

HOUSE COMMITTEE ON FINANCE  
The Honorable Sylvia Luke, Chair  
The Honorable Ty J.K. Cullen, Vice Chair

**H.B. No. 2661, Making Appropriations to Provide for the Expenses  
of the Legislature, the Auditor, the Legislative Reference Bureau,  
the Ombudsman, and the Ethics Commission**

Hearing: Wednesday, February 19, 2020, 2:00 p.m.

Thank you for the opportunity to testify in **support** of H.B. No. 2661.

The bill provides appropriations for the Legislature and its legislative service agencies which includes the Office of the Auditor. Sections 6, 7, 8, and 12 of the bill appropriates to the Office of the Auditor for FY2020-21: **\$3,162,528** for expenses, including personnel and operational; **\$150,000** for special studies and other legislative requests; **\$2,800,000** to be deposited in the Audit Revolving Fund to cover the cost of the financial audits of state departments and political subdivisions performed by independent certified public accountants; and **\$68,106** for employees' accrued vacation payments and vacation transfer payments. The bill also provides for **\$6,300,000** to be appropriated out of the Audit Revolving Fund to conduct or complete our audit functions as provided by law.

**Operating Budget**

The Office of the Auditor requests an overall budget of **\$3,162,528**, which includes an increase for salary adjustments of the Auditor and Deputy Auditor as determined by the Salary Commission but is otherwise the same as our current budget. Exhibit 1 presents the budget request by objects of expenditure. Exhibit 2 shows the current appropriation and estimated expenditures.

**Our Work**

Exhibit 3 is a list of the reports that we issued to the Legislature in 2019 and 2020. Performance audit reports related to numerous state government agencies and programs, including the Department of Land and Natural Resources' Land Conservation Fund, the Department of Land and Natural Resources' Special Land and Development Fund, the Department of Education's School Impact Fees, and the Department of Health's Deposit Beverage Container Program were completed, as well as audits of the Honolulu Authority for Rapid Transportation (HART) and a report on our review of the Department of Accounting and General Services' verification of HART invoices. We also completed studies on proposed mandatory health insurance coverage for medically necessary transportation from the State to the continental United States and for

clinical victim support services for victims of sexual violence and abuse; a “sunrise analysis” on the proposed regulation of home inspectors; a study of state departments’ compliance with statutory requirements relating to their management of capital improvement projects; reports on the status of agencies’ implementation of audit recommendations; reviews of the special, revolving, and trust funds and trust accounts maintained by the University of Hawai‘i and the departments of Transportation, the Attorney General, and Business, Economic Development and Tourism; and analyses of special and revolving funds proposed during the 2019 legislative session.

We are currently auditing the Agribusiness Development Corporation as directed by Act 28, 2019 Session Laws of Hawai‘i, specifically assessing, among other things, the corporation’s land disposition and marketing strategies and management of its lands. We also contracted with a certified public accounting firm to audit the corporation’s financial statements for the years ended June 30, 2019 and June 30, 2020. Act 28 requires us to issue our audit report before the 2021 legislative session.

Act 37, 2019 Session Laws of Hawai‘i, directed us to audit the Office of Hawaiian Affairs (OHA). Our audit objectives relate to describing and assessing OHA’s use of its limited liability companies, including the trustees’ oversight of and actions relating to the limited liability companies, as well as whether grants and other funding from OHA to the LLCs, and the LLCs use of those moneys, were consistent with OHA’s spending policies and procedures. We suspended the audit after the OHA Board of Trustees denied access to complete and unredacted minutes of its meetings. Our inability to access complete records creates a significant risk that our findings, conclusions, and recommendations may be based on improper or incomplete information.

We are in the process of completing our first review of tax exemptions and exclusions. This year’s report includes general excise tax exemptions and exclusions for, among other things, gross income of contractors from subcontractors, reimbursement to federal cost-plus contractors, amounts received from aircraft and aircraft engine rental or leasing, and amounts received from aircraft servicing and maintenance and aircraft service and maintenance facility construction. Sections 23-72, et seq. and 23-91, et seq., Hawai‘i Revised Statutes (HRS), require us to review a number of different tax exemptions, exclusions, credits, and deductions each year.

We are also assessing the status of the implementation of audit recommendations contained in reports relating to the Disease Outbreak Control Division of the Department of Health (Report No. 17-14), the Hawai‘i State Energy Office (Report No. 18-01), and the Plant Quarantine Branch of the Department of Agriculture (Report No. 17-05). We will be initiating similar audit recommendation follow-up assessments for the Office of Hawaiian Affairs (Report No. 18-03), the Hawai‘i Tourism Authority (Report No. 18-04), and the Public Utilities Commission (Report No. 18-05). Generally, we “actively” follow-up on the status of an agency’s implementation of our audit recommendations two to three years after issuance of an audit report.

We are reviewing bills that propose creating new special or revolving funds and will be providing the Legislature with a report assessing whether those proposed funds meet certain

statutory criteria as required by Section 23-11, HRS. We expect the reviews to be completed before the end of February.

We are a resource for the Legislature. Our audits provide an objective assessment of an agency's performance. We are committed to providing meaningful audit findings that address and answer the issues that the Legislature intend. For us to do so, it is important that we understand concerns you may have or areas you would like audited and that those concerns or areas are described in the bill or resolution requesting the audit as specifically as possible. As session progresses, we may be asking to meet with Legislators about specific bills or resolutions to better identify and address the Legislature's needs.

### **Financial Audits**

We contract with independent certified public accountants for the financial audits of 24 departments, agencies, and programs as well as the State of Hawai'i's Comprehensive Annual Financial Report (CAFR). The financial statement audit contracts that we administer through our Audit Revolving Fund are listed on Exhibit 4.<sup>1</sup> We note that not all state departments are audited, including some departments that have relatively significant financial activity.

The CAFR was issued on December 20, 2019, before the December 31, 2019 deadline. Last year, the State of Hawai'i earned the coveted Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting, an award given to individual governments that succeed in preparing CAFR reports that evidence the spirit of transparency and full disclosure; we hope the State earns that same award this year. On-time issuance of the CAFR and achievement of GFOA's award can positively affect the State's ability to issue general obligation bonds to fund capital improvement projects. We also expect to issue the statewide Single Audit by its March 2020 deadline.

Thank you for your continued support of the Office of the Auditor and for your consideration of our testimony in support of the appropriations to the Office of the Auditor in H.B. No. 2661.

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<sup>1</sup> Act 28, 2019 Session Laws of Hawai'i, appropriated \$100,000 for us to contract with a certified public accounting firm to audit the Agribusiness Development Corporation's (ADC) financial statements for the fiscal year 2019-2020. Accordingly, expenditures relating to the ADC financial audit are being paid from our operating account, not from the Audit Revolving Fund. The cost for financial audits of the Office of the Auditor, the Hawai'i State Ethics Commission, the Legislative Reference Bureau, and the Office of the Ombudsman are also paid from our operating budget.

**OFFICE OF THE AUDITOR**  
**Statement Showing Budget for Office Operations**  
**By Object of Expenditure for FY2020-2021**

Exhibit 1

**Operating Budget**

Personal services:

|                            |                  |
|----------------------------|------------------|
| Staff salaries             | \$2,771,661      |
| Salary Commission Increase | 14,667           |
| Total personal services    | <u>2,786,328</u> |
| Contractual Services       | 194,916          |
|                            | <u>2,981,244</u> |

Other expenses:

|                                      |                |
|--------------------------------------|----------------|
| Office expenses                      | 47,500         |
| Intrastate transportation and travel | 4,800          |
| Out-of-state travel                  | 42,000         |
| Training                             | 13,200         |
| Printing                             | 5,000          |
| Rental and maintenance of equipment  | 20,000         |
| Books                                | 500            |
| Equipment                            | 46,284         |
| Miscellaneous                        | <u>2,000</u>   |
| Total other expenses                 | <u>181,284</u> |

|                               |                                  |
|-------------------------------|----------------------------------|
| <b>Total Operating Budget</b> | <b><u><u>\$3,162,528</u></u></b> |
|-------------------------------|----------------------------------|

|                                      |                                |
|--------------------------------------|--------------------------------|
| <b>Special Studies Appropriation</b> | <b><u><u>\$150,000</u></u></b> |
|--------------------------------------|--------------------------------|

|                             |                                  |
|-----------------------------|----------------------------------|
| <b>Audit Revolving Fund</b> | <b><u><u>\$2,800,000</u></u></b> |
|-----------------------------|----------------------------------|

**OFFICE OF THE AUDITOR**  
**Statement Showing Budget and Estimated Expenditures**  
**By Object of Expenditure for FY2019-2020**

Exhibit 2

|  | <u>Budget</u>           | <u>Estimated</u>        | <u>Variance</u>       |
|--|-------------------------|-------------------------|-----------------------|
| Personal services:                                       |                         |                         |                       |
| Staff salaries   | \$ 2,757,699            | \$ 2,376,264            | \$ 381,435            |
| Contractual services                                     | 194,916                 | 194,916                 | -                     |
| Total personal services                                  | <u>\$ 2,952,615</u>     | <u>\$ 2,571,180</u>     | <u>\$ 381,435</u>     |
| Other expenses:  |                         |                         |                       |
| Office expenses  | \$ 47,500               | \$ 47,500               | \$ -                  |
| Intrastate transportation and travel                     | 4,800                   | 4,800                   | -                     |
| Out-of-state travel                                      | 42,000                  | 42,000                  | -                     |
| Training   | 13,200                  | 13,200                  | -                     |
| Printing   | 5,000                   | 5,000                   | -                     |
| Rental and maintenance of equipment                      | 20,000                  | 20,000                  | -                     |
| Books  | 500                     | 500                     | -                     |
| Equipment  | 46,284                  | 46,284                  | -                     |
| Miscellaneous  | 2,000                   | 2,000                   | -                     |
| Total other expenses                                     | <u>\$ 181,284</u>       | <u>\$ 181,284</u>       | <u>\$ -</u>           |
| <br>TOTAL  | <br><u>\$ 3,133,899</u> | <br><u>\$ 2,752,464</u> | <br><u>\$ 381,435</u> |
| <br>Special Studies Appropriation (Act 1, SLH 2018)      | <br><u>\$ 150,000</u>   | <br><u>\$ -</u>         | <br><u>\$ 150,000</u> |
| <br>Audit Revolving Fund Appropriation (Act 1, SLH 2018) | <br><u>\$ 2,800,000</u> | <br><u>\$ 2,800,000</u> | <br><u>\$ -</u>       |

**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2019 and 2020 Legislatures**

***Performance audits, studies, and other projects***

| Report No.   | Title  | Work performed pursuant to:                                  |
|--|--|--|
| <b>Performance audits and other reports issued in 2019</b> |  |  |
| 19-01  | Audit of the Department of Land and Natural Resources' Land Conservation Fund  | Act 209 (2017 Regular Session)                               |
| 19-02  | Follow-Up on Recommendations from Report No. 14-11, <i>Audit of the Hawai'i State Foundation on Culture and the Arts</i>   | § 23-7.5, HRS  |
| 19-03  | Audit of the Honolulu Authority for Rapid Transportation: Report 1   | Act 1 (2017 First Special Session)                           |
| 19-04  | Audit of the Honolulu Authority for Rapid Transportation: Report 2   | Act 1 (2017 First Special Session)                           |
| 19-05  | Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Transportation  | § 23-12, HRS   |
| 19-06  | Follow-Up on Recommendations from Report No. 14-02, <i>Audit of the Department of Human Services' Med-QUEST Division and Its Medicaid Program</i>                      | § 23-7.5, HRS  |
| 19-07  | Study of Proposed Mandatory Health Insurance Coverage for Medically Necessary Transportation from the State to the Continental United States for "Qualifying Patients" | HCR 52, HD 1, SD 1 (2018 Regular Session)                    |
| 19-08  | Financial and Program Audit of the Department of Health's Deposit Beverage Container Program, June 30, 2018  | § 342G-107, HRS  |
| 19-09  | Sunrise Analysis: Regulation of Home Inspectors  | SCR 27, SD 1 (2018 Regular Session)                          |
| 19-10  | Analyses of Proposed Special and Revolving Funds 2019  | § 23-11, HRS   |
| 19-11  | Review of the Department of Accounting and General Services' Verification of the Honolulu Authority for Rapid Transportation's Invoices                                | Act 1 (2017 First Special Session), codified as § 23-14, HRS |
| --   | Honolulu Authority for Rapid Transportation: Contract and Vendor Compliance Review Report  | Act 1 (2017 First Special Session)                           |
| 19-12  | Audit of the Department of Land and Natural Resources' Special Land and Development Fund   | Act 209 (2017 Regular Session)                               |
| 19-13  | Audit of the Department of Education's Administration of School Impact Fees  | § 23-4, HRS  |
| 19-14  | Follow-Up on Recommendations from Report No. 16-08, <i>Audit of Hawai'i's Motion Picture, Digital Media, and Film Production Income Tax Credit</i>                     | § 23-7.5, HRS  |

