

DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR
BONNIE KAHAKUI
ASSISTANT ADMINISTRATOR

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TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE ON
FINANCE

Monday, February 25, 2019, 2 PM

HB1432 HD1
RELATING TO THE BUDGET OF THE
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Chair Luke, Vice Chair Cullen, and members of the committee, thank you for the opportunity to submit testimony on HB1432 HD1. The State Procurement Office (SPO) supports the intent of the bill and offers strong support for Program AGS244: The State Surplus Program.

Statutory Basis

Section 103D-1101, HRS, State agency for surplus property: The State Agency for Surplus Property (SASP), established within the Department of Accounting and General Services (DAGS) State Procurement Office (SPO), shall be the state agency for federal and state surplus personal property. The administrator of the state procurement office shall appoint and prescribe the duties of a surplus property director and other personnel.

Section 103D-1107, HRS, Revolving fund: The revolving fund shall be in the state treasury, a surplus federal property revolving fund and maintained in an amount adequate to defray the costs of procuring, storing, handling, and disposing of surplus property donated to the State under any federal act or rules adopted by the Procurement Policy Board, making surplus federal and state property available.

Mission and Goals

- Managing the disposal of state and federal property through equitable redistribution to eligible customers (state and local governments (tax-supported entities), eligible non-profits) or public sale to maximize transparency and asset value.
- Reusing surplus property rather than buying new, saves tax dollars by extending the life of the property.

The goals of the State Agency for Surplus Property for FY19 are:

- To maximize acquisition and fair and equitable distribution of Federal/State surplus property at the least possible cost to eligible donees. Emphasis is placed on the cost-effective utilization of surplus property by state and local agencies.
- To increase participation of donees.
- To decrease cost transitioning to digital invoicing.

For additional information, please refer to Attachment 1-AGS244 Goals and Objectives for 2019.

General Program Description

The State agency for surplus property was established in HRS Section 103D-1103. Statutorily mandated duties include the following:

In accordance with Public Law 94-519, Federal surplus property generated locally is physically inspected and requested through applications filed with the U.S. General Services Administration. Property allocated to the State is selected, transported, checked, and warehoused by agency personnel for distribution to eligible donees. A self-service system enables local donees to view and take immediate delivery of property selected. Neighbor island requests are filled, packed, and shipped via barge. Based on formal or verbal notices of State disposal, desirable items are physically inspected to determine suitability for further utilization or disposal by public sale. All property selected are transported, checked, and warehoused by agency personnel for distribution. Potential State user agencies are advised of the availability of desirable property. Items selected for re-utilization are transferred to the user agency for a nominal service and handling charge.

Composition

AGS 244: State Agency for Surplus Property (SASP)

The program coordinates the transfer of State surplus property and Federal surplus property available through the Federal Surplus Property program to eligible "donees" (state/local government, non-profit organizations that serve or promote a public purpose, qualified small minority-owned businesses, tax-exempt educational and public health institutions or organizations).

To achieve the greatest economical use of State and Federal property declared surplus, the program provides a viable source of surplus goods for re-utilization.

The SASP programs are comprised of the following:

- Federal Surplus Personal Property Donation Program
- State Property Disposal Program

Budget Ceiling

		Act 053/2018								
Prog ID	Program Title	MOF	Perm	Temp	Personal	Other Current		Motor	Current	FY 19
			Pos	Pos	Services	Expenses	Equipment	Vehicles	Leases	Appn
AGS-244	Surplus Property Management	W	5.00	0.00	\$ 344,688	\$ 103,561	\$ -	\$ 1,400,000	\$ -	\$ 1,848,249

		Base Budget Adjustments									
		Act 053/2018		ADD			LESS		Adjusted Base Ceiling		
Prog ID	Program Title	MOF	FY 19	CB		Other	Non-recurring				
			Appn	FY20	FY21	FY20	FY20	FY21	FY20	FY21	
AGS-244	Surplus Property Management	W	1,848,249	17,546	18,878				1,865,795	1,867,127	

For additional information, please refer to Attachment 2 – Operating and Capital Expenditures, Report on Non-General Fund Information

