
A BILL FOR AN ACT

RELATING TO CONSUMER ADVOCACY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Progressive energy policy-making on the state
2 level is one of the most important issues on the legislative
3 agenda. Regulatory reform, specifically in the public utilities
4 commission and the division of consumer advocacy of the
5 department of commerce and consumer affairs, is essential to the
6 successful implementation of recent and future energy policy
7 reform. Recent legislation relies on professional staff in the
8 agencies to use their skills and experience in various areas
9 relating to public utilities to research, analyze, examine, and
10 process legislative mandates.

11 The current organization of the division of consumer
12 advocacy has not kept up with the recent changes made by
13 legislation in the regulatory conditions, duties, and
14 requirements of the division, diminishing its ability to perform
15 effectively in the following ways:

16 (1) Difficulty recruiting and retaining qualified
17 individuals to fill specialized positions that require



1 skills and experience that involve the performance of
2 certain functions;

3 (2) Specialized job requirements that do not correspond
4 with existing position descriptions and
5 classifications;

6 (3) Bureaucratic obstacles in changing existing position
7 descriptions and classifications;

8 (4) Salaries that are substantially below mainland agency
9 or private sector equivalents, especially considering
10 the demanding and arduous job requirements; and

11 (5) Agency organizational structures that are archaic and
12 unsupportive of efficient work flow or the matching of
13 human resources to the required tasks.

14 Act 143, Session Laws of Hawaii 2006, was passed to obtain
15 an in-depth review of the division of consumer advocacy's
16 organization and to develop a comprehensive plan to effectively
17 restructure and supplement the division and its resources to
18 function more effectively and efficiently. A report was
19 submitted to the legislature in December 2006 by the division,
20 specifying, as requested, the specific types and numbers of
21 positions, and the amounts necessary to restructure the division
22 and supplement its resources.



1 The purpose of this Act is to enhance the ability of the
2 division of consumer advocacy to carry out its duties and
3 responsibilities by:

4 (1) Requiring the division to restructure its operations
5 pursuant to the division's December 2006, report to
6 the legislature to improve its effectiveness and
7 efficiency; and

8 (2) Appropriating funds to meet the costs incurred as a
9 result of the restructuring process.

10 SECTION 2. (a) The division of consumer advocacy,
11 department of commerce and consumer affairs shall restructure
12 its operations as provided for in the division's report to the
13 legislature required pursuant to Act 143, Session Laws of
14 Hawaii, 2006.

15 (b) The restructuring shall include the following:

16 (1) The existing financial analysis branch shall be
17 renamed the regulatory analysis branch, and house the
18 integrated resource planning analyst,
19 telecommunications analyst, and four auditor
20 positions, which shall be redescribed as researcher
21 analysts and conduct research and analysis in rate



- 1 case and other proceedings and research new
2 developments in utility regulation;
- 3 (2) The new regulatory analysis branch shall be expanded
4 to add two additional exempt positions for researcher
5 analysts;
- 6 (3) The existing economics and pricing branch shall be
7 renamed the rate analysis branch, and the economist
8 and research staticians shall be redescribed as
9 utility rate analysts, who will review applications
10 for rate increases and tariff or rule amendments;
- 11 (4) Both the new regulatory analysis and rate analysis
12 branches shall be supervised by a branch chief within
13 the same class as the analysts and researchers within
14 their respective branches to aid recruitment and
15 retention efforts, ensure job satisfaction and
16 personal growth, and encourage upward mobility within
17 the branches; and
- 18 (5) Professional staff shall be encouraged to participate
19 in staff training seminars to obtain a general
20 understanding of the subject matter and receive
21 regular updates to regulatory conditions.



1 (c) Upon request by the division of consumer advocacy, all
2 other state and county agencies shall assist the division in
3 carrying out the provisions of this Act. The departments of
4 human resources development and budget and finance shall
5 continue to work cooperatively with the division as is deemed
6 necessary by the division, to:

- 7 (1) Rename or redescribe job descriptions;
- 8 (2) More closely correlate the actual work of the
9 professional staff with the types of positions
10 within the division; and
- 11 (3) Provide those positions with, where reasonable
12 and equitable, more compensation to attract
13 qualified applicants to the division.

14 SECTION 3. Section 269-52, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§269-52 Division of consumer advocacy; personnel.** There
17 shall be a division of consumer advocacy within the department
18 of commerce and consumer affairs to provide administrative
19 support to the director of commerce and consumer affairs acting
20 in the capacity of consumer advocate. The director may employ
21 and at pleasure dismiss an executive administrator, who shall be
22 exempt from chapter 76, may define the executive administrator's



1 powers and duties, and fix the executive administrator's
2 compensation. The director may employ engineers, accountants,
3 investigators, clerks, and stenographers as may be necessary for
4 the performance of the consumer advocate's functions, in
5 accordance with chapter 76; provided that:

6 (1) The director may employ up to [~~four utility~~] ten
7 researcher analysts exempt from chapter 76; and

8 (2) Each analyst shall possess at least the minimum
9 qualifications required of comparable experts in the
10 relevant industry."

11 SECTION 4. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$168,000 or so much
13 thereof as may be necessary for fiscal year 2007-2008 and
14 \$168,000 or so much thereof as may be necessary for fiscal year
15 2008-2009 to pay for restructuring expenses, including the
16 addition of two FTE researcher analyst positions, specified in
17 section 2 of this Act.

18 The sums appropriated shall be expended by the department
19 of commerce and consumer affairs for the purposes of this Act.

20 SECTION 5. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$ or so much
22 thereof as may be necessary for fiscal year 2007-2008 and



H.B. NO. 1004

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JAN 22 2007



Report Title:

Division of Consumer Advocacy; Restructuring

Description:

Restructures the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs. Appropriates funds for additional operating costs, including additional positions to improve the operations of the Division.