**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2019 and 2020 Legislatures**

| Report No.  | Title  | Work performed pursuant to:          |
|---|--|--------------------------------------|
| <b>Performance audits and other reports issued in 2019, continued</b> |  |                                      |
| 19-15   | Report on the Implementation of State Auditor's Recommendations 2014-2017  | § 23-7.5, HRS                        |
| 19-16   | Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of the Attorney General        | § 23-12, HRS                         |
| --  | 2018 Annual Report   | § 23-9, HRS                          |
| 19-17   | Study of Proposed Mandatory Health Insurance for Clinical Victim Support Services for Victims of Sexual Violence and Abuse | SCR 171, SD 1 (2019 Regular Session) |

**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2019 and 2020 Legislatures**

***Performance audits, studies, and other projects***

| Report No.  | Title   | Work performed pursuant to:                |
|---|---|--|
| <b>Performance audits and other reports issued and to be issued in 2020</b> |   |  |
| 20-01   | Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Business, Economic Development and Tourism | § 23-12, HRS                               |
| 20-02   | Follow-Up Study on Report No. 15-13, <i>Study of State Departmental Engineering Sections That Manage Capital Improvement Projects</i>     | HCR 193, SD 1 (2019 Regular Session)       |
| 20-03   | Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the University of Hawai'i                                    | § 23-12, HRS                               |
| 20-xx   | Review of Tax Incentives  | §§ 23-71 to -81, HRS; §§ 23-91 to -96, HRS |
| 20-xx   | Follow-Up on Recommendations from Report No. 17-05, <i>Audit of Hawai'i Department of Agriculture's Plant Quarantine Branch</i>           | § 23-7.5, HRS                              |
| 20-xx   | Audit of the Office of Hawaiian Affairs   | Act 37 (2019 Regular Session)              |
| 20-xx   | Audit of the Agribusiness Development Corporation   | Act 28 (2019 Regular Session)              |
| 20-xx   | Follow-Up on Recommendations from Report No. 17-14, <i>Audit of the Disease Outbreak Control Division of the Department of Health</i>     | § 23-7.5, HRS                              |
| 20-xx   | Follow-Up on Recommendations from Report No. 18-01, <i>Audit of the Hawai'i State Energy Office</i>                                       | § 23-7.5, HRS                              |
| 20-xx   | Follow-Up on Recommendations from Report No. 18-03, <i>Audit of the Office of Hawaiian Affairs</i>  | § 23-7.5, HRS                              |
| 20-xx   | Follow-Up on Recommendations from Report No. 18-04, <i>Audit of the Hawai'i Tourism Authority</i>   | § 23-7.5, HRS                              |
| 20-xx   | Follow-Up on Recommendations from Report No. 18-05, <i>Audit of the Public Utilities Commission</i>                                       | § 23-7.5, HRS                              |
| 20-xx   | Follow-Up on Recommendations from Report No. 18-08, <i>Audit of the Office of Hawaiian Affairs' Competitive Grants</i>                    | § 23-7.5, HRS                              |
| 20-xx   | Follow-Up on Recommendations from Report No. 18-09, <i>Audit of the Attorney General's Asset Forfeiture Program</i>                       | § 23-7.5, HRS                              |



**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2019 and 2020 Legislatures**

| Report No.   | Title  | Work performed pursuant to: |
|--|--|-----------------------------|
| <b>Performance audits and other reports issued and to be issued in 2020, continued</b> |  |                             |
| 20-xx  | Follow-Up on Recommendations from Report No. 18-18, <i>Audit of the Office of Health Care Assurance's Adult Residential Care Homes Program</i> | § 23-7.5, HRS               |
| 20-xx  | Report on the Implementation of State Auditor's Recommendations 2015-2018  | § 23-7.5, HRS               |
| --   | 2019 Annual Report   | § 23-9, HRS                 |
| <b>Proposed fund reviews</b>   |  |                             |
| --   | We expect to perform approximately 60 - 70 reviews of proposed special and revolving funds during the 2020 legislative session.                | § 23-11, HRS                |

**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2019 and 2020 Legislatures**

***Financial Statements and Single Audit Report***

| <b>Financial statement audits issued in 2019</b>  | <b>Performed by:</b>                    |
|---|---|
| State of Hawai'i <b>Comprehensive Annual Financial Report</b> – June 30, 2018   | Accuity LLP                             |
| State of Hawai'i <b>Single Audit Report</b> – June 30, 2018   | Accuity LLP                             |
| Department of Accounting and General Services, <b>Stadium Authority</b> – June 30, 2018 Financial Statements  | KKDLY LLC                               |
| Department of Accounting and General Services, <b>State Motor Pool Revolving Fund</b> – June 30, 2018 Financial Statements  | KPMG LLP                                |
| Department of Accounting and General Services, <b>State Parking Revolving Fund</b> – June 30, 2018 Financial Statements   | KPMG LLP                                |
| <b>Department of the Attorney General</b> – June 30, 2018 Financial Statements and Single Audit Report  | Egami and Ichikawa CPAs, Inc.           |
| Department of Business, Economic Development and Tourism, <b>Hawai'i Housing Finance and Development Corporation</b> – June 30, 2018 Financial Statements and Single Audit Report | Accuity LLP                             |
| <b>Department of Education</b> – June 30, 2018 Financial Statements and Single Audit Report   | KKDLY LLC                               |
| <b>Department of Hawaiian Home Lands</b> – June 30, 2018 Financial Statements and Single Audit Report   | Akamine, Oyadomari & Kosaki CPA's, Inc. |
| <b>Department of Health</b> – June 30, 2018 Financial Statements and Single Audit Report  | KMH LLP                                 |
| Department of Health, <b>Drinking Water Treatment Revolving Fund</b> – June 30, 2018 Financial Statements   | KMH LLP                                 |
| Department of Health, <b>Water Pollution Control Revolving Fund</b> – June 30, 2018 Financial Statements  | KMH LLP                                 |
| <b>Department of Human Services</b> – June 30, 2018 Financial Statements and Single Audit Report  | KMH LLP                                 |
| Department of Human Services, <b>Hawai'i Public Housing Authority</b> – June 30, 2018 Financial Statements and Single Audit Report  | KMH LLP                                 |

**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2019 and 2020 Legislatures**

| <b>Financial statement audits issued in 2019, continued</b>   | <b>Performed by:</b>          |
|---|-------------------------------|
| Department of Transportation, <b>Administration Division</b> – June 30, 2018 Financial Statements   | Egami and Ichikawa CPAs, Inc. |
| Department of Transportation, <b>Airports Division</b> – June 30, 2018 Financial Statements   | BKD, LLP                      |
| Department of Transportation, <b>Airports Division</b> – June 30, 2018 Single Audit Report  | BKD, LLP                      |
| Department of Transportation, <b>Harbors Division</b> – June 30, 2018 Financial Statements  | KKDLY LLC                     |
| Department of Transportation, <b>Highways Division</b> – June 30, 2018 Financial Statements   | BKD, LLP                      |
| Department of Transportation, <b>Highways Division</b> – June 30, 2018 Single Audit Report  | BKD, LLP                      |
| Department of Transportation, <b>O’ahu Metropolitan Planning Organization</b> – June 30, 2018 Financial Statements and Single Audit Report    | N&K CPAs, Inc.                |
| Department of Budget and Finance, <b>Employees’ Retirement System of the State of Hawai’i</b> – June 30, 2018 Financial Statements            | KPMG LLP                      |
| Department of Business, Economic Development and Tourism, <b>Hawai’i Community Development Authority</b> – June 30, 2018 Financial Statements | CW Associates                 |
| Department of Budget and Finance, <b>Hawai’i Employer-Union Health Benefits Trust Fund</b> – June 30, 2018 Financial Statements               | KKDLY LLC                     |
| Department of Business, Economic Development and Tourism, <b>Hawai’i Tourism Authority</b> – June 30, 2018 Financial Statements               | CW Associates                 |
| <b>Hawai’i Convention Center</b> – December 31, 2018 Financial Statements   | CW Associates                 |
| <b>Department of Land and Natural Resources</b> – June 30, 2017 Financial Statements  | N&K CPAs, Inc.                |

**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2019 and 2020 Legislatures**

| <b>Financial statement audits issued and to be issued in 2020</b>   | <b>Performed by:</b>          |
|---|-------------------------------|
| State of Hawai'i <b>Comprehensive Annual Financial Report</b> – June 30, 2019*  | Accuity LLP                   |
| Department of Accounting and General Services, <b>Stadium Authority</b> – June 30, 2019 Financial Statements  | N&K CPAs, Inc.                |
| Department of Business, Economic Development and Tourism, <b>Hawai'i Housing Finance and Development Corporation</b> – June 30, 2019 Financial Statements and Single Audit Report | Accuity LLP                   |
| Department of Health, <b>Drinking Water Treatment Revolving Fund</b> – June 30, 2019 Financial Statements   | KMH LLP                       |
| Department of Health, <b>Water Pollution Control Revolving Fund</b> – June 30, 2019 Financial Statements  | KMH LLP                       |
| Department of Human Services, <b>Hawai'i Public Housing Authority</b> – June 30, 2019 Financial Statements and Single Audit Report*   | KMH LLP                       |
| Department of Transportation, <b>Administration Division</b> – June 30, 2019 Financial Statements*  | Egami and Ichikawa CPAs, Inc. |
| Department of Transportation, <b>Airports Division</b> – June 30, 2019 Financial Statements*  | KPMG LLP                      |
| Department of Transportation, <b>Airports Division</b> – June 30, 2019 Single Audit Report*   | KPMG LLP                      |
| Department of Transportation, <b>Harbors Division</b> – June 30, 2019 Financial Statements*   | KKDLY LLC                     |
| Department of Business, Economic Development and Tourism, <b>Hawai'i Community Development Authority</b> – June 30, 2019 Financial Statements                                     | N&K CPAs, Inc.                |
| Department of Budget and Finance, <b>Hawai'i Employer-Union Health Benefits Trust Fund</b> – June 30, 2019 Financial Statements   | KKDLY LLC                     |
| Department of Business, Economic Development and Tourism, <b>Hawai'i Tourism Authority</b> – June 30, 2019 Financial Statements*  | Accuity LLP                   |
| <b>Department of Land and Natural Resources</b> – June 30, 2018 Financial Statements*   | N&K CPAs, Inc.                |

\*Financial Statements and/or Single Audit Reports have not yet been submitted to the Legislature.

| # of<br>Contracts                           | Department - Agency Financial Statement (and Single Audits, as applicable) Audits |   | Expenditure Ceiling<br>Request<br>Projected FYE 2020<br>Fees | Funding Source Breakdown |                        |              | General Fund Request<br><br>(General Fund portion of<br>fees) |
|---|---|---|--|--------------------------|------------------------|--------------|---|
|   |   |   |  | General<br>Fund          | Non-GF (Reimbursement) |              |   |
|   |   | Department of Accounting and General Services   |  |                          |                        |              |   |
| 1   |   | CAFR-Combined Single Audits   | \$ 1,650,000   | 100.0%                   | 0.0%                   | n/a          | \$ 1,650,000  |
|   |   | ICSD - SSAE 16: IT Controls   |  |                          |                        |              |   |
| 2   |   | DAGS - Stadium Authority (& agreed upon procedures)                                     | \$ 89,000  | 0.0%                     | 100.0%                 | Special      | \$ -  |
|   |   | Schedule of gross receipts & percentage rent reported and paid by the Concessionaire    |  |                          |                        |              |   |
|   |   | Agreed-upon proc: Reserve acct of Concessionaire & F&B operations of the Concessionaire |  |                          |                        |              |   |
|   |   | Schedule of gross receipts & percentage commission paid by the Swap Meet Mgt Co.        |  |                          |                        |              |   |
| 3   |   | DAGS - State Parking Revolving Fund   | \$ 50,000  | 0.0%                     | 100.0%                 | Special      | \$ -  |
|   |   | DAGS - State Motor Pool Revolving Fund  |  |                          |                        |              | \$ -  |
|   |   |   |  |                          |                        |              |   |
| 4   |   | Department of the Attorney General  | \$ 108,000   | 55.0%                    | 45.0%                  | Federal      | \$ 59,400   |
|   |   |   |  |                          |                        |              |   |
|   |   | Department of Budget and Finance  |  |                          |                        |              |   |
| 5   |   | Hawaii Employer - Union Health Benefits Trust Fund                                      | \$ 250,000   | 0.0%                     | 100.0%                 | Trust        | \$ -  |
| 6   |   | Employees' Retirement System  | \$ 296,000   | 0.0%                     | 100.0%                 | Other Non-GF | \$ -  |
|   |   |   |  |                          |                        |              |   |
|   |   | Department of Business, Economic Development & Tourism                                  |  |                          |                        |              |   |
| 7   |   | Hawaii Housing Finance & Development Corporation  | \$ 212,088   | 0.0%                     | 100.0%                 | Special      | \$ -  |
| 8   |   | HTA - Hawaii Tourism Authority  | \$ 105,000   | 0.0%                     | 100.0%                 | Special      | \$ -  |
|   |   | Hawaii Convention Center - Special Purpose F/S  |  |                          |                        |              | \$ -  |
| 9   |   | Hawaii Community Development Authority  | \$ 43,000  | 0.0%                     | 100.0%                 | Special      | \$ -  |
|   |   |   |  |                          |                        |              |   |
| 10  |   | Department of Commerce and Consumer Affairs   | \$ 175,000   | 0.0%                     | 100.0%                 | Special      | \$ -  |
| 11  |   | Public Utilities Commission   | \$ 90,000  | 0.0%                     | 100.0%                 | Special      | \$ -  |
|   |   |   |  |                          |                        |              |   |
| 12  |   | Department of Education   | \$ 405,000   | 90.0%                    | 10.0%                  | Federal      | \$ 364,500  |
|   |   |   |  |                          |                        |              |   |
| 13  |   | Department of Hawaiian Home Lands   | \$ 175,000   | 0.0%                     | 100.0%                 | Trust        | \$ -  |
|   |   |   |  |                          |                        |              |   |
| 14  |   | Department of Health  | \$ 390,000   | 70.0%                    | 30.0%                  | Federal      | \$ -  |
|   |   | Water Pollution Control Revolving Fund  |  |                          |                        |              |   |
|   |   | Drinking Water Treatment Revolving Loan Fund  |  |                          |                        |              |   |
|   |   | Deposit Beverage Container Program  |  |                          |                        |              | \$ 55,000   |
|   |   |   |  |                          |                        |              |   |
| 15  |   | Department of Human Services  | \$ 419,000   | 47.28%                   | 52.72%                 | Federal      | \$ 198,103  |
| 16  |   | Hawaii Public Housing Authority   | \$ 335,000   | 0.0%                     | 100.0%                 | Various      | \$ -  |
|   |   |   |  |                          |                        |              |   |
| 17  |   | Department of Land and Natural Resources  | \$ 65,000  | 0.0%                     | 100.0%                 | Special      | \$ -  |
|   |   |   |  |                          |                        |              |   |
|   |   | Department of Transportation  |  |                          |                        |              |   |
| 18  |   | Administration  | \$ 37,000  | 0.0%                     | 100.0%                 | Special      | \$ -  |
| 19  |   | Airports  | \$ 472,000   | 0.0%                     | 100.0%                 | Special      | \$ -  |
| 20  |   | Harbors   | \$ 247,000   | 0.0%                     | 100.0%                 | Special      | \$ -  |
| 21  |   | Highways  | \$ 336,000   | 0.0%                     | 100.0%                 | Special      | \$ -  |
| 22  |   | Oahu Metropolitan Planning Organization   | \$ 40,000  | 0.0%                     | 100.0%                 | Special      | \$ -  |
| TOTAL Managed 22 Contracts:                 |   |   | \$ 6,044,088   |                          |                        |              | \$ 2,272,003  |
| Reserve for Estimated Adjustments/Overages: |   |   | \$ 255,912   |                          |                        |              | \$ 527,997  |
| TOTAL Requested Budget Amounts:             |   |   | \$ 6,300,000   |                          |                        |              | \$ 2,800,000  |

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LEGISLATIVE REFERENCE BUREAU  
State of Hawaii  
State Capitol, Room 446  
415 S. Beretania Street  
Honolulu, Hawaii 96813

## Written Testimony

### **HB2661 HD1 PROPOSED**

### **MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES OF THE LEGISLATURE, THE AUDITOR, THE LEGISLATIVE REFERENCE BUREAU, THE OMBUDSMAN, AND THE ETHICS COMMISSION**

Charlotte A. Carter-Yamauchi, Director  
Legislative Reference Bureau

Presented to the House Committee on Finance

Wednesday, February 19, 2020, 2:00 p.m.  
Conference Room 308

Chair Luke and Members of the Committee:

I am Charlotte Carter-Yamauchi, Director of the Legislative Reference Bureau (LRB). Thank you for this opportunity to provide written testimony in **support** of H.B. No. 2661, Proposed H.D. 1, which contains the LRB's budget for fiscal year 2020-2021.

The LRB provides comprehensive, impartial research and reference services on legislative matters, primarily for the Legislature, but occasionally for other governmental agencies, other entities, and the general public.

The LRB's major functions include:

- Providing research and drafting services, including drafting bills and other legislative documents, such as bill reviews and committee reports, at the request of the Legislature, legislative committees, and individual legislators. We prepare studies, reports, and memoranda on various issues. We strive to maintain a standard of being objective, impartial, nonpartisan, and fair in all of our work and treatment of clients.
- Engaging in statutory revision, including the publication of the Session Laws of Hawaii, the Hawaii Revised Statutes and all cumulative Supplements thereto, and

annual Replacement Volumes to the Hawaii Revised Statutes. We also establish the format for administrative agency rules and compile and publish a table indicating those administrative rules that implement state laws.

- Maintaining a reference library as an information resource primarily for the Legislature and legislative staff, but which is also used by other government agencies and the general public. Our library provides outstanding services, including online information services, and maintains the LRB's website, which is designed to facilitate legislative research by providing links to other important websites.
- Maintaining a legislative systems office that purchases, maintains, and provides technical support for the computer hardware, software, and other equipment for the LRB and coordinates the integration of the LRB's computer system with the House and Senate information systems. The systems office also maintains the LRB's data management system, which is used by LRB staff and other legislative research offices to electronically access information and data on the subject matter and status of legislative documents and is also used for critical LRB operations, such as managing internal documents and workload tracking.
- Maintaining the Public Access Room, which was established by the Legislature to facilitate public participation in the legislative process. Our Public Access Room staff, working with librarians and others on the neighbor islands, have expanded the availability of legislative information, materials, and services far beyond Oahu. In addition, although no moneys are contained in the LRB's budget to fulfill the responsibility, our Public Access Room staff is separately tasked by the Legislature with coordinating the Legislative Broadcasting Project of the House of Representatives and the Senate.

We note that the LRB's budget also contains the Legislature's appropriation for the Council of State Governments (CSG) and the National Conference of State Legislatures (NCSL) annual dues, which are typically added to the LRB's budget to pay on behalf of the Legislature. Accordingly, the amount appropriated each year includes these pass-through appropriations for CSG and NCSL dues.

We have attached an exhibit that provides more detailed information on the functions and services provided by LRB.

In closing, the LRB is in support of this measure and respectfully requests the Committee's favorable consideration of it. Thank you for the opportunity to provide written testimony in support of H.B. No. 2661, Proposed H.D. 1.

## **Exhibit**

### **THE LEGISLATIVE REFERENCE BUREAU**

The Legislative Reference Bureau is a nonpartisan legislative service agency that provides a wide variety of comprehensive impartial research and reference services to the Legislature as a whole and to individual Legislators and legislative committees. In some cases, the Bureau also provides nonpartisan services for other government agencies, other entities, and the general public. Presently, the Bureau consists of five separate and distinct divisions: Research, Statute Revision, Systems Office, Library, and the Public Access Room. By law, the services provided by the Bureau to Legislators are confidential, unless the confidentiality is waived by the requestor.<sup>1</sup>

It is important to note that the Bureau as a whole, and the Research Division in particular, has no control over the amount of work assigned to it from either house of the Legislature. The decision to utilize the services of the Bureau is left entirely to the discretion of the individual Legislators. The preference of Legislators to use a particular research/drafting agency may fluctuate over time based upon any number of factors. Further, many Legislators often use the services of more than one research/drafting agency.

What follows is a detailed description of the work of each division of the Bureau. Recognizing that workloads fluctuate from session to session for a variety of reasons, an effort has been made to present detailed workload statistics for a five-year period, to the extent available, to provide a more comprehensive picture of the LRB's operations.

#### **Research Division**

The Research Division assists the Legislature through comprehensive, nonpartisan research memoranda and reports and drafting of various legislative documents. The Research Division's work includes drafting bills, resolutions, bill reviews and legal checks, committee reports and bill amendments, floor amendments, draft language, letters and memoranda, and published reports and studies. In addition, Research Division staff members are sometimes tasked with supporting legislatively created task forces and working groups and preparing various operational documents such as Requests for Proposals and procurement contracts for the Legislature.<sup>2</sup>

Between fiscal years 2014-2015 and 2018-2019, the Research Division responded to 22,366 requests for services.<sup>3</sup> In each year, the Research Division responded to an average of 4,473 requests for services. (See Table 1 for year-by-year totals.)



| Table 1. Research Division Requests (FY 2013-2014 - FY 2017-2018)                                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | FY 14-15 (2015)    |                    |                    |                    | FY 15-16 (2016)    |                    |                    |                    | FY 16-17 (2017)    |                    |                    |                    | FY 17-18 (2018)    |                    |                    |                    | FY 18-19 (2019)    |                    |                    |                    |
|   | House              |                    | Senate             |                    | House              |                    | Senate             |                    | House              |                    | Senate             |                    | House              |                    | Senate             |                    | House              |                    | Senate             |                    |
|   | Number of Requests | Percent by Chamber | Number of Requests | Percent by Chamber | Number of Requests | Percent by Chamber | Number of Requests | Percent by Chamber | Number of Requests | Percent by Chamber | Number of Requests | Percent by Chamber | Number of Requests | Percent by Chamber | Number of Requests | Percent by Chamber | Number of Requests | Percent by Chamber | Number of Requests | Percent by Chamber |
| Bills for Introduction  | 1113               | 65%                | 597                | 35%                | 818                | 60%                | 544                | 40%                | 829                | 63%                | 496                | 37%                | 718                | 64%                | 411                | 36%                | 953                | 66%                | 489                | 34%                |
| Bill Drafts (HDs, SDs, CDs) & Floor Amendments  | 152                | 27%                | 421                | 73%                | 405                | 58%                | 300                | 42%                | 112                | 26%                | 318                | 74%                | 77                 | 13%                | 523                | 87%                | 75                 | 14%                | 469                | 86%                |
| Committee Reports   | 83                 | 14%                | 502                | 86%                | 80                 | 12%                | 575                | 88%                | 28                 | 5%                 | 524                | 95%                | 14                 | 2%                 | 585                | 98%                | 36                 | 6%                 | 614                | 94%                |
| Resolutions   | 259                | 55%                | 208                | 45%                | 240                | 60%                | 157                | 40%                | 163                | 54%                | 138                | 46%                | 203                | 65%                | 109                | 35%                | 242                | 67%                | 117                | 33%                |
| Certificates  | 7                  | 100%               | 0                  | 0%                 | 6                  | 100%               | 0                  | 0%                 | 5                  | 100%               | 0                  | 0%                 | 26                 | 100%               | 0                  | 0%                 | 21                 | 100%               | 0                  | 0%                 |
| Language--Bills, Resos, Legal Checks  | 3                  | 100%               | 0                  | 0%                 | 21                 | 66%                | 11                 | 34%                | 2                  | 100%               | 0                  | 0%                 | 9                  | 69%                | 4                  | 31%                | 5                  | 100%               | 0                  | 0%                 |
| Bill Reviews  | 419                | 49%                | 435                | 51%                | 409                | 51%                | 397                | 49%                | 457                | 55%                | 371                | 45%                | 463                | 48%                | 504                | 52%                | 513                | 50%                | 515                | 50%                |
| Research Memos  | 87                 | 38%                | 139                | 62%                | 65                 | 69%                | 29                 | 45%                | 62                 | 78%                | 18                 | 22%                | 72                 | 84%                | 14                 | 16%                | 42                 | 86%                | 7                  | 14%                |
| TOTAL HOUSE & SENATE REQUESTS   | 2123               | 48%                | 2302               | 52%                | 2044               | 50%                | 2013               | 50%                | 1658               | 47%                | 1865               | 53%                | 1582               | 42%                | 2150               | 58%                | 1887               | 46%                | 2211               | 54%                |
| Administration Measures (formatting and proofing; preparation for Legislature's website) <sup>4</sup> | 274                |                    |                    |                    | 210                |                    |                    |                    | 328                |                    |                    |                    | 228                |                    |                    |                    | 246                |                    |                    |                    |
| Formatting Acts (preparation for publisher--session laws and supplements) <sup>5</sup>                | 249                |                    |                    |                    | 244                |                    |                    |                    | 217                |                    |                    |                    | 220                |                    |                    |                    | 286                |                    |                    |                    |
| Miscellaneous (projects, studies, task force reports, RFPs, etc.)                                     | 7                  |                    |                    |                    | 4                  |                    |                    |                    | 2                  |                    |                    |                    | 8                  |                    |                    |                    | 8                  |                    |                    |                    |
| TOTAL ALL REQUESTS  | 4955               |                    |                    |                    | 4515               |                    |                    |                    | 4070               |                    |                    |                    | 4188               |                    |                    |                    | 4638               |                    |                    |                    |

This table shows the distribution of the various types of requests for services completed by the Research Division. Requests completed for the House appear in the orange column, along with the corresponding percentage of the total. Requests for the Senate appear in the blue column, along with the corresponding percentage of the total. Administration measures (which are assigned by legislative leadership to the Bureau for electronic formatting), formatting acts, and miscellaneous requests are not allocated to either house, but appear in the overall total of requests handled by the Research Division.

Over the course of a two-year legislative biennium, the Research Division historically handles more requests in the first year of the biennium than in the second year of the biennium. As to be expected, the volume of requests is highest immediately before and during the legislative session (October to May).

Over the past five fiscal years, the Research Division has completed an average of 1,859 requests for services for the House and 2,108 requests for services for the Senate each year.<sup>6</sup> Of these requests received by the Research Division, a five-year average of 46.9% come from the House and 53.1% come from the Senate (other requests such as formatting Administration bills and other tasks are not included in this calculation). To offer another perspective on the breakdown of requests for services completed for each house, if the foregoing figures are divided by each member of each respective house of the Legislature (per capita) over the five-year period, they would equate to the Research Division completing an average of 36 requests for each Representative and 84 requests for each Senator each year.