Position Types

PROGRAM ID / TITLE / POSITION TYPE / POSITION TITLE	FY19
AGS244 SURPLUS PROPERTY MANAGEMENT	5.00
ADMIN SUPPORT	2.00
ACCOUNT CLERK III	1.00
OFFICE ASSISTANT IV	1.00
HEAVY TRUCK DRIVER	1.00
HEAVY TRUCK DRIVER	1.00
SPECIALIST	2.00
PROCUREMENT & SUPPLY SPCLT III	1.00
SURPLUS PROPERTY SPECIALIST	1.00

For additional information, please refer to Attachment 3 – Surplus Organizational Chart

Initiatives and Projects

1. Surplus On-line Auction:

Surplus launched the online Public Auction to dispose of non-transferable vintage State surplus property and the Voluntarily Abandoned Property (VAP) from the Federal Transportation Security Administration (TSA) to reduce storage costs, landfill disposal costs and create a new source of revenue for the State. The new system provides a fair system that allows the public to competitively bid on items that the State has no further use.

2. Building/Shed Refurbishment:

Surplus uses the outdoor shed to house federal surplus property. Central Services has determined the Surplus outdoor shed is rusted, leaking and could pose a danger with high winds. Surplus and Central Services are working together to combine monies to reconstruct a safe, working, lockable outdoor shed.

Pursuant to Federal Regulation: Title 41/Subtitle C/Chapter 102/Subchapter B/Part 102-37/Subpart D/§102-37.245: "To safeguard surplus property in your custody, you must provide adequate protection of property in your custody, including protection against the hazards of fire, theft, vandalism, and weather."

Central Services has estimated this refurbishment at \$400,000. They will be funding \$150,000 and the remainder will be coming out of the Surplus Reserve fund. Currently, the Reserve Fund balance is \$412,000. Per the Surplus Federal Operating Agreement, Surplus must keep one year's worth of operating expenses in the reserve which is estimated at \$278,779. The remainder will go towards paying for the refurbishment of the outdoor shed.

3. Transition to Digital Invoicing:

Surplus successfully transitioned to a fully digital invoicing process, which realized savings on time, paper, and postage. Digital forms were efficiently completed, saved as a pdf, and emailed to donees.

Significant Issues

A number of factors dominating Federal/State program operations include the unpredictable generation of surplus property by types, quantity, and condition; new Federal legislation; changing Federal/State disposal regulations and re- utilization policies; specific donee requirements; and seasonal trends in donee participation; federal government shutdown, and the economic and its impact on the budgets of government agencies and other donees.

Budget Requests for the FB2019-21 Budget

The operating budget for Surplus (AGS244) is in HB 1432, and includes the following:

- Collective bargaining for FY20: \$17,546
- Collective bargaining for FY21: \$18,878

Thank you.

Attachment 1

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

January 2019

Program ID / Title: AGS 244/Surplus Property Management

Contact Person/Phone: Sarah Allen/587-4700

I. Goals

To effectively and efficiently provide customers (donees) with surplus property items, and continue to be fiscally solvent with revenues equaling or exceeding expenditures.

II. Objectives and Policies

- A. Intensifying training available to eligible and participating donees to enable interaction with the entire spectrum of program features and to improve donee probability of obtaining needed items.
- B. Maintain financial viability through increasing promotion on use of the utilization and donation programs by enhancing promotion and marketing of the surplus property program to enable Donees to benefit from the varied surplus property available to them at significantly reduced prices.
- C. Streamline processes and improve operational efficiencies and compliance with regards to the State Plan of Operation for the Federal Surplus Property Donation Program.

III. Action Plan with Timetable

- A. Intensifying training available to eligible and participating donees to enable interaction with the entire spectrum of program features and to improve donee probability of obtaining needed items.
 - 1. Past Year Accomplishments
 - a. Eligible donees require access to GSAXcess for property screening. Surplus designated customers with National Utilization Officer permission levels in GSAXcess and created new, individual donee accounts and added the users.
 - 2. Year One
 - a. Promote Surplus Property Program to all local and outer island government agency.

