



OFFICE OF THE LIEUTENANT GOVERNOR  
STATE OF HAWAII  
STATE CAPITOL  
HONOLULU, HAWAII 96813

SHAN S. TSUTSUI  
LIEUTENANT GOVERNOR

**THE SENATE COMMITTEE ON WAYS AND MEANS  
HOUSE COMMITTEE ON FINANCE  
SUPPLEMENTAL BUDGET BRIEFING FOR FISCAL BIENNIUM 2015-2017  
OFFICE OF THE LIEUTENANT GOVERNOR  
PROGRAM ID LTG100**

**OVERVIEW**

**A. Mission Statement**

Pursuant to Article V, Section 4 of the Hawaii State Constitution, the primary mission of the Lieutenant Governor is to act in place of the Governor when the Governor is out of state. Accordingly, the Lieutenant Governor must be in constant communication with the Governor and his staff to ensure that he can effectively carry out the necessary functions of the office during these absences.

Pursuant to Section 26-1, Hawaii Revised Statutes, another core function of the Office of the Lieutenant Governor is to serve as Secretary of State for intergovernmental relations. In this role, the Lieutenant Governor is charged with directing and performing a multitude of activities for the general public, which are administrative and coordinative in nature. These activities include:

- (1) Processing name changes;
- (2) Authenticating documents for use in foreign countries;
- (3) The sale and distribution of official state publications;
- (4) Compiling administrative rules;
- (5) Compiling legislative acts; and
- (6) Posting state open meeting agendas.

Section 26-1 also indicates that, “the governor shall identify and direct other duties as necessary to the lieutenant governor.” Under the current Administration, the Lieutenant Governor has continued work on the Resources for Enrichment, Athletics, Culture and Health (R.E.A.C.H.) initiative, to help provide access to after-school programs to public middle/intermediate school students statewide, the Sports Development Initiative to promote and grow Hawaii as a premier sports destination for professional, amateur and youth athletics in the Asia-Pacific region, and the Aerospace States Commission as a Vice Chair representing Hawaii. Additionally, the Lieutenant Governor has begun work on the Farm to School Initiative to expand the inclusion of local products in school meals and undertaken other duties and assignment, as requested and required by the Administration.

Finally, the Lieutenant Governor provides administrative support to the Office of Information Practices (OIP), an agency attached to the Office of the Lieutenant Governor. Pursuant to Act 92, Session Laws of Hawaii 2015, this responsibility shall be transferred to the Department of Accounting and General Services, effective July 1, 2016.

## **B. Economic Impact**

Pursuant to Act 119, SLH 2015 the Office of the Lieutenant Governor’s (LTG100) current allocation for FY2015-2016 is \$1,033,496. The current biennium budget represents a decrease from the prior biennium budget to fulfill the duties and requirements of the office. Additionally, beginning July 1, 2015, the Office was subject to a 10% restriction of the total department budget (approximately \$1.6M, including the Office of the Information Practices) in excess of \$1,000,000, which continues to impact the office’s ability to fill vacant positions to realize some savings while maintaining the operations of the office. However, relief from such restriction prior to the end of the fiscal year may still be necessary to maintain current operations and properly fulfill the duties of the office.

The Office generates revenues for the State through fees collected for Secretary of State functions, including but not limited to processing name changes, issuing apostilles or certifications, selling official state publications. These fees are established in statute and have not been adjusted in many years. Such fees are deposited into the general fund and are not returned to our office to help offset the costs of operations. Since the implementation of the legal presence law in March 2012, the number of name changes processed by the office has significantly increased. Although we expected this volume to again decrease as more individuals comply with the law, the introduction of online payment and processing of some name change petitions has caused the number of petitions to remain elevated or has perhaps resulted in increased petitions being filed. The online process, effective March 2014, has helped to streamline the process, decrease processing times, and will continue to be expanded to encompass all name change forms. The implementation of the state’s electronic signature program was also undertaken and will continue to be refined and expanded to further decrease processing times for petitioners.

Additionally, rehabilitation of the Administrative Rules continues to be a priority project of the Office, with significant progress being made on ensuring complete and accurate physical records of department Administrative Rules. This will continue to be an ongoing project of the Office to ensure accuracy and will require continued staffing and resources to complete.

The Commissioner of Deeds program has been delayed due to the lack of funding and staffing, as funding for the program expired at the end of FY2015. Pending additional legislation and funding is necessary to properly implement the program, without which implementation will be delayed further.

### **Federal Funds**

No programs are funded by federal funds.

### **Budget Request**

1. Explain approach used to develop the agency's budget and prioritize requests for additional funds.

The Office prioritized the requests based on the direction of the Administration.