## **Revision of Statutes Division**

Chapter 23G, part II, Hawaii Revised Statutes (HRS), addresses the Bureau's statute revision and publication functions.<sup>7</sup> Under section 23G-11, HRS, the Director, or a Bureau member designated by the Director, serves as the Revisor of Statutes. The Revision of Statutes Division reviews the laws enacted each session and is responsible for several publications that are published annually during the interim:

- The Session Laws of Hawaii, containing all the laws enacted and any constitutional amendments proposed during a legislative session, along with an index, a table showing what statutes have been affected, and a list of committee reports pertaining to the laws enacted;
- The HRS, containing all of Hawaii's laws that are of a general and permanent nature, which consists of:
  - The annual cumulative supplements to the HRS, containing all subsequent amendments or repeals that have been made to those statutory sections appearing in the most recent hardbound volumes and any new statutory sections that have been subsequently enacted into law; and
  - Hardbound replacement volumes to the HRS.<sup>8</sup>

The Revision of Statutes Division also engages in the continuous review of existing law to identify errors or inconsistencies in the HRS and session laws. As necessary, the Division prepares a statutory revision bill that is "housekeeping" in nature to correct the technical or nonsubstantive errors found in the HRS or session laws. The Division also is statutorily charged with prescribing and distributing a uniform format for all state agencies for the compiling and publication of their rules;<sup>9</sup> and annually publishes the Hawaii Administrative Rules Table of Statutory Sections Implemented and Directory, indicating administrative agency rules that implement state laws.<sup>10</sup> To facilitate the perceived intent of the Legislature and to assist the

agencies in meeting the mandated rules format, the Division staff, upon request, review state agencies' proposed administrative rules for conformance with the uniform format. Finally, during the legislative session, staff members from the Division frequently assist Research Division researchers with requests for legislative drafting.

| <b>Table 2. Revision of Statutes Division</b> |   |   |   |   |
|---|---|---|---|---|
| <b>Requests for Assistance</b>                | <b>No. of Requests<br/>FY 2015-2016</b> | <b>No. of Requests<br/>FY 2016-2017</b> | <b>No. of Requests<br/>FY 2017-2018</b> | <b>No. of Requests<br/>FY 2018-2019</b> |
| Hawaii State Government                       | 157                                     | 143                                     | 89                                      | 125                                     |
| Other Governments*                            | 7                                       | 10                                      | 9                                       | 2                                       |
| Private                                       | 18                                      | 16                                      | 14                                      | 15                                      |
| Materials Sent                                | 11                                      | 3                                       | 0                                       | 0                                       |
| Review of Administrative Rules                | 51                                      | 36                                      | 32                                      | 20                                      |
| <b>TOTALS</b>                                 | <b>244</b>                              | <b>208</b>                              | <b>144</b>                              | <b>147</b>                              |

\*Includes counties, other states, federal and foreign governments.

## Systems Office

The LRB's Systems Office procures and maintains the computer hardware, software, and peripheral devices for the Legislative Reference Bureau and coordinates the integration of the Bureau's computer systems with the House and Senate information systems. Pursuant to statute,<sup>11</sup> the Systems Office is also responsible for maintaining the Bureau's data management system, which is used by the Bureau staff to electronically access data relating to legislative documents, Legislators, and the Legislature and for critical Bureau operations such as managing internal documents and workload tracking.

Using the data management software Concordance,<sup>12</sup> the Systems Office creates and maintains searchable databases of information on measures considered each session by the Legislature (since 1983) and builds and maintains databases of the Hawaii Revised Statutes and the Session Laws of Hawaii (since 1991).<sup>13</sup> Using these databases, the Systems Office is able to provide information on the subject matter, status, and history of legislation for the past thirty-six years. In addition, the Systems Office produces and disseminates bill status information during session via various annual publications (Crossover Bills, Bills Passed, Resolutions Adopted, etc.), which are also made available on the LRB's website. A significant portion of the work performed by the Systems Office, in creating and maintaining databases, tracking legislation, and customizing bill status reports, supports the work of Legislators, their staff, and legislative research offices, as well as the other divisions of the Bureau, particularly the Research Division. The Systems Office also assists others in the use of Concordance and the databases. For example, research offices of the House of Representatives and the Senate frequently use Concordance to access information on current and past legislation, as well as to conduct searches in the Hawaii Revised Statutes and the Session Laws of Hawaii databases.

Requests for services of the Systems Office are captured according to five broad categories: information from computer, technical assistance, printouts, training, and general information. Requests for information from computer are requests for information maintained in the Concordance databases that may include bill status or bill tracking. These requests are generally handled over the phone or by email. Requests for technical assistance require Systems Office staff to assist with either hardware or software issues. Requests for printouts are requests for more extensive information for which a report is generated and provided to the requestor. Finally, general information requests involve Systems Office staff responding to inquiries that do not require access to the Concordance database. Over the past five fiscal years, the Systems Office has responded to an average of 610 requests each year. Requests for information from the computer and technical assistance make up the majority of the Systems Office's requests in any given year. (See Table 3.)

| <b>Table 3. LRB Systems Office Requests</b> |                 |                 |                 |                 |                 |                         |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|
| <b>Request Type</b>                         | <b>FY 14-15</b> | <b>FY 15-16</b> | <b>FY 16-17</b> | <b>FY 17-18</b> | <b>FY 18-19</b> | <b>Average per year</b> |
| Information from Computer                   | 153             | 96              | 92              | 74              | 53              | 94                      |
| Technical Assistance                        | 432             | 413             | 373             | 310             | 375             | 381                     |
| Printouts                                   | 77              | 56              | 63              | 50              | 54              | 60                      |
| Training                                    | 18              | 12              | 27              | 10              | 17              | 17                      |
| General Information                         | 100             | 78              | 50              | 45              | 22              | 59                      |
| <b>TOTALS</b>                               | <b>780</b>      | <b>655</b>      | <b>605</b>      | <b>489</b>      | <b>521</b>      | <b>610</b>              |

The Systems Office maintains requestor data only for printout type requests. Over the past five years, an average of 34% of printout reports generated by the Systems Office have been at the request of members of the Senate. House members requested an average of 32% of report requests, and the remainder was provided to other governmental agencies. (See Table 4.)

| <b>Table 4. LRB Systems Office Requests for Printouts</b> |                        |                      |                       |              |
|---|------------------------|----------------------|-----------------------|--------------|
| <b>Year</b>   | <b>Total Printouts</b> | <b>For House (%)</b> | <b>For Senate (%)</b> | <b>Other</b> |
| FY14-15   | 77                     | 41 (53%)             | 24 (31%)              | 12 (16%)     |
| FY15-16   | 56                     | 22 (39%)             | 22 (39%)              | 12 (21%)     |
| FY16-17   | 44                     | 24 (55%)             | 9 (20%)               | 11 (25%)     |
| FY17-18   | 50                     | 23 (46%)             | 24 (48%)              | 3 (6%)       |
| FY18-19   | 53                     | 17 (32%)             | 18 (34%)              | 18 (34%)     |

## Library

The Legislative Reference Bureau is statutorily charged with maintaining a reference library as an information resource to serve and support the Legislature and legislative staff, including the other divisions within the Legislative Reference Bureau.<sup>14</sup> In addition, the Library is available for use by other government agencies and the general public.<sup>15</sup> Furthermore, the Bureau's Library is a major repository for government reports to the Legislature.<sup>16</sup> We note that with the closure of the DBEDT's reference library some years ago and the limited availability of materials from the Honolulu Municipal Reference Center, the Bureau's Library is one of the few remaining providers of resources of this nature. The Library's collection consists of over 123,000 volumes, including Hawaii statutes and case law, reports, and other state documents. House and Senate journals dating back to 1901, Session Laws of Hawaii back to 1848, statute collections from the federal government, and numerous other reference volumes and reports. In addition, the collection contains hundreds of volumes of law reviews, scholarly journals, magazines, and other periodicals. The Library staff includes five research librarians who provide reference and research assistance, as well as assistance with Westlaw. Several research librarians also provide technical assistance to the website and the library catalog.

The Library card catalog (a/k/a CARD) is available on the Internet, using the open source software Koha. In 2016, the Library contracted with a new vendor to provide the Library with a modernized Integrated Library System (ILS). The catalog was announced in May 2016, and through the new ILS, the Library has an improved online public catalog, updated cataloging modules, and a more streamlined circulation process. The previous catalog, which was created in 1983, started with mainframe computing and received its last major update in 1999, when it was migrated to a web-based platform. However, that system does not meet the current library cataloging standard. Accordingly, we are in the process of updating our Library's cataloging practices to conform to the current library cataloging standard. To assist the librarians with re-cataloging our records, we have hired a graduate student intern from the University of Hawaii at Manoa, Library and Information Science Program. The Library's online catalog contains thousands of bibliographic records and has added over 5,000 electronic files in the past few years.

The Library has historically maintained the Legislative Reference Bureau's and Public Access Room websites. The Library has recently completed a full rebuild and redesign of both websites through a private vendor; the websites were last redesigned in 2004 and, among other inherent deficiencies, were not compliant with existing security protocols established by the State's Office of Enterprise Technology Services. *iClips*, an electronic news headline service that has been emailed to Legislators and legislative staff every weekday morning since 2003, has been resurrected into a new format and is available each weekday. In addition, the Library has responsibility for distributing all LRB publications, except the Hawaii Revised Statutes, its supplements, and the Session Laws of Hawaii, which, by law, are required to be distributed or sold by the Lieutenant Governor.<sup>17</sup>

The Library maintains records on several types of service requests: reference and research assistance, online database research (this involves more extensive research, including Westlaw searches, and is done only for Legislators or legislative staff), legislative staff

orientation and training, distribution of publications, and documents borrowed. In addition, the Library keeps records of photocopying and printouts that it prepares in response to the various requests. Over the past five years, the Library has responded to an average of over 2,300 informational and research requests each year, not including requests for photocopying or computer printouts. (See Table 5.) We are including the Bureau's website statistics in Table 6, which reflects the statistics for calendar years 2018 and 2019.

| <b>Table 5. LRB Library Requests for Services</b> |                   |                 |                 |                 |                   |  |                         |
|---|-------------------|-----------------|-----------------|-----------------|-------------------|--|-------------------------|
| <b>Request Type</b>                               | <b>FY 14-15</b>   | <b>FY 15-16</b> | <b>FY 16-17</b> | <b>FY 17-18</b> | <b>FY 18-19</b>   |  | <b>Average per Year</b> |
| Reference/Research                                | 1358              | 1180            | 1254            | 1183            | 1128              |  | 1221                    |
| Online Database Research                          | 54                | 58              | 62              | 24              | 21                |  | 44                      |
| Orientation/Training                              | 47                | 45              | 25              | 30              | 83                |  | 46                      |
| Publications Distributed <sup>18</sup>            | 717 <sup>19</sup> | 1259            | 943             | 964             | 489 <sup>20</sup> |  | 874                     |
| Documents Borrowed                                | 170               | 119             | 72              | 263             | 101               |  | 145                     |
| <b>TOTALS</b>                                     | <b>2346</b>       | <b>2661</b>     | <b>2356</b>     | <b>2464</b>     | <b>1822</b>       |  | <b>2330</b>             |
|   |                   |                 |                 |                 |                   |  |                         |
| Photocopying (pages)                              | 1406              | 1821            | 2072            | 861             | 1136              |  | 1459                    |
| Comp. printouts (pages)                           | 14                | 199             | 35              | 115             | 83                |  | 89                      |
| <b>TOTALS</b>                                     | <b>1420</b>       | <b>2018</b>     | <b>2107</b>     | <b>976</b>      | <b>1219</b>       |  | <b>1548</b>             |

| <b>Table 6. LRB Library Website Statistics for 2019</b> |                                     |             |                         |             |             |             |
|---|-------------------------------------|-------------|-------------------------|-------------|-------------|-------------|
| <b>Month</b>  | <b><sup>21</sup>Unique Visitors</b> |             | <b>Number of Visits</b> |             | <b>Hits</b> |             |
|   | <b>2018</b>                         | <b>2019</b> | <b>2018</b>             | <b>2019</b> | <b>2018</b> | <b>2019</b> |
| January   | 12868                               | 9690        | 25610                   | 23922       | 55531       | 53648       |
| February  | 12626                               | 9609        | 26208                   | 22783       | 51519       | 48736       |
| March   | 12810                               | 9865        | 28509                   | 24245       | 52877       | 51620       |
| April   | 12848                               | 9627        | 29048                   | 21462       | 53583       | 46110       |
| May   | 13198                               | 7810        | 29889                   | 16875       | 55681       | 36129       |
| June  | 12405                               | 8377        | 27912                   | 17951       | 49717       | 39149       |
| July  | 12469                               | 10084       | 27978                   | 20947       | 48972       | 42446       |
| August  | 11007                               | 8997        | 24865                   | 20247       | 46074       | 41726       |
| September   | 10716                               | 8425        | 24799                   | 18605       | 46447       | 39435       |
| October   | 10046                               | 9117        | 22447                   | 17043       | 50213       | 37654       |
| November  | 10274                               | 11102       | 22583                   | 18189       | 46805       | 38663       |
| December  | 9130                                | N/A         | 21242                   | N/A         | 46682       | N/A         |

