
A BILL FOR AN ACT

RELATING TO DEFERRED MAINTENANCE.

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

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

12 The legislature finds that this Act is necessary to:

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



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

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

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

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

16 (b) The task force shall:

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



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



1 (7) Consider whether a class of bond funds should be
2 issued with a term shorter than twenty years, to
3 reflect that certain major building systems or
4 components may have expected useful lives of less than
5 twenty years and may require replacement on a shorter
6 cycle; and

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

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

- 15 (1) The lieutenant governor's chief of staff, who shall
16 serve as chairperson;
- 17 (2) The comptroller;
- 18 (3) The director of finance;
- 19 (4) The president of the University of Hawaii;
- 20 (5) The chief executive officer of the Hawaii health
21 systems corporation;



- 1 (6) The superintendent of education;
- 2 (7) The chairperson of the board of land and natural
3 resources;
- 4 (8) The director of transportation;
- 5 (9) The administrator of the courts;
- 6 (10) A member of the house of representatives, appointed by
7 the speaker of the house of representatives;
- 8 (11) A member of the senate, appointed by the president of
9 the senate;
- 10 (12) A private sector representative, appointed by the
11 speaker of the house of representatives; and
- 12 (13) A private sector representative, appointed by the
13 president of the senate.
- 14 Task force members may recommend additional members with
15 appropriate specialized expertise to join the task force, for
16 approval by the chairperson.
- 17 (d) The asset management task force shall submit a
18 preliminary report, including a status update on the task
19 force's progress and any anticipated needs for completion, to
20 the legislature no later than October 31, 2020.



1 (e) The asset management task force shall submit a final
2 report of its findings and recommendations, including any
3 proposed legislation, to the legislature no later than
4 October 31, 2021.

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

6 SECTION 3. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$250,000 or so much
8 thereof as may be necessary for fiscal year 2019-2020 and the
9 sum of \$ or so much thereof as may be necessary for
10 fiscal year 2020-2021 for the asset management task force to
11 develop the plans to address deferred maintenance projects in
12 the State, pursuant to section 2 of this Act.

13 The sums appropriated shall be expended by the office of
14 the lieutenant governor for the purposes of this Act.

15 SECTION 4. This Act shall take effect on July 1, 2019.



Report Title:

Asset Management; Task Force; Deferred Maintenance; Backlog; Appropriation

Description:

Establishes an asset management task force within the Office of the lieutenant governor to create a standardized schedule of repair and maintenance of state-owned facilities. Makes an appropriation for the asset management task force. (SD1)

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