3. Two Years
 - a. Continue to scan business environments for promoting Surplus to potential donees.
 4. Five Years
 - a. Increase contributions to zero-waste or other sustainability initiatives. Multiple methods redistribution, resale, and disposal help divert waste from landfills and extend the useful life of assets.
- B. Maintain financial viability through increasing promotion on use of the utilization and donation programs by enhancing promotion and marketing of the surplus property program to enable Donees to benefit from the varied surplus property available to them at significantly reduced prices.
1. Past Year Accomplishments
 - a. FY 2018 - Acquisition Cost of Surplus Property Transferred to Donees is \$2.4 Million.
 - b. FY 2018 - Service & Handling fee of Surplus Property Transferred to Donees is \$229,000.
 - c. Participated in the GSA Public Auction to sell Federal non-transferable vintage surplus property.
 2. One Year
 - a. Continue to maintain and update webpage information.
 - b. Monitor and adjust the program's website to improve customer satisfaction.
 3. Two Years
 - a. Promote new internet auction platforms.
 4. Five Years
 - a. Extend the useful life of assets and generate revenue with multiple methods of disposal including counter sales, online auction, and web surplus.
 - b. Monitor and adjust the program's website to improve customer satisfaction.
- C. Streamline processes and improve operational efficiencies and compliance with regards to the State Plan of Operation for the Federal Surplus Property Donation Program.
1. Past Year Accomplishments

- a. Eliminated old items from warehouse that were not being purchased because they were broken or out-of-date.
- b. We are continuing to improve our system and have established procedures to turnover Federal surplus property within 2 years to keep our inventory current.

2. One Year

- a. Update State Plan of Operation
- b. Continue to work on supplying program information on our website.

3. Two Years

- a. Continue website updates including any new information relevant to donees.

4. Five Years

- a. Automating workflow processes for managing surplus property from acquisition through redistribution, sale, or disposal.

IV. Performance Measures

- A. Customer Satisfaction measure - Perform trend analyses on the customer base of the Surplus Property Management program to include number of participating donees and percentage of participating donees.
- B. Performance Standard measure - Perform trend analysis on distribution of surplus property to donees.
- C. Cost Effectiveness measure - Perform long term and comprehensive trend analyses annually of the financial net gain or loss of the Surplus Property Management program.

OPERATING AND CAPITAL EXPENDITURES

PROGRAM ID: AGS244
 PROGRAM STRUCTURE NO: 11030902
 PROGRAM TITLE: SURPLUS PROPERTY MANAGEMENT

PROGRAM EXPENDITURES	IN DOLLARS					IN THOUSANDS				
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25		
OPERATING COST	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*		
PERSONAL SERVICES	0.00**	0.00**	0.00**	0.00**	0.00**	0.00**	0.00**	0.00**		
OTHER CURRENT EXPENSES	174,340	344,688	362,234	363,666	364	364	364	364		
MOTOR VEHICLES	17,957	103,561	103,561	103,561	103	103	103	103		
		1,400,000	1,400,000	1,400,000	1,400	1,400	1,400	1,400		
TOTAL OPERATING COST	192,297	1,848,249	1,865,795	1,867,127	1,867	1,867	1,867	1,867		
BY MEANS OF FINANCING										
REVOLVING FUND	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*		
	**	**	**	**	**	**	**	**		
	192,297	1,848,249	1,865,795	1,867,127	1,867	1,867	1,867	1,867		
TOTAL PERM POSITIONS	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*	5.00*		
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**		
TOTAL PROGRAM COST	192,297	1,848,249	1,865,795	1,867,127	1,867	1,867	1,867	1,867		

Attachment 2B

Report on Non-General Fund Information for Submittal to the 2019 Legislature

.....
 Department: Accounting and General Services
 Prog ID(s): AGS-244
 Name of Fund: Surplus Federal Property Revolving Fund
 Legal Authority: Section 103D-1107, HRS

Contact Name: Mei Phillips
 Phone: 831-6757
 Fund type (MOF): Revolving Fund (W)
 Appropriation Acct. No. S-XX-304-M

Intended Purpose:

The objective of the program is to reutilize federal and state property declared surplus or excess. The fund is maintained in an amount adequate to defray the costs of procuring, storing, handling, and disposing of surplus property donated to the State under any federal act or State rules making surplus federal and state property available.

Source of Revenues: Service and handling fees are charged for acquired property based on the acquisition cost or fair market value of the donated or transferred property. For vehicles acquired from the federal government, a fixed fee is charged.

Current Program Activities/Allowable Expenses:

Funds are used for all costs (payroll and operating expenses) to support the program.

Purpose of Proposed Ceiling Adjustment (if applicable): Not Applicable

Variances: In FY 2015-2018, there was less federal property available and less federal vehicles available for purchase. The high ceiling is necessary to accommodate years when property and vehicles are plentiful and state and county agencies have need for used vehicles.