A review of the Library's requests for services reveals that its resources are heavily used by both houses of the Legislature, legislative agencies, other agencies, and the public. Relative use among requestors varies depending upon the type of request. One pattern is clear however: the Library provides services to both the Senate and House in similar percentages across all categories of service requests in most years. (See Table 7.)

| <b>Table 7. LRB Library Requests by Requestor</b> |                |          |                         |          |                |          |                |          |                |          |
|---|----------------|----------|-------------------------|----------|----------------|----------|----------------|----------|----------------|----------|
| <b>Documents Borrowed</b>                         |                |          |                         |          |                |          |                |          |                |          |
|   | <b>FY14-15</b> | <b>%</b> | <b>FY15-16</b>          | <b>%</b> | <b>FY16-17</b> | <b>%</b> | <b>FY17-18</b> | <b>%</b> | <b>FY18-19</b> | <b>%</b> |
| House   | 28             | 16%      | 17                      | 14%      | 8              | 11%      | 104            | 39%      | 25             | 25%      |
| Senate  | 70             | 41%      | 31                      | 26%      | 14             | 19%      | 25             | 10%      | 16             | 16%      |
| Legislative Agencies                              | 9              | 5%       | 17                      | 14%      | 12             | 17%      | 20             | 8%       | 1              | 1%       |
| Other Gov't. Agencies                             | 19             | 11%      | 5                       | 4%       | 12             | 17%      | 26             | 10%      | 21             | 21%      |
| Public  | 44             | 26%      | 49                      | 41%      | 26             | 36%      | 88             | 33%      | 38             | 37%      |
| <b>TOTAL</b>                                      | <b>170</b>     |          | <b>119</b>              |          | <b>72</b>      |          | <b>263</b>     |          | <b>101</b>     |          |
| <b>Reference/Research</b>                         |                |          |                         |          |                |          |                |          |                |          |
|   | <b>FY13-14</b> | <b>%</b> | <b>FY14-15</b>          | <b>%</b> | <b>FY15-16</b> | <b>%</b> | <b>FY16-17</b> | <b>%</b> | <b>FY18-19</b> | <b>%</b> |
| House   | 128            | 9%       | 82                      | 6%       | 93             | 8%       | 108            | 9%       | 120            | 11%      |
| Senate  | 116            | 8%       | 90                      | 7%       | 88             | 7%       | 71             | 6%       | 94             | 8%       |
| Legislative Agencies                              | 42             | 3%       | 58                      | 4%       | 47             | 4%       | 38             | 3%       | 51             | 4%       |
| Other Gov't. Agencies                             | 180            | 13%      | 202                     | 15%      | 233            | 20%      | 252            | 20%      | 256            | 23%      |
| Public  | 904            | 66%      | 926                     | 68%      | 719            | 61%      | 785            | 62%      | 607            | 54%      |
| <b>TOTAL</b>                                      | <b>1370</b>    |          | <b>1358</b>             |          | <b>1180</b>    |          | <b>1254</b>    |          | <b>1128</b>    |          |
| <b>Publications Distributed</b>                   |                |          |                         |          |                |          |                |          |                |          |
|   | <b>FY13-14</b> | <b>%</b> | <b>FY14-15</b>          | <b>%</b> | <b>FY15-16</b> | <b>%</b> | <b>FY16-17</b> | <b>%</b> | <b>FY18-19</b> | <b>%</b> |
| House   | 292            | 18%      | 162                     | 23%      | 328            | 26%      | 261            | 28%      | 51             | 10%      |
| Senate  | 212            | 13%      | 106                     | 15%      | 187            | 15%      | 166            | 18%      | 40             | 8%       |
| Legislative Agencies                              | 101            | 6%       | 123                     | 17%      | 133            | 10%      | 60             | 6%       | 73             | 15%      |
| Other Gov't. Agencies                             | 959            | 59%      | 275                     | 38%      | 562            | 45%      | 440            | 47%      | 291            | 60%      |
| Public  | 58             | 4%       | 51                      | 7%       | 49             | 4%       | 16             | 1%       | 34             | 7%       |
| <b>TOTAL</b>                                      | <b>1622</b>    |          | <b>717<sup>22</sup></b> |          | <b>1259</b>    |          | <b>943</b>     |          | <b>489</b>     |          |
| <b>Online Database Research</b>                   |                |          |                         |          |                |          |                |          |                |          |
|   | <b>FY13-14</b> | <b>%</b> | <b>FY14-15</b>          | <b>%</b> | <b>FY15-16</b> | <b>%</b> | <b>FY16-17</b> | <b>%</b> | <b>FY18-19</b> | <b>%</b> |
| House   | 9              | 22%      | 14                      | 26%      | 35             | 60%      | 33             | 53%      | 3              | 14%      |
| Senate  | 9              | 22%      | 5                       | 9%       | 3              | 5%       | 5              | 8%       | 3              | 14%      |
| Legislative Agencies                              | 23             | 56%      | 35                      | 65%      | 20             | 34%      | 24             | 39%      | 15             | 72%      |
| <b>TOTAL</b>                                      | <b>41</b>      |          | <b>54</b>               |          | <b>58</b>      |          | <b>62</b>      |          | <b>21</b>      |          |

Table 7 illustrates the total number of each type of request responded to by the library in each of the past five years. The table also breaks the data down by the type of request for service provided to a requesting entity and the percentage of the total.

## Public Access Room

Originally staffed by community volunteers, the Public Access Room (PAR) began operations in 1990 and was statutorily established in 1994 as part of a permanent public access program to enhance the ability of the public to participate in the legislative process. It was made part of the Legislative Reference Bureau in 1996,<sup>23</sup> and it is one of the few full-service taxpayer-funded resources of its kind in the country. Like all parts of the Bureau, PAR is nonpartisan. It provides members of the public with access to:

- Computers for drafting testimony on legislative issues;
- Workspace for individuals and/or small groups;
- The Internet for research on legislative issues and state government information;
- Legislative documents and reference materials;
- Photocopying services for testimony; and
- Television for viewing legislative broadcasts.

The Public Access Room is staffed year-round by two full-time specialists who provide research assistance, training, and outreach to members of the public who wish to understand the legislative process and to participate more effectively in their own governance. Two temporary full-time staff members are added during legislative sessions.

PAR staff members conduct numerous workshops and tutorials throughout the year, both in-house and in Hawaii's various communities (both on Oahu and on all neighbor islands except Niihau). Staff members respond to email, telephone, and walk-in inquiries regarding specific aspects of legislative process; teach people how to use various websites relevant to legislative matters; and photocopy testimony for walk-in citizens, as necessary. Staff also produce and distribute four to six newsletters annually, each designed around whichever aspect of the legislative calendar is relevant at the time of publication (current circulation @ 3000/issue). Numerous handouts, publications, videos, and workshops are written and produced for the public by the PAR staff members.

In addition to the abovementioned duties, PAR staff acts as the contract administrator for the Legislature's Legislative Broadcast Project, the responsibilities of which include selecting events to broadcast, monitoring production activity, and approving all contractor billing.

Like many legislative agencies, the Public Access Room sees its number of requests for services peak during the legislative session. In addition to assisting members of the general public, PAR staff responds to numerous requests for information from legislative offices, executive branch agencies, and the media. PAR also collaborates with the Legislature's data systems offices to increase ease of access to information.



| Table 9. LRB Public Access Room Requests for Services              |                     |                     |                       |                       |                       |
|--|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Request Type   | FY14-15             | FY15-16             | FY16-17               | FY17-18               | FY18-19               |
| Email Inquiries  | 570                 | 277 <sup>24</sup>   | 292                   | 346                   | 310                   |
| Printing/Copying <sup>25</sup>                                     | 83,387              | 91,815              | 87,277                | 80,460                | 83,364                |
| Workshop Participants<br><i>(Participants on Neighbor Islands)</i> | 856<br><i>(154)</i> | 914<br><i>(216)</i> | 1,151<br><i>(350)</i> | 1,145<br><i>(212)</i> | 1,530<br><i>(113)</i> |
| Telephone Inquiries <sup>26</sup>                                  | 1,891               | 1,392               | 1,679                 | 1,044 <sup>27</sup>   | 2,203                 |
| PAR walk-in patrons <sup>28</sup>                                  | 4,388               | 4,685               | 4,648                 | 1,713 <sup>29</sup>   | 5,776                 |
| Broadcasts <sup>30</sup>   | 132                 | 130                 | 145                   | 149                   | 156                   |

## Endnotes

1. See section 23G-4, Hawaii Revised Statutes (HRS).
2. Recent examples of these include the Request for Proposals for Competitive Sealed Proposals to Furnish Services to Plan, Execute, and Evaluate the Legislative Broadcast Project; Invitation for Bid to Conduct Financial Audits of the Senate and the House of Representatives; and Invitation to Bid to Install, Provide, and Maintain High-Speed Wireless Internet Service in Selected Areas of the Hawaii State Capitol Building.
3. This total includes a yearly average of three hundred three Administrative package measures introduced each year, which the Bureau is requested by legislative leadership to electronically format.
4. The executive departments have always been responsible for drafting their own bills and have never had access to the Legislature's computer bill drafting system. The departments submit identical bills and resolutions (measures) via the Governor's legislative liaison office to both the Senate President and the Speaker of the House of Representatives for signature and introduction. The measures are sent to the respective clerk's office for numbering and these documents become the "official" measures. Every session, there can be anywhere from two hundred to over four hundred measures submitted by the executive branch.

In the late 1970s, legislative leadership tasked the Bureau with duplicating magnetic cards (magcards) containing measures the Administration submitted for introduction. Duplicate sets of the magcards were sent to both the Senate and House clerks. The Bureau was not required to format or proofread measures stored on magcards.

In the 1980s, the executive departments began using word processing software, such as IBM Display Writer, IBM OS6, Wang, Shadow, and Word Perfect, and supplied the Bureau with diskettes containing their measures. The Bureau continued its procedure of duplicating and reformatting the departments' measures, but was then also required to print and proofread them against the official measures before submitting the documents on floppy or 3-1/2" diskettes to the Senate and House clerks.

In the mid-1990s to present, the Legislature and Administration switched to Word software. The Governor's liaison office supplies the Bureau with a USB flash drive containing the measures after they are submitted for introduction. Time and accuracy are very critical since measures are now posted on the Legislature's website. The Bureau continues its procedure of converting the data from the USB flash drive to electronic format by cutting and pasting the departments' measures into the Legislature's drafting templates. Copies are printed and, thereafter, professional and administrative staff must proofread the copies against the official measures and ensure completion in a timely manner. Often, measures are not included on the USB flash drive or do not match the official measures. In those instances, the Bureau contacts the appropriate department and requests submission of a corrected USB flash drive.
5. These statistics appear under the Research Division because the work is done by Research Division Administrative staff for the Statute Revision Division, which has only one administrative staff person assigned to it. It includes formatting of acts from Special Sessions and constitutional amendments.
6. The figures used in this paragraph reflect requests from legislative members and do not include the Administrative package measures. See note 3 *supra* and accompanying text.
7. While the Bureau is responsible for publication functions, the Lieutenant Governor is responsible for all facets of the sale and distribution of the Session Laws of Hawaii, Hawaii Revised Statutes replacement volumes, and HRS supplements, including pricing. See section 23G-18, HRS.
8. The HRS, comprising volumes 1 through 14, was last replaced in its entirety in 1993; the index was last replaced in 1996. Since 2001, individual HRS volumes have been periodically replaced.

9. See sections 23G-12(7) and 91-4.2, HRS.
10. See sections 23G-12(6), 91-4.2(2), and 91-4.4, HRS.
11. See section 23G-3(8), HRS.
12. Concordance is a data management software offered by LexisNexis and used, according to LexisNexis, by over 65,000 litigation professionals to manage high volumes of documents in a cost-efficient manner. Besides managing data, Concordance provides access to the data through full-text searching, use of Boolean logic, print and report creation, and importing and exporting capabilities.
13. The Systems Office also maintains a database of the street addresses within each member's district.
14. See section 23G-3(6), HRS.
15. *Id.*
16. Section 93-16, HRS, mandates that all government agency reports required to be submitted to the Legislature also be submitted to the LRB's library. Further, section 23G-5, HRS, requires the LRB to develop and maintain a system that can track reports by executive agencies and the judiciary that, by law, are required to be submitted to the Legislature.
17. See section 23G-18, HRS.
18. In an effort to reduce postage costs due to budget cuts in FY 09-10 and FY 10-11, the Bureau was forced to reduce the number of hard copies of printed reports. However, electronic copies of all Bureau publications are available online on the Bureau's website.
19. The publications distribution count for FY 14-15 is significantly less compared to previous fiscal years because it does not include the Directory of State, County and Federal Officials, which was not published and distributed until July/August of FY 15-16.
20. The publications distribution count for FY 18-19 is significantly less compared to previous fiscal years because it does not include the Directory of State, County and Federal Officials, which was not published and distributed until December/January of FY 19-20.
21. Source: <https://www.tendenci.com/help-files/meaning-of-hits-visits-page-views-and-traffic-sources-web-analytics-definitions/> (12/31/18)  
**Visit** - A visit is one individual visitor who arrives at your web site and proceeds to browse. A visit counts all visitors, no matter how many times the same visitor may have been to your site.  
**Unique Visit** - A unique visit will tell you which visits from item 1 are visiting your site for the first time. The website can track this as unique by the IP address of the computer. \*The number of unique visits will be far less than visits because a unique visit is only tracked if cookies are enabled on the visitors computer.  
**Hits** - The average website owner thinks that a hit means a visit but it is very different (see item 1). A Hit actually refers to the number of files downloaded from your site; this could include photos, graphics, etc. Picture the average web page, it has photos (each photo is a file and hence a hit) and lots of buttons (each button is a file and hence a hit). On average, each page will include 15 hits.
22. See note 21 *supra*.
23. See sections 21G-2 and 23G-3(12), HRS.
24. New method of tracking and counting instituted to more accurately reflect email inquiries.
25. Does not include pages printed directly from public terminals. Includes copies made for Legislators to distribute to constituents.
26. Actual numbers are estimated to be considerably higher; data has been difficult to capture and reflects only confirmed instances.
27. Data for July through December 2017 has been lost.
28. Actual numbers are estimated to be considerably higher; data has been difficult to capture and reflects only confirmed instances.
29. Data for July through December 2017 has been lost.