2. Identify and discuss significant adjustments contained in the budget request submitted to the legislature explain and quantify how significant requests for additional funds are expected to affect outcomes.
  - a. Transfer Office of Information Practices (OIP) funding and positions under LTG105 to the Department of Accounting and General Services AGS105 pursuant to Act 92, SLH 2015.
  - b. Request \$3,500 to provide continued funding for Office 365 licenses for the Office of the Lieutenant Governor for FY2017. Throughout 2014 and 2015, the State has worked to migrate all users in the Executive Branch to Office 365 to help provide increased security, disaster recovery, applications/tools, and budget sustainability. Previously, the Office of Information Management and Technology was responsible for and committed to funding the Office 365 licenses for all state offices and users. The Administration, however, has subsequently determined that such funding should instead be included as a supplemental budget request by each Department separately for the current fiscal year and going forward. Funds requested are necessary to continue to maintain the appropriate licenses.

Office of the Lieutenant Governor  
Prioritized List of Functions

Table 1

Priority	Description of Function	Activities	Prog ID(s)	Statutory Reference
1	Act in place of the Governor in his/her absence	To enhance the effectiveness and efficiency of state programs by providing Executive direction, policy development, program coordination, and planning and budgeting.	LTG100	Art. V., § 4, Hawaii State Constitution
2	Serve as Secretary of State	To serve as Secretary of State for intergovernmental relations, including: (1) Processing name changes; (2) Authentication of documents for use in foreign countries; (3) Sale and distribution of official state publications; (4) Compilation of administrative rules; (5) Compilation of legislative acts; (6) Posting of state open meeting agendas; (7) Processing Commissioner of Deeds applications and appointments.	LTG100	Section 26-1, HRS; Act 277, SLH 2013
3	Other duties as prescribed by the Governor	Develop and/or administer the special programs and initiatives as assigned by the Governor.	LTG100	Section 26-1, HRS

Office of the Lieutenant Governor  
Department-Wide Totals

Table 2

<b>Fiscal Year 2016</b>				
<b>Act 119/15 Appropriation</b>	<b>Restriction</b>	<b>Emergency Appropriations</b>	<b>Total FY16</b>	<b>MOF</b>
\$ 1,033,496.00	\$ (38,753.00)		\$ 994,743.00	A
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>\$ 1,033,496.00</b>	<b>\$ (38,753.00)</b>	<b>\$ -</b>	<b>\$ 994,743.00</b>	<b>Total</b>
<b>Fiscal Year 2017</b>				
<b>Act 119/15 Appropriation</b>	<b>Reductions</b>	<b>Additions</b>	<b>Total FY17</b>	<b>MOF</b>
\$ 1,050,312.00	N/A		\$ 1,050,312.00	A
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>\$ 1,050,312.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,050,312.00</b>	<b>Total</b>

Office of the Lieutenant Governor  
Program ID Totals

Table 3

Prog ID	Program Title	MOF	As budgeted by Act 119/15 (FY16)			Governor's Submittal (FY17)			
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Percent Change of \$\$\$\$
LTG100	OFFICE OF THE LIEUTENANT GOVERNOR	A	3.00	11.00	\$ 883,225	3.00	11.00	\$ 900,041	0.019039

Office of the Lieutenant Governor  
Budget Decisions

Table 4

Prog ID	Sub-Org	Description of Request	MOF	Initial Department Request FY17			Budget & Finance Recommendation FY17			Governor's Decision FY17		
				Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
LTG100		Office 365 Licenses	A			\$ -			\$ 3,500			\$ 3,500

Office of the Lieutenant Governor  
Proposed Budget Reductions

Table 5

Prog ID	Sub-Org	Description of Reduction	Impact of Reduction	MOF	FY17			FY16 Restriction (Y/N)
					Pos (P)	Pos (T)	\$\$\$	
		N/A						



Office of the Lieutenant Governor  
Proposed Budget Additions

Table 6

Prog ID	Sub-Org	Addition Type	Prog ID Priority	Dept-Wide Priority	Description of Addition	Justification	MOF	FY17		
								Pos (P)	Pos (T)	\$\$\$
LTG100			1	2	Funding for Office 365 licenses for the Office of the Lieutenant Governor	Request by the Administration to bear the cost of Office 365 licenses. Throughout 2014 and 2015, the State has worked to migrate all users in the Executive Branch to Office 365 to help provide increased security, disaster recovery, applications/tools, and budget sustainability. Previously, the Office of Information Management and Technology was responsible for and committed to funding the Office 365 licenses for all state offices and users. The Administration, however, has subsequently determined that such funding should instead be included as a supplemental budget request by each Department separately for the current fiscal year and going forward. Funds requested are necessary to continue to maintain the appropriate licenses.	A			\$ 3,500