Financial Data							
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	(actual)	(actual)	(actual)	(actual)	(estimated)	(estimated)	(estimated)
Appropriation Ceiling	1,798,996	1,826,464	1,836,624	1,848,249	1,848,249	1,865,795	1,867,127
Beginning Cash Balance	257,000	217,562	211,942	289,975	399,508	399,508	399,508
Revenues	905,550	620,516	261,243	304,312	1,848,249	1,848,249	1,848,249
Expenditures	944,988	626,136	183,210	194,779	1,848,249	1,848,249	1,848,249
Transfers							
List each net transfer in/out/ or projection in/out; list each account number							
Net Total Transfers	0	0	0	0	0	0	0
Ending Cash Balance	217,562	211,942	289,975	399,508	399,508	399,508	399,508
Encumbrances	1,324	24,096	2,481				
Unencumbered Cash Balance	216,238	187,846	287,494	399,508	399,508	399,508	399,508

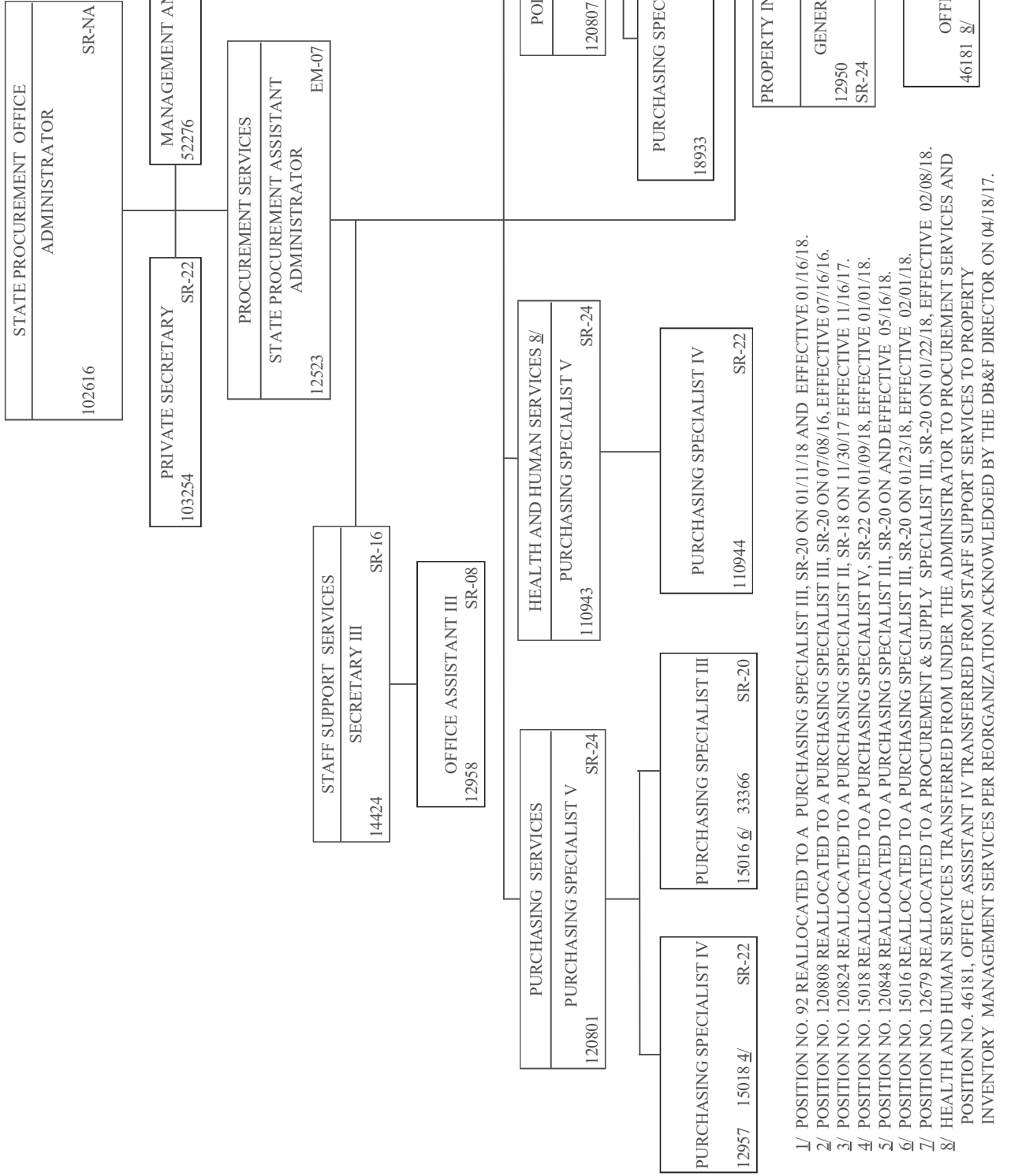
Additional Information:

