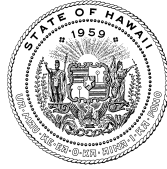


DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

RODERICK K. BECKER
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 2542, S.D. 2

March 22, 2016
2:00 p.m.

RELATING TO REPAIR AND MAINTENANCE

Senate Bill No. 2542, S.D. 2, addresses the routine repair and maintenance of State-owned buildings, facilities, and other improvements by: 1) requiring a report on routine repair and maintenance funding needs be submitted to the Legislature; and 2) requiring a routine repair and maintenance plan be submitted as part of capital improvement project requests.

Although we support the general intent of this measure, the Department of Budget and Finance has some concerns.

Regarding submittal of a report of routine repair and maintenance funding needs to the Legislature, departments currently provide information on routine repair and maintenance needs as part of their budget request. This information is based on the best information and resources available at the time of the request. In order to meet the additional reporting requirements and track actual appropriations, positions authorized, and actual expenditures and positions filled for routine repair and maintenance, departments may need additional resources.

It is also noted that the requirement to include a routine repair and maintenance plan, as part of capital improvement projects, could increase the cost of projects as a plan would have to be developed during the design phase.

DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
DIRECTOR

CINDY S. INOUE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

March 18, 2016

**TESTIMONY TO THE
HOUSE COMMITTEE ON FINANCE**

For Hearing on Tuesday, March 22, 2016
2:00 p.m., Conference Room 308

BY

JAMES K. NISHIMOTO
DIRECTOR

Senate Bill No. 2542, S.D. 2
Relating to Repair and Maintenance

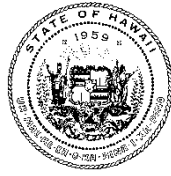
TO CHAIRPERSON LUKE, VICE-CHAIRPERSON NISHIMOTO AND MEMBERS OF
THE COMMITTEE:

The Department of Human Resources Development (“DHRD”) **supports the intent** of S.B. 2542, S.D. 2, which establishes a full funding policy and budgetary procedures for routine repair and maintenance of state facilities, including judiciary-owned facilities.

The requirement in S.B. 2542, S.D.2 that agencies that manage a state-owned building, facility, or other improvement shall submit to the legislature an annual report on the funds and positions deemed necessary to perform routine repair and maintenance is consistent with the State’s efforts to address privatization issues.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



DOUGLAS MURDOCK
Comptroller

AUDREY HIDANO
Deputy Comptroller

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

TESTIMONY
OF
DOUGLAS MURDOCK, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
MARCH 22, 2016
S.B. 2542, SD2

RELATING TO REPAIR AND MAINTENANCE

Chair Luke and members of the Committees, thank you for the opportunity to submit written testimony on S.B. 2542, SD2.

The Department of Accounting and General Services supports the measure.

Thank you for the opportunity to submit written testimony on this matter.



The Judiciary, State of Hawai'i

Testimony to the House Committee on Finance

Representative Sylvia Luke, Chair

Representative Scott Y. Nishimoto, Vice Chair

Tuesday, March 22, 2016 2:00 PM

State Capitol, Conference Room 308

WRITTEN TESTIMONY ONLY

by

Joanne Krippaehne

Architect, Capital Improvements Program

Bill No. and Title: Senate Bill No. 2542, Senate Draft 2, Relating to Repair and Maintenance.

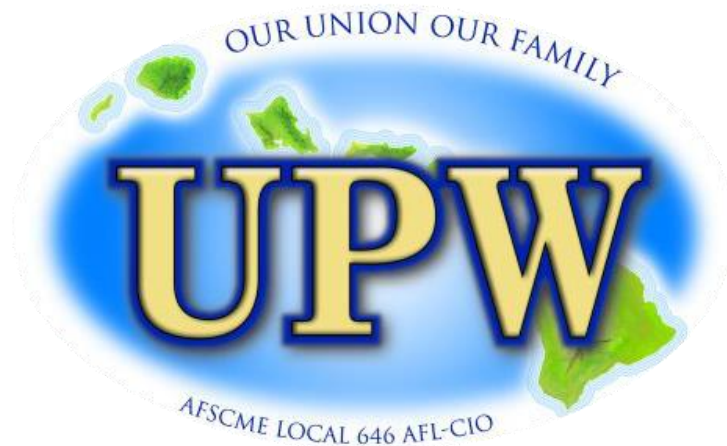
Purpose: Establishes a full funding policy and budgetary procedures for routine repair and maintenance of state facilities, including judiciary-owned facilities. (SD2)

Judiciary's Position:

The Judiciary respectfully submits the following comments on Senate Bill 2542, Senate Draft 2. The Judiciary believes it is not sound policy to link repair and maintenance to the construction contract for new buildings. Construction contracts already require that Operating and Maintenance (O&M) manuals be provided at the end of construction. Beyond that, construction contractors have neither interest in nor awareness of the long term maintenance requirements for our buildings, nor awareness of State procurement processes including the procurement of maintenance work or service contracts.

While the Judiciary understands the intent of the bill to focus more attention on planning for maintenance, the construction contract is not really the right vehicle for this beyond what is already required in the way of O&M materials.

Thank you for the opportunity to testify on this measure.



LATE

The Hawaii State House of Representatives
The Twenty-Eighth Legislature
Regular Session of 2016

COMMITTEE ON FINANCE

The Honorable Sylvia J. Luke Chair
The Honorable Scott Y. Nishimoto Vice Chair

DATE OF HEARING: Tuesday, March 22, 2016
TIME OF HEARING: 2:00.p.m.
PLACE OF HEARING: Conference Room 308

TESTIMONY ON SB2542, SD2 RELATING TO REPAIR & MAINTENANCE

By Dayton M. Nakanelua,
State Director of the United Public Workers,
AFSCME, Local 646, AFL-CIO

My name is Dayton M. Nakanelua, state director of the United Public Workers, AFSCME, Local 646, and AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

SB2542, SD2 establishes a full funding policy and budgetary procedures for routine repair and maintenance of state facilities. The UPW supports the intent of the measure but has concerns about the R&M plan. The bill requires the CIP projects include a recommended plan for the routine repair and maintenance of the building facility or other improvements and prepared by the project contractor. The UPW requests that the bill be amended to include the provision that employees used in the routine R&M plan developed by the project contractor are employed through Chapter 76 HRS, the Hawaii Civil Service System.

Thank you for the opportunity to submit this testimony.