Office of the Lieutenant Governor  
 FY16 Restrictions

Table 7

<u>Prog ID</u>	<u>Sub-Org</u>	<u>MOF</u>	<u>Budgeted by Dept</u>	<u>Restriction</u>	<u>Difference Between Budgeted &amp; Restricted</u>	<u>Percent Difference</u>	<u>Impact</u>
LTG100		A	1033496	\$ 38,753	\$ 994,743	3.82%	Negatively impacts the Office's ability to pay staff salaries and meet operating costs of the office. Will result in shortfall before the end of the fiscal year that would require staff reductions, inability to be full staffed, or similar if not restored.

Office of the Lieutenant Governor  
Emergency Appropriation Requests

Table 8

<u>Prog ID</u>	<u>Description of Request</u>	<u>Explanation of Request</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>
N/A						

Office of the Lieutenant Governor  
Expenditures Exceeding Appropriation Ceilings in FY15 and FY16

Table 9

<u>Prog ID</u>	<u>MOF</u>	<u>Date</u>	<u>Appropriation</u>	<u>Amount Exceeding Appropriation</u>	<u>Percent Exceeded</u>	<u>Reason for Exceeding Ceiling</u>	<u>Legal Authority</u>	<u>Recurring (Y/N)</u>	<u>GF Impact (Y/N)</u>
						N/A			

Office of the Lieutenant Governor  
 Intradepartmental Transfers in FY15 and FY16

Table 10

<u>Actual or Anticipated Date of Transfer</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>From Prog ID</u>	<u>Percent of Program ID Appropriation Transferred From</u>	<u>To Prog ID</u>	<u>Percent of Receiving Program ID Appropriation</u>	<u>Reason for Transfer</u>	<u>Recurring (Y/N)</u>
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COLUMN	DATA ELEMENT	DEFINITION
A	State Expending Agency	State entity authorized to expend the funds as authorized by the appropriation or as delegated by the Governor. Select from drop-down menu. See legend below.
B	Program I.D.	The unique identifier for the specific program responsible for carrying out the program consisting of the abbreviation for the State entity followed by the organization number for the program. <b>Format: XXX##</b>
C	Award Number	The identifying number assigned by the awarding Federal Agency, such as the federal grant number, federal contract number or the federal loan number that appears in the federal award document.
D	CFDA No.	The number associated with the published description of Federal assistance program in the Catalog of Federal Domestic Assistance. Only applies to grants and loans. A list of CFDA codes can be searched at: <a href="https://www.cfda.gov/index?s=program&amp;tab=list&amp;mode=list">https://www.cfda.gov/index?s=program&amp;tab=list&amp;mode=list</a> <b>Format: ##-###</b>
E	Award Description	Award title and description with purpose of funding action.
F	Awarding Federal Agency	Name of the federal agency that awarded and administers the award on behalf of the funding agency. Select from drop-down menu. See agency list below.
G	Award Amount	For Grants: The total amount of the award. For Loans: The total amount of the loan obligated by the Federal Agency; the face value of the loan. For Contracts: The total amount obligated by the Federal Agency.
H	Award Amount Allocated to the Program ID in Column B	Enter the portion of the total award amount allocated to this Program ID. For example, if a federal award in the amount of \$500 is allocated to only AGR100, the "Award Amount" and the "Award Amount Allocated to the Pgm ID in Column B" would both be \$500. However, if the \$500 will be allocated to AGR100, AGR200 and AGR300, in the amounts of \$100, \$250 and \$150, respectively, the "Award Amount" would be the \$500 for all three program IDs but the "Award Amount Allocated to the Pgm ID in Column B" would be \$100 for AGR100, \$250 for AGR200 and \$150 for AGR300.
I	State Appropriation Symbol	The account number established in FAMIS. The appropriation account is a combination of 4 fields: Fund Type, Fiscal Year, Appropriation Account Number, and Dept. Code. If an award has appropriation symbols for multiple fiscal years, enter the symbol for the first fiscal year. <b>Format: X-YY-###-X</b>
J	State Fund Match (If Any)	The amount of state funds necessary to match the award.
K	Contact Name	Name of the individual at the program level responsible for performance of the award.
L	Contact Phone No.	Phone no. of the individual at the program level responsible for performance of the award.
M	Contact Email	Email of the individual at the program level responsible for performance of the award.
<b>LEGEND:</b>		
<b>State Expending Agency</b>		
A (AGR)	Department of Agriculture	
B (BED)	Department of Business, Economic Dev & Tourism	
C (LNR)	Department of Land and Natural Resources	
D (TRN)	Department of Transportation	
E (EDN)	Department of Education	
F (UOH)	University of Hawaii	
G (DEF)	Department of Defense	
H (HTH)	Department of Health	
I (HHL)	Department of Hawaiian Home Lands	
J (JUD)	Judiciary	
K (HMS)	Department of Human Services	
L (LBR)	Department of Labor and Industrial Relations	
M (AGS)	Department of Accounting and General Services	
N (ATG)	Department of Attorney General	
O (BUF)	Department of Budget and Finance	
P (HRD)	Department of Human Resources Development	
Q (GOV)	Office of the Governor	
R (CCA)	Department of Commerce and Consumer Affairs	
S (LTG)	Office of the Lieutenant Governor	
T (TAX)	Department of Taxation	
V1 (PSD)	Department of Public Safety	
Z1 (OHA)	Office of Hawaiian Affairs	
<b>Federal Agency</b>		
	Dept. of Agriculture	
	Dept. of Commerce	
	Dept. of Defense	
	Dept. of Education	
	Dept. of Energy	
	Dept. of Health and Human Services	
	Dept. of Homeland Security	
	Dept. of Housing and Urban Development	
	Dept. of Justice	
	Dept. of Labor	
	Dept. of State	
	Dept. of the Interior	
	Dept. of the Treasury	
	Dept. of Transportation	
	Dept. of Veterans Affairs	
	Corporation for National & Community Svc	
	Environmental Protection Agency	
	General Services Administration	
	NASA	
	National Science Foundation	
	Nuclear Regulatory Commission	
	Office of Personnel Management	
	Small Business Administration	
	Social Security Administration	
	U.S. Agency for International Development	

