



**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 4, 2019  
1:15 pm  
State Capitol, Room 225

**S.B. 513**  
**RELATING TO THE DEPARTMENT OF TRANSPORTATION**

Senate Committee on Transportation

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

S.B. 513 appropriates funding for capital improvement projects for the DOT, Harbors Division; however, Program ID TRN301 is still defined as Honolulu Harbor and not all of the listed projects pertain to Honolulu Harbor. Whereas, there are projects that pertain to commercial harbors not only in Honolulu County, but also in Kauai County, Maui County, and Hawaii County.

As such, the DOT respectfully requests that the projects be reallocated to their respective Program ID's, namely TRN302-Kalaeloa Barbers Point Harbor (Honolulu County), TRN311-Hilo Harbor (Hawaii County), TRN313-Kawaihae Harbor (Hawaii County), TRN331-Kahului Harbor (Maui County), TRN361-Nawiliwili Harbor (Kauai County), TRN363-Port Allen Harbor (Kauai County), and TRN395-Harbors Administration (Statewide), in addition to TRN301-Honolulu Harbor (Honolulu County).

Furthermore, we respectfully request that provisions for Issuance of Bonds, other special and miscellaneous provisions be included to ensure Harbors Division can implement its Capital Improvement Program in the most efficient and effective manner.

We respectfully request your consideration of our complete list of CIP requests fully represented in the attached Exhibit-A.

Thank you for the opportunity to provide testimony.

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## PART I. GENERAL PROVISIONS

SECTION 1. Unless otherwise clear from the context, as used in this Act:

"Capital project number" means the official number of the capital project, as assigned by the responsible organization.

"Expending agency" means the executive department, independent commission, bureau, office, board, or other establishment of the state government (other than the legislature, Office of Hawaiian Affairs, and judiciary), the political subdivisions of the State, or any quasi-public institution supported in whole or in part by state funds, which is authorized to expend specified appropriations made by this Act.

Abbreviations, where used to denote the expending agency, shall mean the following:

TRN Department of Transportation

"Means of financing" or "MOF" means the source from which funds are appropriated or authorized to be expended for the programs and projects specified in this Act. All appropriations are followed by letter symbols. Such letter symbols, where used, shall have the following meanings:

A general funds

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- B special funds
- C general obligation bond fund
- D general obligation bond fund with debt service  
cost to be paid from special funds
- E revenue bond funds
- J federal aid interstate funds
- K federal aid primary funds
- L federal aid secondary funds
- M federal aid urban funds
- N federal funds
- P other federal funds
- R private contributions
- S county funds
- T trust funds
- U interdepartmental transfers
- W revolving funds
- X other funds

"Program ID" means the unique identifier for the specific program and consists of the abbreviation for the organization responsible for carrying out the program followed by the organization number for the program.

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## PART II. CAPITAL IMPROVEMENT PROJECTS

### SECTION 2. 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 2019-2020	M O F	FISCAL YEAR 2020-2021	M O F
1	HONOLULU HARBOR IMPROVEMENTS, OAHU	J51	TRN301	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 HONOLULU HARBOR, OAHU. 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				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

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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
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

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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
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.							
						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.							
						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.							
						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

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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.				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		3
	LAND ACQUISITION					3		3
	DESIGN					3		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

SECTION 3. The sums appropriated shall be expended by the Department of Transportation, Harbors Division for the purposes of this Act.

### PART III. ISSUANCE OF BONDS

SECTION 4. HARBOR REVENUE BONDS. The department of transportation is authorized to issue harbor revenue bonds for harbor capital improvement program projects authorized in this Act and designated to be financed by revenue bond funds or by general obligation bond funds with debt service cost to be paid from special funds, in such principal amount as shall be required to yield the amounts

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appropriated for such capital improvement program projects, and, if so determined by the department and approved by the governor, such additional amounts as may be deemed necessary by the department to pay interest on such revenue bonds during the estimated construction period of the capital improvement project for which such harbor revenue bonds are issued to establish, maintain, or increase reserves for the harbor revenue bonds or harbor revenue bonds heretofore authorized (whether authorized and issued or authorized and still unissued), and to pay the expenses of issuance of such bonds. The aforementioned harbor revenue bonds shall be issued pursuant to the provisions of part III of chapter 39, Hawaii Revised Statutes, as the same may be amended from time to time. The principal of and interest on harbor revenue bonds, to the extent not paid from the proceeds of such bonds, shall be payable solely from and secured solely by the revenues derived from harbors and related facilities under the ownership of the State or operated and managed by the department, including rents, mooring, wharfage, dockage, port entry fees, and other fees or charges presently or hereafter derived from or arising through the ownership, operation, and management of harbor and related facilities and the furnishing and supplying of the services thereof. The expenses of the



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issuance of such harbor revenue bonds shall, to the extent not paid from the proceeds of such bonds, be paid from the harbor special fund. The governor, at the governor's discretion, is authorized to use the harbor revenue fund to finance those projects authorized in this Act where the method of financing is designated to be by harbor revenue bond funds.

### **PART IV. SPECIAL PROVISIONS**

SECTION 5. GOVERNOR'S DISCRETIONARY POWERS. Any law or provision to the contrary notwithstanding, the governor may replace general obligation bond funds appropriated for capital improvement projects with general obligation reimbursable bond funds when the expenditure of such general obligation reimbursable bond funds is deemed appropriate for the project.

SECTION 6. In the event that the authorized appropriations specified for capital improvement projects listed in this Act are insufficient and where the source of funding is designated as special funds, general obligation bond fund with debt service cost to be paid from special funds, revenue bond funds, or revolving funds, the governor may make supplemental allotments from the special fund or revolving fund responsible for cash or debt service

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payments for the projects or transfer unrequired balances from other unexpired projects in this Act or prior appropriation acts which authorized the use of special funds, general obligation bond fund with debt service costs to be paid from special funds, revenue bond funds, or revolving funds; provided that such supplemental allotments shall not be used to increase the scope of the project; provided further that such supplemental allotments shall not impair the ability of the fund to meet the purposes for which it was established.

SECTION 7. The governor may supplement funds for any cost element for a capital improvement project authorized under this Act by transferring such sums as may be needed from the funds appropriated for other cost elements of the same project by this Act or any other prior or future act that has not lapsed; provided that the total expenditure of funds for all cost elements shall not exceed the total appropriations for that project.

SECTION 8. Any provision of this Act to the contrary notwithstanding, the appropriations made for capital improvement projects authorized under this Act shall not lapse at the end of the fiscal biennium for which the appropriation is made; provided that all appropriations made to be expended in fiscal biennium 2019-2021 which are

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unencumbered as of June 30, 2022, shall lapse as of that date; provided further that this lapsing date shall not apply to non-general fund appropriations for projects described in this Act where such appropriations have been deemed necessary to qualify for federal aid financing and reimbursement and are unencumbered as of June 30, 2026, shall lapse as of that date.

SECTION 9. Where it has been determined that changed conditions, such as a reduction in the particular population being served, permit the reduction in the scope of a capital improvement project described in this Act, the governor may authorize such reduction of project scope.

SECTION 10. In releasing funds for capital improvement projects, the governor shall consider legislative intent and the objectives of the user agency and its programs; the scope and level of the user agency's intended service; and the means, efficiency, and economics by which the project will meet the objectives of the user agency and the State; provided that agencies responsible for construction shall take into consideration legislative intent, the objectives of the user agency and its programs, and the scope and level of the user agency's intended service and construct the improvement to meet the

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objectives of the user agency in the most efficient and economical manner possible.

SECTION 11. With the approval of the governor, designated expending agencies for capital improvement projects authorized in this Act may delegate to other state or county agencies the implementation of projects when it is determined advantageous to do so by both the original expending agency and the agency to which expending authority is to be delegated.

SECTION 12. The governor may authorize the expenditure of funds for capital improvement projects not previously authorized in this Act to cope with the effects of natural disasters or unforeseen emergencies, when the effects of the natural disasters or unforeseen emergencies create an urgent need to pursue a course of action that is in the best interest of the State; provided that no funds shall be expended without a formal declaration of a natural disaster or emergency by the governor; provided further that the governor shall use the powers conferred under section 127A-13, Hawaii Revised Statutes, or any other applicable law to accomplish the purposes of this section.

SECTION 13. Notwithstanding any provision in this Act, the governor is authorized to transfer savings or unrequired balances as may be available from the

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appropriated funds of any program in this Act to supplement the appropriation for any other program in this Act to cope with the effects of natural disasters or other unforeseen emergencies; provided that the effects of such natural disasters or emergencies create an urgent need to pursue a course of action which is in the best interest of the State; provided further that the use of such funds does not conflict with general law; and provided further that no funds shall be expended without a formal declaration of a natural disaster or emergency by the governor.

SECTION 14. No appropriation authorized in this Act for expenditure by a political subdivision of this State shall be considered to be a mandate to undertake new programs or to increase the level of services under existing programs of that political subdivision. If any appropriation authorized in this Act constitutes such a mandate within the provisions of section 5 of article VIII of the Hawaii State Constitution, such authorization shall be void and, in the case of capital improvement appropriations designated to be financed from the general obligation bond fund, the total general obligation bonds authorized for such projects shall be correspondingly decreased.

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SECTION 15. Whenever the expending agency to which an appropriation is made is changed due to legislation enacted during any session of the legislature, which affects the appropriations made by this Act, the governor shall transfer the necessary funds and positions to the proper expending agency as provided by law.

SECTION 16. If unanticipated federal funding cutbacks diminish or curtail essential, federally funded state programs, the governor may utilize savings as determined to be available from other state programs for the purpose of maintaining such programs until the next legislative session.

SECTION 17. The governor may approve the expenditure of all federal funds which are in excess of levels authorized by the legislature; provided that the governor may allow for an increase in the appropriate federal fund authorization ceiling for the program to accommodate the expenditure of such funds.

SECTION 18. Any provision of this Act to the contrary notwithstanding, the governor may approve the extension of the lapse dates for federal fund or other federal fund appropriations and appropriations of other means of financing, except general funds, deemed necessary to qualify for federal aid financing and/or reimbursement,

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provided in this Act or authorized by the governor pursuant to this Act as necessary to meet the intent of the federal grant awards.

SECTION 19. Where an agency is authorized to secure funds or other property from private organizations or individuals to be expended or utilized in connection with any authorized program, the agency, with the governor's approval, may enter into such undertaking, provided that the provisions of the undertaking comply with applicable state constitutional and statutory requirements.

SECTION 20. Except as otherwise provided by general law, negotiations for the purchase of land by state agencies shall be subject to the approval of the governor and the department of land and natural resources, or other appropriate agency; provided that private lands may be acquired for the purpose of exchange for federal lands when the department of land and natural resources and the governor determine that such acquisition and exchange are necessary for the completion of any project specifically authorized by this Act.

SECTION 21. With the approval of the governor, expending agencies that use appropriations authorized in this Act for planning, land acquisition, design, construction, and equipment for repair and alterations may

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delegate that responsibility and transfer funds to public works - planning, design, and construction (AGS221) for the implementation of the repair and alterations when it is determined by the agencies that it is advantageous to do so.

SECTION 22. Except as otherwise provided, or except as prohibited by specific grant conditions, all federal or non-general fund reimbursements received by state programs shall be returned to the general fund or fund of originating expenses.

### **PART V. MISCELLANEOUS AND EFFECTIVE DATE**

SECTION 23. If any portion of this Act or its application to any person, entity, or circumstance is held to be invalid for any reason, then the legislature declares that the remainder of the Act and each and every other provision thereof shall not be affected thereby. If any portion of a specific appropriation is held to be invalid for any reason, the remaining portion shall be expended to fulfill the objective of such appropriation to the extent possible.

SECTION 24. If manifest clerical, typographical, or other mechanical errors are found in this Act, the governor may correct such errors.



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SECTION 25. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 26. This Act, upon its approval, shall take effect on July 1, 2019.