Amount Req. for Bond Covenants							
Amount from Bond Proceeds							
Amount Held in CODs, Escrow Accounts, or Other Investments							

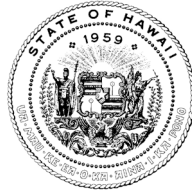
Attachment 3

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE PROCUREMENT OFFICE

POSITION ORGANIZATION CHART



1/ POSITION NO. 92 REALLOCATED TO A PURCHASING SPECIALIST III, SR-20 ON 01/11/18 AND EFFECTIVE 01/16/18.
 2/ POSITION NO. 120808 REALLOCATED TO A PURCHASING SPECIALIST III, SR-20 ON 07/08/16, EFFECTIVE 07/16/16.
 3/ POSITION NO. 120824 REALLOCATED TO A PURCHASING SPECIALIST II, SR-18 ON 11/30/17 EFFECTIVE 11/16/17.
 4/ POSITION NO. 15018 REALLOCATED TO A PURCHASING SPECIALIST IV, SR-22 ON 01/09/18, EFFECTIVE 01/01/18.
 5/ POSITION NO. 120848 REALLOCATED TO A PURCHASING SPECIALIST III, SR-20 ON AND EFFECTIVE 05/16/18.
 6/ POSITION NO. 15016 REALLOCATED TO A PURCHASING SPECIALIST III, SR-20 ON 01/23/18, EFFECTIVE 02/01/18.
 7/ POSITION NO. 12679 REALLOCATED TO A PROCUREMENT & SUPPLY SPECIALIST III, SR-20 ON 01/22/18, EFFECTIVE 02/08/18.
 8/ HEALTH AND HUMAN SERVICES TRANSFERRED FROM UNDER THE ADMINISTRATOR TO PROCUREMENT SERVICES AND POSITION NO. 46181, OFFICE ASSISTANT IV TRANSFERRED FROM STAFF SUPPORT SERVICES TO PROPERTY INVENTORY MANAGEMENT SERVICES PER REORGANIZATION ACKNOWLEDGED BY THE DB&F DIRECTOR ON 04/18/17.



OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

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Testimony of
DOUGLAS MURDOCK
Chief Information Officer
Enterprise Technology Services

Before the

HOUSE COMMITTEE ON FINANCE
Monday, February 25, 2019

HOUSE BILL 1432, HD 1
RELATING TO THE BUDGET OF THE DEPARTMENT OF ACCOUNTING AND
GENERAL SERVICES

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

The Office of Enterprise Technology Services (ETS) supports this measure which is intended to appropriate the operating budget for the Department of Accounting and General Services. We submit comments as it pertains to the operating budgets for our program AGS 130 and AGS 131.

We respectfully request that the operating budget appropriations listed in items K-20 and K-21 in HB No. 964 from the Governor’s Executive Budget be inserted in this bill. These figures include our current expenditures as appropriated in Act 53, SLH 2018 with collective bargaining adjustments as well as additional funding requests.

ITEM NO.	PROGRAM	PROGRAM ID	EXPENDING AGENCY	FISCAL YEAR	M O F	FISCAL YEAR	M O F
K 20	INFORMATION TECH & COMMUNICATION SVCS ENT TECH SVCS - GOVERNANCE & INNOVATION	AGS130	OPERATING	35.00 13.00		35.00 13.00	
			AGS	20,764,698 7.00	A	20,990,360 7.00	A
			AGS	1,469,669	B	1,469,669	B
			AGS	3,000,000	U	3,000,000	U

K ENT TECH SVCS-OPER & INFRASTRUCTURE
 21 MNTNCE

AGS131

	92.00		92.00	
	15,050,939	A	15,050,939	A
	1.00		1.00	
	173,560	B	173,560	B
	33.00		33.00	
	3,312,584	U	3,312,584	U

We appreciate the inclusion of the new operating budget requests in AGS 130 for the following:

Request for Special Fund ceiling increase. This request increases the special fund ceiling for AGS 130 by \$150,000 each year for the Shared Services Technology Special Fund, which is necessary to address increasing fringe benefit costs. There is enough revenue in the fund to support the expenditure ceiling increase.