Office of the Lieutenant Governor  
 Non-General Funds

Table 12

<u>Name of Fund</u>	<u>Purpose</u>	<u>Statutory Reference</u>	<u>MOF</u>	<u>Beginning FY16 Unencumbered Cash Balance</u>	<u>Estimated FY16 Revenues</u>	<u>Estimated FY16 Expenditures and Encumbrances</u>	<u>Estimated FY16 Net Transfers</u>	<u>Estimated FY16 Ending Unencumbered Cash Balance</u>	<u>Balance in Excess of Program Needs</u>
N/A									



Office of the Lieutenant Governor  
 Vacancy Report as of November 30, 2015

Table 13

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date of Vacancy</u>	<u>Expected Fill Date</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>Perm Temp (P/T)</u>	<u>FTE</u>	<u>MOF</u>	<u>Budgeted Amount</u>	<u>Actual Salary Last Paid</u>	<u>Authority to Hire (Y/N)</u>	<u>Occupied by 89 Day Hire (Y/N)</u>	<u># of 89 Hire. Appts</u>	<u>Describe if Filled by other Means</u>	<u>Priority # to Retain</u>
LTG100		7/1/2013	1/20/2015	120929	Senior Policy Analyst	Y	NA	73	T	1.00	A	\$ 39,676	\$ -	Y	N	0		1
LTG100		4/1/2015	N/A	121120	Commissioner of Deeds Specialist	Y	NA	73	T	1.00	N/A	unbudgeted	\$ 57,204					2

Office of the Lieutenant Governor  
 Personnel Separations from July 1, 2014 to November 30, 2015

Table 14

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Separation Date</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>Budgeted FTE</u>	<u>Budgeted Salary</u>	<u>Actual FTE</u>	<u>Actual Salary</u>
LTG100		12/29/2014	120928	Special Assistant to the Lt. Governor	Y	NA	73	T	A	1.00	\$ 72,804	1.00	\$ 72,804
LTG100		12/9/2014	112912	Senior Advisor	Y	NA	73	T	A	1.00	\$ 79,692	1.00	\$ 79,692
LTG100		4/1/2015	121120	Commissioner of Deeds Specialist	Y	NA	73	T	A	1.00	\$ 55,000	1.00	\$ 57,204

Office of the Lieutenant Governor  
Positions Filled from July 1, 2014 to November 30, 2015

Table 15

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Effective Date</u> <u>Position Filled</u>	<u>Position</u> <u>Number</u>	<u>Position Title</u>	<u>Exempt</u> <u>(Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>Budgeted</u> <u>FTE</u>	<u>Budgeted</u> <u>Salary</u>	<u>Actual</u> <u>FTE</u>	<u>Actual Salary</u>	<u>Occupied</u> <u>by 89 Day</u> <u>Hire (Y/N)</u>
LTG100		4/29/2015	118002	Administrative Assistant	Y	NA	63	T	A	1.00	\$ 39,996	1.00	\$ 34,500	N
LTG100		9/1/2015	120928	Special Assistant to the Lt. Governor	Y	NA	73	T	A	1.00	\$ 72,804	1.00	\$ 51,996	N
LTG100		4/1/2015	112912	Senior Advisor	Y	NA	73	T	A	1.00	\$ 72,804	1.00	\$ 67,200	N