30. As contract coordinator for the Legislative Broadcast Program, PAR selects events for broadcast, monitors production activity, and approves all billing. This number reflects the number of hearings, information briefings, sessions, or confirmation hearings that were broadcast.



Robin K. Matsunaga  
Ombudsman

Melissa Chee  
First Assistant

**OFFICE OF THE OMBUDSMAN  
STATE OF HAWAII**

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**TESTIMONY OF ROBIN K. MATSUNAGA, OMBUDSMAN,  
ON H.B. NO. 2661, PROPOSED H.D. 1, A BILL FOR AN ACT  
MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES  
OF THE LEGISLATURE, THE AUDITOR, THE LEGISLATIVE REFERENCE  
BUREAU, THE OMBUDSMAN, AND THE ETHICS COMMISSION**

**HOUSE COMMITTEE ON FINANCE**

**FEBRUARY 19, 2020**

Chair Luke and Members of the Committee on Finance:

Thank you for the opportunity to present testimony in strong support of the proposed H.D. 1 to H.B. No. 2661, which provides appropriations for the legislative branch, including the Office of the Ombudsman. Section 10 of this bill appropriates \$1,443,007 for the operations of the Office of the Ombudsman for FY 2020-2021. Section 12 of this bill appropriates an additional \$14,035 for accrued vacation payments and vacation transfer payments for employees who leave employment with the Office of the Ombudsman prior to June 30, 2021.

The Office of the Ombudsman was created to investigate complaints about the administrative acts of State executive branch and County government agencies. While we do not substantiate every complaint that we investigate, by independently and impartially investigating, we level the playing field for Hawaii's citizens who have complaints about their government and ensure that they are being treated lawfully, fairly, and reasonably. During the past year, we have been able to successfully persuade agencies to take corrective action when necessary.

The appropriation in Section 10 of this bill reflects a no-growth budget and is the same amount provided in the current fiscal year for the operating budget of the Ombudsman through Act 1, SLH 2019, plus an additional \$54,613 to cover approved expenses, such as the increases prescribed by the Commission on Salaries for the Ombudsman and First Assistant, that are not included in the office's base budget. The appropriation in Section 12 of this bill is the same amount provided through Act 1, SLH 2019, for vacation payouts and transfers. Attached for your information is a breakdown and comparison of my office's proposed budget for FY 2020-2021 and the current fiscal year.

Your support of this bill and the appropriations in Sections 10 and 12 will allow my office to continue to timely, independently, and impartially investigate citizen complaints about the administrative acts of state and county agencies and their employees.

Thank you for your consideration of this testimony.

## Attachment

OFFICE OF THE OMBUDSMAN  
OPERATING BUDGET  
FY 2020-2021 vs. FY 2019-2020

|   | <u>Proposed<br/>FY 2020-2021</u> | <u>FY 2019-2020</u>       |
|---|----------------------------------|---------------------------|
| <b>A. PERSONAL SERVICES</b>                   |                                  |                           |
| Staff Salaries                                | 1,382,807 (14)                   | 1,328,194 (14)            |
| <b>SUBTOTAL PERSONAL SERVICES</b>             | <b>1,382,807</b>                 | <b>1,328,194</b>          |
| <b>B. OTHER CURRENT EXPENSES</b>              |                                  |                           |
| Office Supplies & Postage                     | 6,600                            | 6,600                     |
| Telephone                                     | 6,000                            | 6,000                     |
| Intra-state Transportation & Subsistence      | 2,000                            | 2,000                     |
| Out-of-state Transportation & Subsistence     | 6,000                            | 6,000                     |
| Printing, Advertising & Publications          | 5,000                            | 5,000                     |
| Maintenance - Office Equipment                | 4,000                            | 4,000                     |
| Equipment Rental                              | 4,500                            | 4,500                     |
| Training/Subscriptions/Dues                   | 6,800                            | 6,800                     |
| Other Miscellaneous Current Expense           | 1,100                            | 1,100                     |
| Computer Services                             | 15,000                           | 15,000                    |
| Risk Management                               | <u>(included w/Other)</u>        | <u>(included w/Other)</u> |
| <b>SUBTOTAL OTHER CURRENT EXPENSES</b>        | <b>57,000</b>                    | <b>57,000</b>             |
| <b>C. EQUIPMENT, FURNISHINGS, &amp; BOOKS</b> |                                  |                           |
| Equipment                                     | 2,100                            | 2,100                     |
| Furnishings                                   | 550                              | 550                       |
| Books   | <u>550</u>                       | <u>550</u>                |
| <b>SUBTOTAL EQUIP, FURNISHINGS, BOOKS</b>     | <b>3,200</b>                     | <b>3,200</b>              |
| <b>TOTAL OPERATING BUDGET</b>                 | <b><u>1,443,007</u></b>          | <b><u>1,388,394</u></b>   |
| Vacation payout / transfers                   | 14,035                           | 14,035                    |
| <b>TOTAL BUDGET REQUEST</b>                   | <b><u>1,457,042</u></b>          | <b><u>1,402,429</u></b>   |



## HAWAI'I STATE ETHICS COMMISSION

State of Hawai'i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai'i

Committee: Committee on Finance  
Bill Number: H.B. 2661, Proposed H.D.1  
Hearing Date/Time: February 19, 2020, 2:00 p.m.  
Re: Testimony of the Hawai'i State Ethics Commission in **SUPPORT** of H.B. 2661, Proposed H.D.1, Making Appropriations to Provide for the Expenses of the Legislature, the Auditor, the Legislative Reference Bureau, the Ombudsman, and the Ethics Commission

Dear Chair Luke, Vice Chair Cullen, and Committee Members:

The Hawai'i State Ethics Commission ("Commission") supports H.B. 2661, Proposed H.D.1, Section 11, which appropriates the amount of \$1,252,667<sup>1</sup> to the Commission for its operating and other expenses for FY 2020-2021. The Commission likewise supports Section 12, which appropriates an additional \$16,553 for vacation payouts/transfers.

Excluding cost adjustments for staff salaries – which have not been adjusted since FY 2018-2019 – the Commission requests an overall budget increase of \$14,928, which includes an increase in the Commission's office rent and software license renewal increases.

The Commission's 2019 Annual Report is attached. The Commission wishes to highlight two of its 2019 accomplishments:

- Developed and launched a 30-minute on-line training program for state employees and board/commission members, covering the basic rules in the State Ethics Code. The training program is now available to the more than 50,000 state officials subject to the Ethics Code: <https://ethics.hawaii.gov/ethicsonlinetraining/>.
- Convened a one-day conference of Hawaii's state and county ethics officials, including board/commission members and staff of the Hawai'i State Ethics Commission, the Honolulu Ethics Commission, and the Ethics Boards for the Counties of Hawai'i, Kaua'i, and Maui. Participants exchanged information about the practical details of administering a code of ethics, including training tools, providing ethics advice, and enforcing the law.

The Commission is well aware that the Committee must consider requests from other state agencies for additional funding to support many worthy programs. The Commission,

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<sup>1</sup> Although the Commission's proposed budget for FY2020-2021 is higher than the amount appropriated by H.B. 2661, Proposed H.D.1, the Commission's understanding is that the Legislature intends to provide the Commission with an additional appropriation for public employment cost items in H.B.2660/S.B.3079.

therefore, is committed to adjusting its budget, as necessary, to perform its statutory duties. The Commission also continues to explore different technologies and procedures to become more efficient, with the expectation that certain changes will reduce the Commission's operating costs.

The Commission appreciates the Legislature's continuing support of the Commission's work to ensure that public officers and employees exhibit the highest standards of ethical conduct as mandated by Article XIV of Hawaii's Constitution.

### **Budget Request for FY 2020-2021**

The Commission is requesting an appropriation of \$1,275,859 for FY 2020-2021, along with an additional appropriation of \$25,089.50 for cost adjustments for staff salaries for FY 2019-2020.

The Commission continues to take steps to reduce its expenses wherever possible. For example, the Commission installed a new telephone system in 2019 that will save several thousand dollars annually in phone/internet charges. In contrast to most state agencies, including the other legislative service agencies, the Commission is in a private building (i.e., a non-state facility) and must allocate funds within its budget for office rent. The Commission's lease provides for annual increases in rent as well as increases for common area maintenance.

As always, the Commission is committed to adjusting its budget, as necessary, to perform its statutory duties within the confines of the State's financial resources.

Thank you for your continuing support of the Commission's work.

Very truly yours,

Daniel Gluck  
Executive Director and General Counsel

#### Attachments:

1. Budget table, FY 2019-2020 and FY 2020-2021
2. Hawai'i State Ethics Commission, 2019 Annual Report
3. Training summary, 2019



## Hawaii State Ethics Commission - Budget Projections for FY 2020-2021

|  | 2019-2020<br>Approved<br>Budget | 2020-2021<br>Estimated<br>Budget | Increases/<br>Decreases | % Increase/<br>Decrease |
|--|---------------------------------|----------------------------------|-------------------------|-------------------------|
| <b>TOTAL BUDGET</b> (excluding vacation payouts/transfers)         | <b>\$ 1,202,065</b>             | <b>\$ 1,275,859</b>              | <b>\$ 73,794.00</b>     | <b>6.1%</b>             |
| <b>A. PERSONNEL</b>  |                                 |                                  |                         |                         |
| 1. Staff Salaries <sup>1</sup>                                     | 977,445                         | 1,036,311                        | 58,866                  | 6.0%                    |
| 2. Cost Adjustments for staff salaries <sup>2</sup>                | ---                             | ---                              |                         |                         |
| 3. Vacation Payouts/Transfer                                       | 16,553                          | 16,553                           |                         |                         |
| <b>TOTAL PERSONNEL</b> (excluding vacation payouts)                | <b>977,445</b>                  | <b>1,036,311</b>                 | <b>58,866</b>           | <b>6.0%</b>             |
| <b>B. MATERIALS AND SUPPLIES</b>                                   |                                 |                                  |                         |                         |
| <b>Office Expenses:</b>  |                                 |                                  |                         |                         |
| 1. Office Supplies   | 3,000                           | 3,200                            | 200                     | 6.7%                    |
| 2. Postage   | 1,500                           | 1,500                            | -                       | 0.0%                    |
| 3. Telephone   | 7,500                           | 7,500                            | -                       | 0.0%                    |
| 4. Internet Access <sup>3</sup>                                    | 2,650                           | -                                | (2,650)                 | -100.0%                 |
| Subtotal:  | 14,650                          | 12,200                           | (2,450)                 | -16.7%                  |
| <b>Intrastate Transportation and Travel</b>                        |                                 |                                  |                         |                         |
| 1. Commissioners / Staff   | 8,500                           | 8,500                            | -                       | 0.0%                    |
| 2. Car Mileage and Parking   | 750                             | 750                              | -                       | 0.0%                    |
| Subtotal:  | 9,250                           | 9,250                            |                         | 0.0%                    |
| <b>Out-of-State Travel</b>   |                                 |                                  |                         |                         |
| 1. Airfare (6 @ \$1,000 ea.)                                       | 6,000                           | 6,000                            | -                       | 0.0%                    |
| 2. Lodging and per diem for 5.5 days<br>(6 @ \$145/day x 5.5 days) | 4,800                           | 4,800                            | -                       | 0.0%                    |
| 3. Excess Hotel and Increases<br>in per diem/airfare               | 1,700                           | 1,700                            | -                       | 0.0%                    |
| 4. Taxi/bus fare   | 160                             | 160                              | -                       | 0.0%                    |
| Subtotal:  | 12,660                          | 12,660                           | -                       | 0.0%                    |
| <b>Equipment Rental and Maintenance</b>                            |                                 |                                  |                         |                         |
| 1. Postage Meter <sup>4</sup>                                      | 750                             | -                                | (750)                   | -100.0%                 |
| 2. Copier  | 3,600                           | 3,600                            | -                       | 0.0%                    |
| 3. Typewriter  | -                               | -                                | -                       | 0.0%                    |
| 4. ReporterDeck Recorder   | 200                             | 200                              | -                       | 0.0%                    |
| 5. Computer Equipment Maintenance                                  | 5,100                           | 3,500                            | (1,600)                 | -31.4%                  |
| 6. Misc. (time clock, projector, etc.)                             | 200                             | 700                              | 500                     | 250.0%                  |
| 7. Casemap and TLO Software  | 3,100                           | 3,100                            | -                       | 0.0%                    |
| 8. Software License Renewals <sup>5</sup>                          | 12,600                          | 20,500                           | 7,900                   | -                       |
| Subtotal:  | 25,550                          | 31,600                           | 6,050                   | 23.7%                   |

