

ACT 177

H.B. NO. 697

A Bill for an Act Relating to State Facilities.

Be It Enacted by the Legislature of the State of Hawaii:

PART I

SECTION 1. Section 26-6, Hawaii Revised Statutes, charges the department of accounting and general services with the responsibility to “undertake the program of centralized engineering and office leasing services, including operation and maintenance of public buildings, for departments of the State.” In managing a number of capital improvement and renovation projects, the department has developed a standard project timeline that ensures:

- (1) That projects continue to move forward in a predictable manner; and
- (2) The development of professionalism and accountability for the projects for which the department is responsible.

Currently, a number of executive departments have undertaken the responsibility for the engineering of numerous general fund construction and renovation projects, thereby decentralizing engineering activities.

The purpose of this part is to require the auditor to review various departmental engineering sections that manage general fund capital improvement

projects to determine if it serves the public interest to continue to operate duplicative engineering operations among various departments.

SECTION 2. (a) The auditor shall conduct a study that reviews the process, efficiencies, and accountability of various departmental engineering sections, except for those within the department of transportation, that manage general fund capital improvement projects.

The study shall determine:

- (1) If each office adheres to a specific timeline for the purpose of ensuring that the project continues to move forward in a timely manner;
 - (2) Whether consultants and contractors that are used by departmental engineering sections are properly managed in the public interest; and
 - (3) The level of end-user satisfaction with capital improvement projects performed by various departments.
- (b) The auditor shall submit the study, including the auditor's findings and recommendations, and any proposed legislation, to the legislature no later than November 30, 2015.

PART II

SECTION 3. Section 26-6, Hawaii Revised Statutes, is amended to read as follows:

“§26-6 Department of accounting and general services. (a) The department of accounting and general services shall be headed by a single executive to be known as the comptroller.

- (b) The department shall:
 - (1) Preaudit and conduct after-the-fact audits of the financial accounts of all state departments to determine the legality of expenditures and the accuracy of accounts;
 - (2) Report to the governor and to each regular session of the legislature as to the finances of each department of the State;
 - (3) Administer the state risk management program;
 - (4) Establish and manage motor pools;
 - (5) Manage the preservation and disposal of all records of the State;
 - (6) Undertake the program of centralized engineering and office leasing services, including operation and maintenance and lease buy-back processing pursuant to subsection (d) of public buildings, for departments of the State;
 - (7) Undertake the functions of the state surveyor;
 - (8) Establish accounting and internal control systems;
 - (9) Provide centralized computer information management and processing services, coordination in the use of all information processing equipment, software, facilities, and services in the executive branch of the State, and consultation and support services in the use of information processing and management technologies to improve the efficiency, effectiveness, and productivity of state government programs; and
 - (10) Establish, coordinate, and manage a program to provide a means for public access to public information and develop and operate an information network in conjunction with its overall plans for establishing a communication backbone for state government.
- (c) The state communication system shall be established to:

- (1) Facilitate implementation of the State's distributed information processing and information resource management plans;
- (2) Improve data, voice, and video communications in state government;
- (3) Provide a means for connectivity among the state, university, and county computer systems; and
- (4) Provide a long-term means for public access to public information.

(d) The department shall establish, coordinate, and manage a program to facilitate facility agreements between the State and private investors for the sale of facilities, excluding facilities managed or controlled by the department of transportation, to private investors; provided that each facility agreement contains the following requirements:

- (1) The State shall sell the facility to the private investor, who shall:
 - (A) Renovate, improve, or construct a facility for the State and may maintain the facility; and
 - (B) Lease the facility to the State, pursuant to a building lease;
- (2) The land upon which the facility rests shall not be sold to the private investor; provided that the land may be leased at a nominal rate to the private investor for a term that would, at a minimum, allow the private investor to recover the capital investment that has been made to the facility, including depreciation; and
- (3) The State shall have the option of purchasing the facility from the private investor for the remaining balance of the debt service costs incurred by the private investor at any time.

For purposes of this subsection:

"Building lease" means a contract between the department of accounting and general services and a private investor in which the private investor leases an improved facility to the department for a specified period of time.

"Facility" means a building under the management and control of any state department.

"Facility agreement" means an agreement between the State and a private investor that, at a minimum, includes a description of the work to be done, the sale price for the facility, the duration of the agreement, the roles and responsibilities of the State and the private investor, and the terms and conditions for the lease.

"Private investor" means a nongovernmental entity.

~~(d)~~ (e) The department may adopt rules as may be necessary or desirable for the operation and maintenance of public buildings~~[-, and]~~; for the operation and implementation of a program to provide a means for public access to the State's information network system and public information~~[-]; and for the implementation of facility agreements pursuant to subsection (d)~~. The rules shall be adopted pursuant to chapter 91.

~~(e)~~ (f) The King Kamehameha celebration commission shall be placed within the department of accounting and general services for administrative purposes. The functions, duties, and powers, subject to the administrative control of the comptroller, and the composition of the commission shall be as heretofore provided by law.

~~(f)~~ (g) The functions and authority heretofore exercised by the comptroller, board of commissioners of public archives, the archivist, the disposal committee, and the insurance management, surplus property management, and central purchasing functions of the bureau of the budget and the nonhighway functions of the department of public works as heretofore constituted are transferred to the department of accounting and general services established by this chapter.

~~[(g)]~~ (h) The department of accounting and general services shall preserve and protect Washington Place, including the grounds and the historic residence situated on its premises at Miller and Beretania Streets in Honolulu. The department shall administer, manage, operate, and maintain Washington Place and the trust fund created under subsection ~~[(h)]~~ (i).

~~[(h)]~~ (i) There is established a trust fund in the state treasury to be known as the Washington Place trust fund, into which shall be deposited:

- (1) All rents and fees collected for the use of Washington Place and from activities conducted on the premises;
- (2) All other money received for the fund from any other source; and
- (3) All income and interest earned or accrued on moneys deposited into the trust fund.

All moneys deposited into the trust fund shall be expended by the department of accounting and general services and used exclusively to implement the provisions of subsection ~~[(g)]~~ (h), including for staff salaries and fringe benefits, and shall not be transferred, nor subject to transfer, to the general fund or any other fund in the state treasury.”

SECTION 4. (a) The department of accounting and general services shall conduct an inventory of all leases of property between state agencies and private entities.

(b) The department of accounting and general services shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2016.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2015-2016 for the department of accounting and general services to conduct an inventory of all leases of property between state agencies and private entities.

The sum appropriated shall be expended by the department of accounting and general services for the purposes of this part.

PART III

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2015.

(Approved June 30, 2015.)