Request for Cybersecurity Capability enhancements. This request appropriates \$1,038,240 in FY 20 and \$1,263,902 in FY 21. Cyber security is the process of protecting and recovering networks, devices, and programs from any type of cyberattack. Cyberattacks are an evolving danger to organizations, employees, and consumers. They may be designed to access or destroy sensitive data or extort money. They can, in effect, destroy businesses and damage people’s financial and personal lives.

The best defense is a strong cyber security system with multiple layers of protection spread across computers, networks, and programs. This request provides the various tools needed to build a strong defense to recognize and avoid threats before they’re able to infiltrate our network.

Request for Mobile Device Manager (MDM) software. This request adds \$150,000 in each year of the biennium. Mobile device management (MDM) solutions provide organizations with end-to-end security — meaning the mobile apps, network and data used by the mobile device (in addition to the mobile device itself) are managed by an organization's IT department with a single mobile device software product. This is a way to control and secure the personal digital assistants and smartphone that employees use. With technology becoming more accessible, allowing employees to conduct business anytime and anywhere, it is important to have controls in place to prevent malicious activity on mobile devices, such as tablets, smartphones and laptops. MDM allows mobile devices that are used for State business to be managed to ensure devices are kept up to date, patched and could be wiped in the event the device is lost or stolen.

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

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

LATE

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE ON FINANCE
ON
FEBRUARY 25, 2019, 2:00 P.M.
CONFERENCE ROOM 308, STATE CAPITOL

H.B. 1432 H.D. 1
RELATING TO THE BUDGET OF THE DEPARTMENT OF ACCOUNTING AND
GENERAL SERVICES

Chair Luke, Vice Chair Cullen, and members of the Committee, thank you for the opportunity to testify before you on H.B. 1432, H.D. 1.

The Department of Accounting and General Services (DAGS or Department) appreciates the opportunity to provide comments in support of this measure, the purpose of which is to establish the FB 2019-2021 operating budget of the programs under the purview of the House of Representatives Standing Committee on Legislative Management (LMG).

DAGS programs with operating budgets under review include*:

- **AGS-130 Enterprise Technology Services - Governance and Innovation**
- **AGS-131 Enterprise Technology Services - Operations and Infrastructure Maintenance**
- AGS-221 Public Works - Planning, Design, and Construction
- AGS-223 Office Leasing
- AGS-233 Central Services - Building Repairs and Alteration
- **AGS-244 Surplus Property Management**
- AGS-252 Automotive Management - Parking Control
- **AGS-889 Spectator Events & Shows - Aloha Stadium**

* Enterprise Technology Services (ETS) programs (AGS-130 and AGS-131) and attached agencies, Spectator Events and Show – Aloha Stadium (AGS-889) and Surplus Property Management (AGS-244) will submit testimony separately for your consideration.

OVERVIEW OF DAGS

The mission of the Department is to attain maximum value for the state taxpayers in providing physical, financial, and technical infrastructure support for state departments and agencies, so they may accomplish their missions. The Department's goal is to strive for quality and consistency in the delivery of essential support services and our activities reflect a continuing commitment towards cost efficiency, productivity, relevancy and timeliness of services.

Pursuant to Section 26-6(b), HRS, the department shall (6) Undertake the program of centralized engineering and office leasing services, including operation and maintenance and lease buyback processing pursuant to subsection (d) of public buildings, for departments of the State.