|   | 2019-2020<br>Approved<br>Budget | 2020-2021<br>Estimated<br>Budget | Increases/<br>Decreases | % Increase/<br>Decrease |
|---|---------------------------------|----------------------------------|-------------------------|-------------------------|
| <b>Dues, Subscriptions, Training</b>                        |                                 |                                  |                         |                         |
| 1. COGEL Membership   | 470                             | 470                              | -                       | 0.0%                    |
| 2. COGEL Registration (6 attendees)                         | 3,600                           | 3,700                            | 100                     | 2.8%                    |
| 3. Attorney Registration Fees                               | 3,400                           | 3,400                            | -                       | 0.0%                    |
| 4. Training   | 3,000                           | 3,000                            | -                       | 0.0%                    |
| 5. Legal Reference Publications                             | 4,900                           | 4,900                            | -                       | 0.0%                    |
| 6. Newspapers Subscriptions, etc.                           | 240                             | 240                              | -                       | 0.0%                    |
| 7. Disruptive Behavior Training                             | 800                             | 800                              | -                       | 0.0%                    |
| Subtotal:   | 16,410                          | 16,510                           | 100                     | 0.6%                    |
| <b>Newspaper Advertisements</b>                             | 1,100                           | 1,100                            | -                       | 0.0%                    |
|   | 1,100                           | 1,100                            | -                       | 0.0%                    |
| <b>Commission Meetings, Investigations<br/>and Hearings</b> |                                 |                                  |                         |                         |
| 1. Subpoena Fees  | 900                             | 900                              | -                       | 0.0%                    |
| 2. Court Reporter   | 7,500                           | 7,500                            | -                       | 0.0%                    |
| 3. Witness Fees, Travel, Mileage                            | 600                             | 600                              | -                       | 0.0%                    |
| 4. Hearings Officer   | 1,500                           | 1,500                            | -                       | --                      |
| 5. Lunches for Commission Mtgs.                             | 1,100                           | 900                              | (200)                   | -18.2%                  |
| Subtotal:   | 11,600                          | 11,400                           | (200)                   | -1.7%                   |
| <b>Consulting Services</b>                                  |                                 |                                  |                         |                         |
| 1. MD&A   | 0                               | 0                                | -                       | 0.0%                    |
| 2. Computer Consulting                                      | 23,500                          | 26,500                           | 3,000                   | 12.8%                   |
| 3. Other Services (Interpreting, shredding)                 | 400                             | 400                              | -                       | 0.0%                    |
| Subtotal:   | 23,900                          | 26,900                           | 3,000                   | 12.6%                   |
| <b>Office Rent<sup>6</sup></b>                              | 105,500                         | 113,928                          | 8,428                   | 8.0%                    |
| <b>TOTAL MATERIALS AND SUPPLIES:</b>                        | 220,620                         | 235,548                          | 14,928                  | 6.8%                    |
| <b>C. CAPITAL OUTLAY</b>                                    |                                 |                                  |                         |                         |
| <b>Office Furniture &amp; Equipment</b>                     | 4,000                           | 4,000                            | -                       | 0.0%                    |
| <b>TOTAL CAPITAL OUTLAY:</b>                                | 4,000                           | 4,000                            | -                       | 0.0%                    |
| <b>GRAND TOTAL:<sup>7</sup></b>                             | <b>\$ 1,202,065</b>             | <b>\$ 1,275,859</b>              | <b>\$ 73,794</b>        | <b>6.1%</b>             |

<sup>1</sup> Increases for Staff Salaries based on a 2.5% increase of current salaries from 2018-2019 to 2019-2020, and a 3.23% increase from 2019-2020 to 2020-2021. Executive Director ("ED") salary increase: 5% per Commission on Salaries, Report & Recommendations to the 2019 Legislature (March 13, 2019) and HRS 84-35.

<sup>2</sup> Additional appropriation of \$25,089.50 sought for 2019-20 salaries: 2.5% for staff, 5% increase for E.D. (per salary comm'n)

<sup>3</sup> New telephone system installed during FY19-20 includes cost of internet, resulting in cost savings to the State.

<sup>4</sup> Canceled postage meter rental in March 2019 and switched to purchasing stamps from the post office.

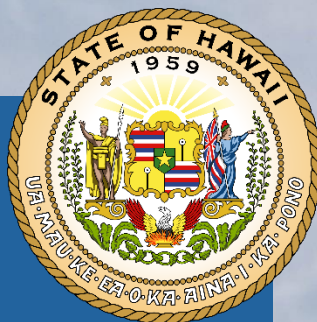
<sup>5</sup> Renamed category from Salesforce Licenses to include all software license renewals (\$7,000) plus projected Salesforce license renewal cost of \$13,500; reduced equipment maintenance by \$1,600.

<sup>6</sup> Lease rent increases 2.5% each fiscal year, CAM increases 2.68% each calendar year and fluctuates. Building management performs reconciliations and issues credits or charges accordingly. Actual costs for 2019-2020 are \$108,236 (higher than the estimate of \$105,500), such that actual increase from 2019-2020 is 5.26%

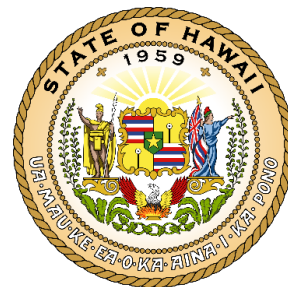
<sup>7</sup> Note that increase of 6.1% from 2019-2020 to 2020-2021 reflects two years of salary increases for staff.

# HAWAI‘I STATE ETHICS COMMISSION

## 2019 Annual Report



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# Hawai'i State Ethics Commission

## Mission & Duties

Established in 1968, the Hawai'i State Ethics Commission - the first state ethics commission in the United States - represents a commitment by the people of Hawai'i to the principles that "public officers and employees must exhibit the highest standards of ethical conduct[,] and that these standards come from the personal integrity of each individual in government." Hawai'i Constitution, article XIV. The constitution further requires that the State, and each of its subdivisions, establish a code of ethics for public officers and employees.

Pursuant to this constitutional mandate, the Commission is responsible for the administration and enforcement of the State Ethics Code and the State Lobbyists Law, chapters 84 and 97, Hawai'i Revised Statutes ("HRS"), respectively. The Ethics Code includes laws relating to the acceptance and reporting of gifts, confidential information, fair treatment (the prohibited misuse of official position), conflicts of interests, state contracts, and post-employment restrictions, along with a requirement that state legislators, candidates for state elective office, and certain state employees file financial disclosure statements.

For purposes of the State Ethics Code, the Commission has jurisdiction over more than 50,000 state officials and employees. This includes state legislators and other elected state officials, employees of the legislative, executive, and judicial branches of government (except for judges and justices), and members of all state boards and commissions. The State Ethics Code's financial disclosure law also applies to all candidates for state elective office.

The Commission also administers the State Lobbyists Law, HRS chapter 97, which applies to lobbying activities at the state level. The Lobbyists Law requires lobbyists to register with the Commission and requires lobbyists and organizations that lobby to report lobbying expenditures and contributions on forms filed with the Commission. The Commission has jurisdiction over more than 400 lobbyists representing over 300 organizations that lobby the state legislature or executive branch.

## Ethics Advice

The Commission issues advisory opinions and other types of guidance about the application of the State Ethics Code and the State Lobbyists Law. In 2019, the Commission's attorneys received and responded to 1,389 requests for advice from state legislators, state employees, lobbyists, and members of the public, including 215 requests for advice on whether state officials could accept a particular gift of travel (where travel is paid for by a non-state entity). The Commission considers its ability to provide timely and meaningful guidance and advice to be one of its most essential functions.

In 2019, the Commission issued seven formal Advisory Opinions, all of which are available on its website at <https://ethics.hawaii.gov/all-opinions/> and on Westlaw, a legal research platform:

1. [Advisory Opinion 2019-1](#), advising that a member of a state board may not represent the board in collective bargaining negotiations with a public-sector union when the state board member's spouse is a member of the public-sector union.
2. [Advisory Opinion 2019-2](#), advising that the Ethics Code does not necessarily prohibit a state agency from soliciting donations from the private sector, and providing a series of guidelines to ensure that any solicitations are not coercive and do not provide anyone with an unwarranted benefit.
3. [Advisory Opinion 2019-3](#), advising that the Ethics Code does not prohibit a legislator, in the legislator's private capacity, from representing a private client in an attempted purchase of state property from a state agency.
4. [Advisory Opinion 2019-4](#), advising that an employee could not take action on matters involving a company when the employee's spouse works for that company.
5. [Advisory Opinion 2019-5](#), advising that a former employee was not prohibited from representing a private client in a lawsuit against the employee's former agency, so long as the legal representation does not involve the use or disclosure of confidential information acquired during state employment.
6. [Advisory Opinion 2019-6](#), advising that an agency is not prohibited from awarding a contract to a company whose employee is on the agency's board, where, under the specific facts presented to the Commission, the employee was unaware that the company was seeking a contract with the agency, and cautioning against potential conflicts of interest and abuse of position.
7. [Advisory Opinion 2019-7](#), advising that an employee may accept a complimentary registration fee to a vendor's conference, but advising that the employee may not attend a Vendor-sponsored reception for government employees.



## Ethics Education

The Commission is charged with educating state officials and employees about ethics in government, HRS § 84-31(a)(7). To fulfill this mandate, the Commission conducts ethics training sessions throughout the year. The Commission has been expanding its educational efforts to reach as many state officials as possible. In 2019, the Commission offered forty-seven training sessions for 2,131 individuals, including one session offering Continuing Legal Education (“CLE”) credits for government attorneys. The Commission also conducted mandatory ethics training sessions for all newly elected state officials as required by HRS § 84-42. The Commission believes that it is critical to provide ethics training for state employees to improve their general awareness of ethics and to prevent unknowing violations of the State ethics laws. In fact, for many employees, the ethics training is their first exposure to the State Ethics Code.

In 2020, the Commission is launching an on-line training to be available to all state employees. This 30-minute, interactive session can be accessed from any device with an internet connection, and the Commission hopes that this will help to ensure greater ethics awareness by the more than 50,000 employees and board/commission members who serve the people of Hawai‘i. Anyone can take the training (and receive a certificate of completion for doing so), and view an introductory “Guide to the State Ethics Code,” at <https://ethics.hawaii.gov/ethiconlinetraining/>.

The Commission also continues to explore new ways to ensure that state officials are aware of the Ethics Code’s requirements. To that end, in 2019, the Commission developed and distributed three new “Quick Guides” to the Ethics Code on the following topics:

- [Holiday Season Ethics Guide](#)
- [Second Jobs and Other Private Business Activities](#)
- [Ethics Reminders for Employees at State Base Yards and Repair Shops](#)

The Commission has seven of these short educational flyers on its website at <https://ethics.hawaii.gov/quickguides/>.

The Commission also published four issues of “The High Road” newsletter, available at <https://ethics.hawaii.gov/category/guidance/publications/highroad/>.

## 2019 Advice and Education Summary

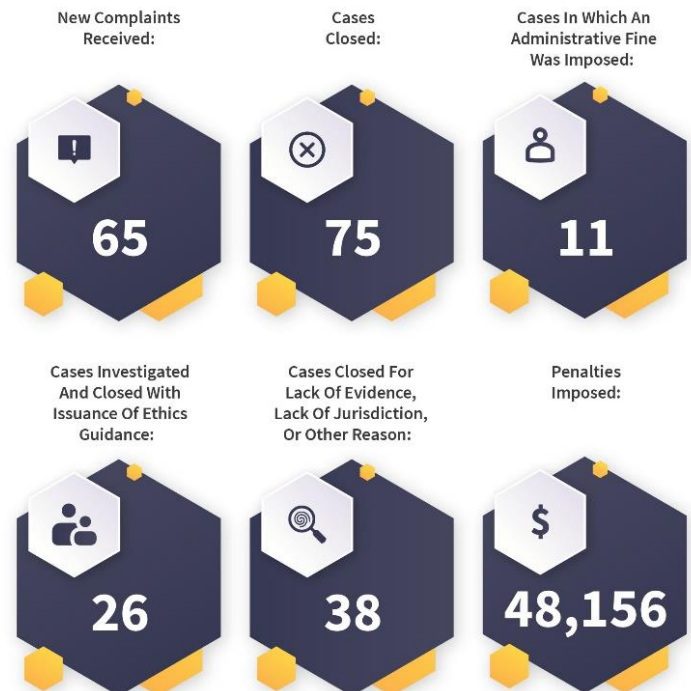


## 2019 Enforcement Summary

### Enforcement

The Commission enforces the State Ethics Code, HRS chapter 84, and the State Lobbyists Law, HRS chapter 97. The Commission receives and reviews complaints and conducts investigations on a confidential basis concerning alleged violations of the law. When appropriate, the Commission initiates formal charges against individuals who appear to have violated the law. If there is probable cause to believe that a violation of the law has occurred, the Commission may hold a contested case hearing in accordance with HRS Chapter 91, Hawaii's Administrative Procedure Act.

