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LAWRENCE M. REIFURTH
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RONALD BOYER
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-FIFTH LEGISLATURE
Regular Session of 2010

February 24, 2010, 12:30 p.m.

**(REVISED) WRITTEN COMMENTS ON H.B. 2902, H.D. 2 - RELATING TO PUBLIC
EDUCATION GOVERNMENT TELEVISION**

TO THE HONORABLE MARCUS OSHIRO, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Lawrence Reifurth, Director of the Department of Commerce and Consumer Affairs ("Department"). The Department appreciates the opportunity to provide written comments in support of this bill and offer proposed amendments to clarify the scope of inquiry of 'Ōlelo Community Television.

Regarding Section 1 of this bill, the Department will cooperate fully with the Legislative Auditor's review of the basis and rationale of the allocation of cable franchise fees should the Legislature decide that this type of analysis is needed.

Regarding Section 2 of H.B. 2902, H.D. 2, the Department notes that 'Ōlelo already is audited by Grant Thornton, and a purely financial review or audit may be duplicative of work already being performed. It may be more useful to have a performance study specifically on how 'Ōlelo implements its programs through the allocation of its resources. A proposed revision of the bill is attached for your consideration.

Thank you for the opportunity to provide written comments on this measure.

HB 2902, H.D. 2 - Proposed Revised Draft

RELATING TO PUBLIC EDUCATION GOVERNMENT TELEVISION.

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

SECTION 1. The auditor shall conduct an analysis of the allocation of cable operator franchise fees to:

- (1) Public, education, and government access organizations;
- (2) Hawaii Public Television Foundation; and
- (3) The department of commerce and consumer affairs' cable television division,

to determine the basis and rationale for the distribution of amounts to each entity for fiscal years 2007, 2008, and 2009. The auditor shall also determine whether the rationale for distribution includes audit costs, and by whom.

The auditor shall submit findings to the legislature no later than twenty days prior to the convening of the regular session of 2011.

SECTION 2. The department of commerce and consumer affairs shall contract for a performance review or audit, an engagement to perform specified procedures, or other type of study as determined by DCCA of Olelo Community Television to determine the effectiveness with which it

implements its programs through the allocation of resources. The department shall contract with a certified public accountant to perform procedures including, but not limited to, an analysis of financial records, overall financial health, operating expenses, and program(s) results.

The department of commerce and consumer affairs shall submit findings and recommendations to the legislature before July 1, 2011.

SECTION 3. There is appropriated out of the compliance resolution fund the sum of \$ or so much thereof as may be necessary for fiscal year 2010-2011 for the department of commerce and consumer affairs to contract for the financial review or audit specified in section 2 of this Act.

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

SECTION 4. This Act shall take effect on July 1, 2010.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 22, 2010 4:50 PM
To: FINTestimony
Cc: Laureen.K.Wong@dcca.hawaii.gov
Subject: Testimony for HB2902 on 2/24/2010 12:30:00 PM

Testimony for FIN 2/24/2010 12:30:00 PM HB2902

Conference room: 308
Testifier position: support
Testifier will be present: No
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Submitted on: 2/22/2010

Comments: