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3:00 P.M.
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S.B. 3152
MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF
TRANSPORTATION

Senate Committee on Transportation

The Department of Transportation strongly **supports** this Administration bill.

The purpose of the bill is to appropriate an additional \$20,000,000.00 for fiscal year (FY) 2021-2022 to increase the highways special maintenance program funding. The highways special maintenance program will increase from \$15,000,000.00 to \$35,000,000.00 for FY 2021-2022. The current special maintenance program funding level is attributed to lowered fiscal projections in the initial phases of the pandemic.

The special maintenance program is part of a systematic maintenance program to extend the service life of critical infrastructure by minimizing, inhibiting, and delaying naturally occurring deterioration. The intent of the program is to address major repairs and to replace critical infrastructure at the end of the critical service life in concert with performing routine maintenance activities.

This bill will provide additional highway special maintenance and repair projects that includes improved road conditions for motorists. In addition, the additional funding will further stimulate the economy with additional projects and increase the state's economic recovery from COVID's effect on the state.

Since the close of the 2021 regular session, the state highway fund balance is now projected to be greater than anticipated due to several factors. First, the passage of Act 237, Session Laws of Hawaii 2021, increases the rental motor vehicle surcharge tax each year by \$0.50 from January 1, 2022, to December 31, 2027, to be deposited into highways special fund. Second, the state highway fund has received \$42,000,000.00 in federal funds from the Coronavirus Response and Relief Supplemental Appropriations Act passed in 2021. Finally, a much better than projected State of Hawaii economic recovery is expected in the upcoming year.

Thank you for the opportunity to provide testimony.