



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

February 4, 2019
1:15 p.m.
State Capitol, Room 225

S.B. 511
RELATING TO THE DEPARTMENT OF TRANSPORTATION

Senate Committee on Transportation

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

S.B. 511 amends appropriations provided by Act 49/SLH 2017 as amended Act 53/SLH 2018. However, the DOT respectfully has the following concerns regarding S.B. 511 in its current form:

- S.B. 511 should consider the Governor’s Executive budget (HB 964/SB 126) adjusted Act 49/SLH 2017 as amended by Act 53/SLH 2018 by **excluding** the following in its base (Section 2, page 3, line 16):
 - TRN 195/BB Airports Administration
 - Special Maintenance Program \$ 30,500,000 (B)
 - Debt Service \$167,577,982(B)
 - CONRAC Shuttle Buses \$ 27,000,000 (B)

Note: S.B. 511 reflects the Special Maintenance Program as add-ons in the program appropriations (pages 10-12, Item Nos.38-51)

- The proposed bill should also consider Governor’s Executive budget (HB 964/SB 126) adjusted Act 49/SLH 2017 as amended by Act 53/SLH 2018 by **including** collective bargaining in its base:

<u>TRN</u>	<u>FY 20</u>	<u>FY 21</u>
102/BC	\$3,449,842 (B)	\$4,035,678 (B)
104/BC	\$171,964 (B)	\$179,427 (B)
111/BD	\$328,247 (B)	\$377,700 (B)
114/BE	\$364,755 (B)	\$405,804 (B)
116/BE	\$18,174 (B)	\$21,045 (B)
131/BF	\$647,941 (B)	\$739,905 (B)
133/BF	\$45,374 (B)	\$48,243 (B)
135/BF	\$71,231 (B)	\$79,105 (B)
141/BF	\$72,148 (B)	\$80,357 (B)
143/BF	\$37,911 (B)	\$40,780 (B)

151/BF	\$39,985 (B)	\$44,037 (B)
161/BG	\$420,678 (B)	\$476,619 (B)
195/BB	\$540,016 (B)	\$540,016 (B)

- The Airports Division operational needs requires trade-off/transfers to best utilize available resources within the budget ceiling. Therefore, trade-off and transfers are necessary to best utilize existing budget authority to meet the division's operations and maintenance requirements. Trade-off/transfers for all programs should be included in an amendment to S.B. 511:
 - TRN 111/BD Hilo International Airport trade-off/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-off/transfer 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-off/transfer 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-off/transfer 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-off/transfer for this program reflect a net increase of 2.00 FTE \$188,141(B) in FY 2020 and FY 2021.

- An amendment to S.B. 511 for additional funds are needed for TRN 195 Airports Administration:
 - Debt Service – Revenue Bonds Increase of \$120,390,581 (B) in FY 2020 and \$147,633,291 (B) in FY 2021. Request is to provide funding for payment on debt service on outstanding revenue bonds. If a debt service payment is not made, all outstanding bonds may become due and damages the credit ratings of both DOTA and the State. This would increase the interest rates on future bonds.
 - Debt Service – CFC Revenue Bonds Increase of \$40,786,258 (B) in FY 2020 and \$40,789,551 (B) in FY 2021. Request is to provide funding for payment on debt service on outstanding CFC revenue bonds. If a debt service payment is not made, all outstanding bonds may become due and damages the credit ratings of both DOTA and the State. This would increase the interest rates on future bonds.

Thank you for the opportunity to provide testimony.