- The **Public Works Division** supports the mission of the department by directing the expenditure of Capital Improvement Program (CIP) funds and operating funds released to the Department for projects specific to the Department's managed facilities and for CIP funds delegated to the Department as expending agency from the appropriations of other departments and agencies; plans, coordinates, organizes, directs, and controls a Statewide program of Engineering, Architectural, and Construction Services.
- The **Leasing Services Branch** was established pursuant to HRS, section 171-30 (b) in order to centralize office leasing services for all State agencies of the Executive Branch, with the exception of those programs who have statutory authority to perform this function on their own. The program assists user agencies in locating suitable office space, negotiates lease terms and conditions, including provisions for tenant improvements, and prepares lease agreements. The program staff act as tenant representatives by initiating and/or coordinating and managing necessary renovation projects for leased office space, monitoring and ensuring the delivery of proper services by landlord as provided in the lease, (i.e. repairs and maintenance, air conditioning, custodial services) and coordinating with DAGS, Central Services Division in providing building operations and maintenance services where applicable. The program tracks existing office leases and renegotiates each, as required. It processes invoices for lease payments and bills and collects lease rent reimbursements from user agencies, where applicable.
- The **Public Building Repair and Alterations Branch** operates to provide safe and functional facilities for other State Programs to operate and perform their duties. It provides for the overall management of repair and maintenance and a preventative maintenance program for all assigned State office buildings located in the civic center and outlying areas of Oahu; it also has agreements with the Department of Agriculture, Department of Health, Department of Human Services, Department of Transportation and the Hawaii State Public Library System, to provide repair and maintenance

support. The program also provides overall engineering support in identifying and implementing energy conservation measures.

Chapter 107-11, HRS, authorizes the Department to construct, operate, maintain, and control parking on state lands under the State Comptroller's jurisdiction. The **Automotive Management Parking Control** program's functions include the following:

- Provide safe and convenient parking for employees and the public to access government buildings.
- Control, operate and maintain parking facilities with revenue from parking fees. Continue to generate revolving fund revenue necessary to construct, operate, improve and maintain parking facilities.
- Maintain a 100% utilization of employee parking stalls and 50% utilization of public parking meters.

We propose the following adjusted base operating budgets from which to consider any additional resources; this is the base budget as appropriated in Act 53, SLH 2018, plus base budget adjustments as provided by the Department of Budget and Finance (collective bargaining and non-recurring items):

PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS			
				FISCAL YEAR 2019-2020	M O F	FISCAL YEAR 2020-2021	M O F
3.	AGS221	PUBLIC WORKS - PLANNING, DESIGN, AND CONSTRUCTION		91.00*		91.00*	
				3.00#		3.00#	
	OPERATING		AGS	7,150,251A		7,150,251A	
			AGS	4,000,000W		4,000,000W	
4.	AGS223	OFFICE LEASING		4.00*		4.00*	
	OPERATING		AGS	10,141,167A		10,141,167A	
			AGS	5,500,000U		5,500,000U	
5.	AGS233	CENTRAL SERVICES - BUILDING REPAIRS AND ALTERATIONS		33.00*		33.00*	
	OPERATING		AGS	3,365,285A		3,390,498A	
			AGS	100,000U		100,000U	
7.	AGS252	AUTOMOTIVE MANAGEMENT - PARKING CONTROL		27.00*		27.00*	
	OPERATING		AGS	3,838,016W		3,838,856W	

Thank you for the opportunity to submit testimony for funding at the appropriate levels to facilitate our ability to fulfill our mission and we look forward to continued collaboration with your committee.

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

LATE

TESTIMONY
OF
SCOTT L. CHAN, MANAGER
ALOHA STADIUM
STADIUM AUTHORITY
TO THE
HOUSE COMMITTEE
ON
FINANCE
February 25, 2019

H.B. 1432, HD1

RELATING TO THE BUDGET OF THE
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Chair Luke, Vice Chair Cullen, and members of the committee, thank you for the opportunity to submit testimony in support of H.B. 1432, HD1.

The Stadium Authority Board and I appreciate the Legislature's commitment and support in appropriating sufficient special fund expenditure ceiling to ensure costs associated with operating a large scale sports and entertainment facility are addressed in an efficient and effective manner.

As a fully special funded agency, the Aloha Stadium requires the proposed special fund ceiling in order to operate and provide a safe and secure venue for the general public to experience as a participant and/or spectator. A special fund operating expenditure ceiling is necessary from which expenditures can be made that are required to provide and ensure a safe venue. These expenses include, but are not limited to, personal services, utilities, general repair and maintenance, materials and supplies, and various other current expenses required on a daily basis.

Respectively, the following position FTE and operational funding level is required in each year of the biennium:

- **FY 2020: (36.50 FTE) / \$9,297,877B;**
- **FY 2021: (36.50 FTE) / \$9,315,701B,**

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. We continue to prioritize expenses while being mindful that the health and safety of the general public is paramount.

As the Aloha Stadium is entrusted with continuing to serve the needs of the general public, it is imperative that the Aloha Stadium's special fund expenditure ceiling be appropriated for the biennium.

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. 1432, HD1