to meet the division's operations and maintenance requirements.
 - TRN 501/DC Oahu Highways trade-offs/transfers for this program reflect a net increase of \$7,967,013 (B) in FY 2020 and \$8,204,562 (B) in FY 2021.
 - TRN 511/DD Hawaii Highways trade-offs/transfers for this program reflect a net increase of \$1,013,852 (B) in FY 2020 and \$1,070,173 (B) in FY 2021.

- TRN 531/DF Maui Highways (Maui Office): Trade-offs/transfers for this program reflect a net increase of \$998,445 (B) in FY 2020 and \$1,187,360 (B) in FY 2021.
 - TRN 531/DL Maui Highways (Lanai Office): Trade-offs/transfers for this program reflect a net increase of \$82,025 (B) in FY 2020 and \$9,327 (B) in FY 2021.
 - TRN 531/DM Maui Highways (Molokai Office): Trade-offs/transfers for this program reflect a net increase of \$322,134 (B) in FY 2020 and \$242,589 (B) in FY 2021.
 - TRN 561/DG Kauai Highways trade-offs/transfers for this program reflect an increase of \$1,586,318 (B) in FY 2020 and \$1,610,023 (B) in FY 2021.
 - TRN 595/DB Highways Administration trade-offs/transfers for this program reflect a net decrease of \$12,224,251 (B) in FY 2020 and \$12,578,498 (B) in FY 2021.
 - TRN 597/AB Highway Safety trade-offs/transfers for this program reflect a net increase of \$254,464 (B) in FY 2020 and in FY 2021.
- Additional funds, as included in the Governor's Executive Budget, are needed to adequately satisfy individual program needs.

TRN 501/DB Oahu Highways

- Additional funds for traffic control \$2,000,000 (B) in FY 20 and FY 21. For several years, traffic control for Oahu District maintenance activities has been contracted out. This was done to remedy the problem whereby we did not have enough staff do the actual work required and at the same time provide safe and efficient traffic control. A side benefit to this practice is that in emergency situations, the contractor can respond faster than in-house staff, and the state does not get into a situation regarding required rest (union issues) and exorbitant overtime. Contracting out traffic control also eliminates the potential hazards related to working directly with moving vehicles and therefore provides a safer work environment for state employees.

TRN 561/DG Kauai Highways

- Additional Equipment: Truck Mounted Crash Attenuator; On-Vehicle Disc Brake Lathe; 13X40 Metal Lathe; 4 Post Mobile Lift Wireless; 627 Hydraulic Iron Worker \$147,321 (B) in FY 2020. The additional equipment will increase work place safety and/or efficiency.
 - Truck Mounted Crash Attenuator (\$25,153) - Enhances worker and public safety by deploying on vehicles prone to being struck from behind when working on the highway. Will significantly reduce injuries to employees and public and reduce damage to equipment by absorbing energy from collisions.

- On-Vehicle Disc Brake Lathe (\$15,535) - Allows for machining of brake rotors without requiring removal of the rotor from the vehicle. Results in significant time savings as rotors can be machined while on the vehicle, which also lends itself to a superior work product as the rotor is turned while mounted in the position in which it will be operating. Thus, brake performance is enhanced for increased safety and longer brake life.
- 13 x 40 Metal Lathe (\$6,328) - Necessary to machine repair parts which otherwise must be shipped off island for repair. Will increase efficiency in repair schedules to return equipment to duty sooner.
- 4 Post Mobile Lift Wireless (\$81,400) - Purchasing a second lift will mean that mechanics will no longer be required to utilize an obsolete, dangerous concrete ramp outdoors in the weather to work underneath vehicles and equipment.
- 627 Hydraulic Iron Worker (\$18,905) - Used for fabricating metal parts which must otherwise ordered from off island. Will increase efficiency in producing the parts as well as saving cost in the long run.

TRN 595/DB Highways Administration

- Highways Financial Management System \$10,703,600 (B) in FY 2020 and \$875,000 (B) in FY 2021. Request additional state highway special funds (B) for the development and implementation of a new Highways Financial Management System including implementation consultant services for the projects, grants, billing/accounts receivable, time sheet (by WBS), purchasing and accounts payable modules, software license fees, hosting services, and various computer equipment.
- Statewide Special Maintenance Program \$44,000,000 (B) in FY 2020 and \$58,000,000 (B) in FY 2021. The Highways Special Repair and Maintenance Program is to preserve the initial capital investment and to prolong the life of the facility. Traffic, weather, and age are the major causes of the facility deterioration. The special R&M program is systematic maintenance program to prevent further and accelerated deterioration of the highway facility. The intent of the R&M program is to avoid major repairs and to minimize routine maintenance costs.
- Workforce Development and Training Program additional funds \$30,000 (B) in FY 2020 and FY 2021; \$50,000 (N) in FY 2020 and FY 2021. The Workforce Development & Training Program is a partnership between the Federal Highways Administration and HDOT with the focus on planning and implementing a structured training program for HDOT personnel. FHWA contribute 80% funding while HDOT provides the 20% matching funds. The current STIP with effective date of April 26, 2018, item S15 -

Technology Transfer & Technical Assistance Program, which is the Workforce Development & Training Program, has an annual funding of \$150,000 with \$120,000 Federal Funds and \$30,000 State Matching Funds. HDOT needs to increase its matching funds from \$0 to \$30,000 per year to receive the \$120,000 of Federal Funds. The training workshops will focus on transportation related topics for HDOT personnel to meet FHWA program requirements in the areas of planning, design, right-of-way, traffic operations, construction, materials testing, etc. Some of the workshops include: NEPA; Work Zone Safety; Field and Laboratory Materials Sampling and Testing; Pavement Management/Design; Bridge Design/Construction; Hydraulic Design/Construction.

