

HB2012 CD1
Senate Floor Remarks 5/3/12

Thank you Mr. President. I rise in support of this measure.

This past year has been one of many, many challenges, especially in crafting a Capital Improvement Program that meets the needs of the State while balancing the fiscal considerations of an improving, but still fragile economic recovery. We know that now is the time for investment in our state's infrastructure, while costs for materials and labor are still low, and the need for job creation has never been greater. I wish to thank Chair Ige for his leadership during this very long and tedious process and you for your guidance and letting me vent when needed. Also Mr. President, I would like to introduce and thank my staff member Will Kane without whose help we could not have completed the CIP budget.

In HB2012 CD1, we have taken the approach of investing in existing state facilities and infrastructure, especially those for education, technological innovations and facilities that will reduce the expenditure of taxpayer funds in the form of rent or lease payments.

Therefore, HB2012 CD1 proposes a CIP budget for FY13 in the amount of \$3.2 Billion, \$826 million of which is funded by General Obligation or Reimbursable Bonds. It is important to note, that due to the recent refinancing of previously issued bonds and the savings realized from this and the proceeds from a bond issuance in a healthy bond market, and prior year project lapses, there are no additional payments for debt service on \$350 million of the total amount appropriated. Also of note, this budget includes over \$400 million of Repair and Maintenance projects included in the Senate's Invest in Hawaii Act of 2012 (SB 2012).

Highlights of the budget bill before us this morning include:

- \$60 million for the Department of Human Services for renovations to our public housing.
- \$135 million for the Department of Education facilities, to provide a 21st century learning environment in our aging schools.
- Almost \$50 million for the Department of Health to address critical health and safety needs.
- This budget also provides funding for projects across nearly every campus in the UH System, including funding to build:
 - the Culinary Institute of the Pacific at Kapiolani CC,
 - University of Hawaii Athletics Facilities
 - a dedicated facility for the Academy for Creative Media Academy at UH-West O`ahu, and
 - funding to continue construction of a new community college campus at Palamanui on the Big Island's Kona Coast.

When crafting this budget, the utilization of currently under utilized state facilities was considered. An example of this lies right across the street from this building. The Kamamalu building has sat empty for many years, while we spend millions in lease payments to private companies, instead of renovating our existing facilities. Therefore, HB 2012 CD1 has appropriated the funds that would allow this building to once again be used by our state agencies, which is the most responsible way to reduce escalating rental costs.

Lastly, Mr. President, the Senate's Capital Improvement Program budget provides appropriations for projects across nearly every department. These include funding to create a statewide financial management system, renovate additional facilities for the Department of Health, and improvements to all airports, statewide. This will begin to address the concerns and needs of our visitors, which are the lifeblood of our economy.

In closing, I would like to again thank Chair Ige and my fellow members of the Committee for their support and hard work in crafting this budget, and I believe we all look forward to the positive impact this budget will have on the State.

Mahalo.