Office of the Lieutenant Governor  
 Unauthorized Positions as of November 30, 2015

Table 16

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date Established</u>	<u>Legal Authority</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>FTE</u>	<u>Annual Salary</u>	<u>Filled (Y/N)</u>	<u>Occupied by 89 Day Hire (Y/N)</u>
N/A														

Office of the Lieutenant Governor  
Overtime Expenditure Summary

Table 17

Prog ID	Sub-Org	Program Title	MOF	FY15 (actual)			FY16 (estimated)			FY17 (budgeted)		
				<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent
N/A												



Office of the Lieutenant Governor  
Overpayments as of November 30, 2015

Table 19

<u>Name of Employee</u>	<u>Date of Over-payment</u>	<u>Gross Amount Overpaid</u>	<u>Amount Recovered</u>	<u>Balance</u>	<u>Category</u>				<u>Reason for Overpayment</u>	<u>Referred to Attorney General</u>
					<u>Employed Occurred &gt; 2 Years</u>	<u>Employed Occurred &lt; 2 Years</u>	<u>Not Employed Occurred &gt; 2 Years</u>	<u>Not Employed Occurred &lt; 2 Years</u>		
N/A										

Office of the Lieutenant Governor  
Active Contracts as of December 1, 2015

Table 20

Prog ID	MOF	Amount	Frequency (M/A/O)	Max Value	Outstanding Balance	Term of Contract			Entity	Contract Description	Explanation of How Contract is Monitored	POS Y/N	Category E/L/P/C/G/S
						Date Executed	From	To					
LTG100	A	Min. \$27.23	M	N/A	N/A	8/8/2014	8/8/2014	8/8/2019	XEROX	Multifunction copier lease	monthly	N	E
LTG100	A	\$ 653.27	M	\$ 43,146.08	\$ 5,879.43	7/25/2013	8/1/2013	10/31/2016	FIRST HAWAIIAN LEASING	Vehicle Lease	monthly	N	E
LTG100	A	\$ 748.34	M	\$ 48,944.48	\$ 28,436.92	2/19/2015	4/1/2015	4/1/2019	FIRST HAWAIIAN LEASING	Vehicle Lease	monthly	N	E



Office of the Lieutenant Governor  
 FY16 Appropriation Status

Table 21

Act/ Year	ProgID	Seq No.	Description	Comments	MOF	FY16 Appropriation			Amount used as of November 30			Comments
						Temp Pos.	Perm. Pos.	Amount	Temp Pos.	Perm. Pos.	Amount	
119/2015	LTG100	210001	GOVERNOR'S MESSAGE (2/10/15): ADD FUNDS FOR TRAVEL AND PROTOCOL EXPENSES (LTG100).	LEGISLATURE CONCURS.  DETAIL OF GOVERNOR'S REQUEST: TRAVEL AND PROTOCOL EXPENSES (50,000)	A		0.00	\$ 50,000.00	-	-	\$ 10,505.00	

Office of the Lieutenant Governor  
Capital Improvements Program (CIP) Requests

Table 22

<u>Prog ID</u>	<u>Prog ID</u> <u>Priority</u>	<u>Dept-</u> <u>Wide</u> <u>Priority</u>	<u>Senate</u> <u>District</u>	<u>Rep.</u> <u>District</u>	<u>Project Title</u>	<u>MOF</u>	<u>FY17 \$\$\$</u>
N/A							

Office of the Lieutenant Governor  
CIP Lapses

Table 23

<u>Prog ID</u>	<u>Act/Year of Appropriation</u>	<u>Project Title</u>	<u>MOF</u>	<u>Lapse Amount</u> <u>\$\$\$\$</u>	<u>Reason</u>
N/A					

Office of the Lieutenant Governor  
Division Resources

Table 24

<u>Division</u>	<u>Associated Program IDs</u>						
N/A							

Office of the Lieutenant Governor  
Program ID Sub-Organizations

Table 25

<u>Program ID</u>	<u>Sub-Org Code</u>	<u>Name</u>	<u>Objective</u>
N/A			

Office of the Lieutenant Governor  
Organization Changes

Table 26

<u>Year of Change</u> FY16/FY17	<u>Page</u> <u>Number</u>	<u>Description of Change</u>
N/A		