- LTAP program additional funds \$80,000 (B) in FY 2020 and FY 2021; \$10,000 (N) in FY 2020 and FY 2021. The Hawaii Local Technical Assistance Program (LTAP) is part of a national effort created by the Federal Highway Administration to provide local agencies with information and training programs to address the maintenance of local roadways and bridges. The goal of LTAP is to foster a safe, efficient, and environmentally sound surface transportation system by improving skills and increasing knowledge of the transportation workforce and decision makers. The Local Technical Assistance Program (LTAP) is an FHWA mandated program with a minimum of \$300,000 per year. The program is a 50/50 funding split of Federal & State Funding. In the past, State Funding was \$70,000 while Federal Funding was \$140,000 for a total of \$210,000 per year. State Funding must increase another \$80,000 to \$150,000 while the Federal Funds must increase another \$10,000 to \$150,000 to meet FHWA requirements. The training workshops will focus on transportation related topics for the local county personnel and local private consultants / contractors to meet FHWA program requirements. Training workshops will focus on transportation related topics for the local county personnel and local private consultants / contractors to meet FHWA program requirements in the areas of planning, design, right-of-way, traffic operations, etc.
- ITS devices communication and server hosting services additional funds \$31,500 (B) in FY 2020 and FY 2021; \$289,500 (N) in FY 2020 and FY 2021. The HDOT has been installing various devices on the Freeway system to support its Intelligent Transportation System Program. Specifically, the goal of these devices is to obtain real-time traffic information (speeds, travel times, etc.). This all feeds into our Traveler Information System (e.g. GoAkamai) which informs motorists of traffic conditions (e.g. congestion maps, traffic camera images, etc.). Starting in 2010, the HDOT installed sensors and other travel time detection along H-

1, H-2, and H-201. In 2017-2018, the HDOT expanded the coverage to include the H-3, Pali and Likelike Highways, thus increasing the number of sites and the devices. The devices that have been installed rely on cellular communication services which incur monthly costs. Other recurring costs include server hosting facilities where information is archived and distributed to the public via the GoAkamai program.

TRN 597 Highways Safety:

- Fringe Benefit Increase of \$17,842 (N) in FY 2020 and in FY 2021. Request is to provide funding for fringe benefit increase due to insufficient base budget and collective bargaining. Additional collective bargaining amounts provided by B&F were not enough to cover additional costs.
- FAST Act 405d Impaired Driving MID project, additional funds of \$229,887 (N) in FY 2020 and FY 2021. As a result of applying for Impaired Driving Countermeasures Grants and meeting federal requirements (i.e., establishing an Impaired Driving Task Force and creating a comprehensive Impaired Driving Plan), HDOT receives FAST Act 405d Impaired Driving Mid funding from the National Highway Traffic Safety Administration. The funding is used to address impaired driving issues and cover related activities such as conducting overtime DUI [Driving Under the Influence (of Alcohol and Drugs)] enforcement by county police departments, and a statewide impaired driving media campaign.

Lastly, the Highways Division is generally agreeable to a reduction of 58.00 FTE positions. However, the Highways Division would like to work with the committee to identify the 58.00 FTE position reductions to minimize any adverse impact on operations. Furthermore, the Highways Division humbly requests the committee to consider a cost neutral adjustment in routine maintenance funding to offset the loss of the 58 FTE positions. The offset in funding will be used for the district's routine maintenance contract services.

General Administration

H.B. 755, H.D.1 has not provided for HDOT Administration's requirements for its various programs. HDOT respectfully has the following concerns with H.B. 755, H.D.1 in its current form.

- Individual program funding variance as stated below:

<u>FY20</u>		Gov. Exec. Budget		
TRN	MOF	HB755 HD1	SB126	Variance
695	B	-	1,842,173	(1,842,173)
995	B	-	21,081,473	(21,081,473)
995	N	-	18,064,184	(18,064,184)
995	R	-	743,067	(743,067)
		-	41,730,897	(41,730,897)

<u>FY21</u>		Gov. Exec. Budget		
TRN	MOF	HB755 HD1	SB126	Variance
695	B	-	1,842,173	(1,842,173)
995	B	-	21,083,147	(21,083,147)
995	N	-	18,206,911	(18,206,911)
995	R	-	743,067	(743,067)
		-	41,875,298	(41,875,298)

- Individual program position FTE variance as stated below:

<u>FY20 & FY21</u>		HB755 HD1		Gov. Exec. Budget		Variance	
TRN	MOF	Perm	Temp	Perm	Temp	Perm	Temp
695	B	0.00	0.00	1.00	0.00	-1.00	0.00
995	B	0.00	0.00	111.00	2.00	-111.00	-2.00
		0.00	0.00	112.00	2.00	-112.00	-2.00

The HDOT respectfully requests amending H.B. 755, H.D.1 to include the Governor's Executive Budget (SB 126) request for 111 permanent and 2 temporary positions for TRN 995, and operating state special funds (MOF B) of \$21,081,473 in FY 20 and \$21,083,147 in FY 21. Furthermore, HDOT requests amending H.B. 755, H.D. 1 to include in TRN 995: federal funds (MOF N) of \$18,064,184 in FY 20 and \$18,206,911 in FY 21, as well as private contributions (MOF R) of \$743,067 in FY 20 and FY 21.

The HDOT respectfully requests amending H.B. 755, H.D.1 to include the Governor's Executive Budget (SB 126) request for 1 permanent position for TRN 695, and operating state special funds (MOF B) of \$1,842,173 in FY 20 and \$1,842,173 in FY 21.

Thank you for the opportunity to provide testimony.