In 2019, the Commission received 65 new complaints of violations of the Ethics Code and Lobbyists Law. The Commission issued thirty-two Resolutions authorizing staff to conduct investigations, issued two Charges, and closed 75 cases. The Commission publicly resolved nine Charges and investigations (including those below) by issuing a Resolution of Investigation/Charge document or Decision & Order; resolved another twenty-six matters by issuing ethics guidance; resolved two cases involving late filing of financial disclosure statements; and closed thirty-eight other matters (for lack of jurisdiction, lack of supporting evidence, or another reason). The Commission assessed a total of \$48,156.53 in administrative penalties, payable to the General Fund. Notable enforcement actions include:



**Office of Hawaiian Affairs (“OHA”) Trustee Rowena Akana:** [Decision 2019-1](#) and [Resolution of Charge 2019-2](#)

The Commission issued its Findings of Fact, Conclusions of Law, and Decision and Order involving former OHA Trustee Akana ([Decision 2019-1](#)), concluding that Akana committed forty-seven violations of the Ethics Code, including violations of the Gifts law (HRS § 84-11), Gifts Reporting law (HRS § 84-11.5), and Fair Treatment law (HRS § 84-13). The Commission imposed an administrative penalty of \$23,106.53 and referred the matter to the Attorney General to recover prohibited gifts, improperly received by Akana, valued at \$21,513.15. Akana appealed. The Circuit Court affirmed the Commission’s Decision in full in September 2019, and Akana appealed to the Intermediate Court of Appeals. The Commission also resolved a second Charge against Akana arising out of Akana’s disclosure of confidential information from two Executive Session meetings of OHA’s Board of Trustees ([Resolution of Charge 2019-2](#)); Akana agreed to pay an administrative penalty of \$1,500.

**Department of Land and Natural Resources (“DLNR”), Division of Boating and Ocean Recreation (“DOBOR”), Hawai‘i Island: [Resolution of Investigation 2019-5](#)**

The Commission resolved a case involving a DOBOR Harbor Agent who took official action affecting his personal boat (by inspecting his own boat) and who used state time and other resources to attend to his personal boat. The Conflicts of Interests law, HRS § 84-14(a), prohibits state employees from taking official action directly affecting their own substantial financial interests; the Fair Treatment law, HRS § 84-13, prohibits state employees from using their official positions to provide themselves or others with unwarranted benefits.

**Department of Education (“DOE”), Facilities Maintenance Branch: [Resolution of Investigations 2019-1](#), [2019-3](#), and [2019-4](#)**

The Commission resolved cases involving three DOE supervisory employees from the Facilities Maintenance Branch, all of whom hired subordinate employees for outside projects (such as construction work); some of the supervisors also accepted free labor from subordinate employees. The Fair Treatment law, HRS § 84-13(a)(4), prohibits supervisors from engaging in substantial financial transactions from subordinates; the Gifts law (HRS § 84-11) and the Fair Treatment law (HRS § 84-13) also generally prohibits supervisors from receiving free labor for personal projects from subordinate employees. The supervisors agreed to pay administrative penalties of \$11,000, \$3,500, and \$750, respectively.

**Department of Land and Natural Resources (“DLNR”), Division of Boating and Ocean Recreation (“DOBOR”), Kaua‘i: [Resolution of Charge 2019-1](#)**

The Commission resolved a Charge against Bruce Kelekoma, a DOBOR-Kauai official, after having resolved cases involving three other employees from DOBOR-Kauai in 2018. Kelekoma admitted to receiving \$2,753.89 in automobile parts and repair services, knowing that those parts and services were purchased and paid for using state funds; to using a state pCard to purchase automobile parts for his personal vehicle; to using state time, personnel, and equipment to transport diesel fuel to his family’s pasture land and thereafter pouring the fuel on fence posts as a preservative, rather than disposing of it as hazardous waste; to directing subordinate employees to cut and deliver kiawe wood to him for his personal use; and to taking official action as a DOBOR-Kauai employee affecting his private employer. Kelekoma also admitted that he signed Certificates of Disposal (indicating he disposed of state property) without actually disposing of the property, and that he repeatedly gave incorrect statements to Ethics Commission investigators while under oath. Kelekoma agreed to pay an administrative penalty of \$4,500, and the matter was referred to DLNR.



## Financial & Gifts Disclosures

The Commission administers the filing requirements of the financial disclosure law and the gifts disclosure law, which help provide accountability and transparency in government.

In 2019, the Commission received 1,788 financial disclosure statements; public disclosure statements (for elected officials, department directors, and other designated state officials) are available at <https://ethics.hawaii.gov/2019financial/>.

The Commission received and published 236 gifts disclosure statements, all of which are available at <https://ethics.hawaii.gov/2019gifts/>.

## Lobbyists Law: Registration & Expenditure Reports

The Commission administers HRS chapter 97, the Lobbyists Law, which requires lobbyists to register with the Commission and file periodic expenditure reports. The Commission launched its new electronic filing system for lobbying registration and reporting, allowing lobbyists to register and file their periodic expenditure reports electronically. The Commission is continually upgrading and improving both the lobbying e-filing system and the system for filing financial disclosure statements and gifts disclosure statements (launched in 2018).

In 2019, the Commission received and published 950 lobbyist registration statements from 438 lobbyists, representing 415 organizations, along with 1,009 lobbyist expenditure reports.

### 2019 Summary of Disclosures/Reports Filed



## Ethics Conference

In September 2019, Hawaii's state and county ethics officials met together for the first time in Honolulu for a one-day conference on government ethics. Conference participants included members and staff of the Hawai'i State Ethics Commission, the Honolulu Ethics Commission, and the Ethics Boards for the Counties of Hawai'i, Kaua'i, and Maui. Participants exchanged information about the practical details of administering a code of ethics, including training tools, providing ethics advice, and enforcing the law.

## Judicial Candidate Reviews

The Commission provides information to the Judicial Selection Commission on applicants for judicial office. In 2019, the Hawai'i State Ethics Commission provided information on approximately 108 applicants (including current judges seeking retention).

## Legislation

In 2019, the Commission successfully advocated for the passage of three ethics-related bills:

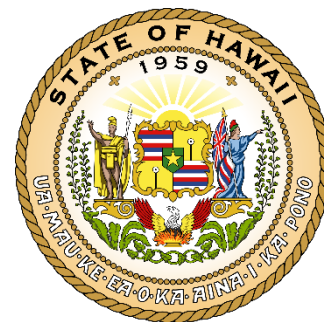
- [Act 109 \(SB144\)](#): Updates the Lobbyists Law to provide that anyone who negligently fails to register as a lobbyist (or file an expenditure report) may be fined by the Commission.
- [Act 119 \(HB170\)](#): Clarifies the fair treatment and conflict of interest laws with respect to legislators and task force members.
- [Act 120 \(HB169\)](#): Clarifies provisions of the Ethics Code relating to gifts disclosure statements, financial disclosure statements, and ethics training.

## Commissioners and Staff

The Commission has five members who are nominated by the State Judicial Council and appointed by the Governor for four-year terms. The current members of the Commission are Reynard Gaulty (Chairperson), Ruth Tschumy (Vice Chairperson), Susan DeGuzman, Melinda Wood, and Wesley Fong.

The Commission currently employs a staff of eleven: Executive Director Daniel Gluck, Associate Director Susan Yoza, four staff attorneys (Nancy Neuffer, Virginia Chock, Bonita Chang, and Kee Campbell); Computer Specialist Patrick Lui; Office Manager Caroline Choi; Secretary/Paralegal Napua Yasuda; Secretary Lynnette Santiago; and Investigator Jason Kamisugi.

*For quick, confidential ethics advice, or to lodge a confidential complaint, please contact the Commission at [ethics@hawaiiethics.org](mailto:ethics@hawaiiethics.org) or 587-0460.*



| <b>HAWAII STATE ETHICS COMMISSION</b><br><br><b>2019 EDUCATION PROGRAM</b><br><br><b>(Ethics Workshops and Presentations)</b> |   |                               |
|---|---|-------------------------------|
| <b>DATE</b>   | <b>PRESENTATIONS</b>  | <b>NUMBER OF PARTICIPANTS</b> |
| 1/3/2019  | Ethics Training for House of Representatives (Session Hires), State Capitol, Honolulu   | 129                           |
| 1/4/2019  | Ethics Refresher Course, State Capitol, Honolulu  | 19                            |
| 1/7/2019  | Lobbyists Law Training, State Capitol, Honolulu   | 82                            |
| 1/8/2019  | Mandatory Ethics Training, House of Representatives, State Capitol, Honolulu  | 46                            |
| 1/10/2019   | Mandatory Ethics Training, State Capitol, Honolulu  | 10                            |
| 1/24/2019   | General Ethics Training, Charter Schools/Governing Boards, Hilo   | 47                            |
| 1/31/2019   | General Ethics Training, Charter Schools/Governing Boards, Lihue  | 15                            |
| 2/20/2019   | General Ethics Training, Maluhia/Leahi Boards   | 7                             |
| 3/8/2019  | General Ethics Training, Lihue  | 31                            |
| 3/18/2019   | General Ethics Training, Hilo   | 34                            |
| 3/19/2019   | General Ethics Training, Honolulu   | 99                            |
| 3/29/2019   | General Ethics Training, Department of Land and Natural Resources, Division of Boating & Ocean Recreation (DOBOR), Honolulu (2 trainings) | 48                            |
| 4/8/2019  | General Ethics Training, Kona   | 22                            |
| 4/8/2019  | General Ethics Training, Department of Land and Natural Resources, Division of Boating & Ocean Recreation (DOBOR), Kona                   | 16                            |
| 4/10/2019   | Mandatory Ethics Training, State Capitol, Honolulu  | 6                             |
| 4/22/2019   | General Ethics Training, University of Hawaii, College of Tropical Agriculture and Human Resources (via videoconference)                  | 26                            |
| 5/3/2019  | General Ethics Training, Kahului  | 47                            |

|                       |  |     |
|-----------------------|--|-----|
| 5/3/2019              | General Ethics Training, Department of Land and Natural Resources, Division of Boating & Ocean Recreation (DOBOR), Kona            | 15  |
| 5/13/2019             | Mandatory Ethics Training, State Capitol, Honolulu   | 9   |
| 5/17/2019             | General Ethics Training, Kapolei   | 86  |
| 5/20/2019             | General Ethics Training, Festival of Pacific Arts, Dept. of Business, Economic Development & Tourism, Honolulu                     | 20  |
| 6/3/2019 - 6/4/2019   | General Ethics Training, Department of Taxation, Honolulu (4 trainings)  | 220 |
| 6/10/2019             | General Ethics Training, Employees' Retirement System, Honolulu  | 21  |
| 6/18/2019             | Ethics Training for Legislative Staff, State Capitol, Honolulu   | 38  |
| 6/25/2019             | General Ethics Training, Public Utilities Commission, Honolulu   | 60  |
| 6/25/2019             | General Ethics Training, Department of Health Executive Committee, Honolulu  | 36  |
| 7/25/2019             | General Ethics Training, Hawaii Health Systems Corporation Board, Honolulu   | 24  |
| 8/6/2019              | General Ethics Training, Department of Transportation, Airports Division (2 trainings)   | 100 |
| 8/13/2019             | General Ethics Training, University of Hawaii  | 41  |
| 8/26/2019 - 8/28/2019 | Office of Hawaiian Affairs, Honolulu and via videoconference (3 trainings)   | 131 |
| 9/4/2019              | Ethics Training for Legislative Staff, State Capitol, Honolulu   | 45  |
| 9/18/2019             | Ethics Training for Government Attorneys, Department of the Attorney General, Honolulu (and via videoconference)                   | 84  |
| 9/26/2019             | General Ethics Training, Hawaii Tourism Authority  | 21  |
| 9/27/2019             | General Ethics Training, Kapiolani Community College, Honolulu   | 79  |
| 10/4/2019             | General Ethics Training, including Department of Land and Natural Resources, Division of Boating & Ocean Recreation (DOBOR), Lihue | 50  |
| 10/10/2019            | General Ethics Training, Office of Disciplinary Counsel, Honolulu  | 10  |

|              |  |                          |
|--------------|--|--------------------------|
| 10/11/2019   | General Ethics Training, Department of Commerce and Consumer Affairs, PVL/Boards & Commissions, Honolulu | 53                       |
| 10/22/2019   | General Ethics Training, State Capitol, Honolulu   | 168                      |
| 10/24/2019   | General Ethics Training, Judiciary, Supreme Court, Honolulu  | 78                       |
| 12/6/2019    | General Ethics Training, Department of Health, Pearl City  | 58                       |
|              |  |                          |
| <b>TOTAL</b> | <b>47 Presentations</b>  | <b>2131 participants</b> |

**HB-2661**

Submitted on: 2/15/2020 8:20:55 AM

Testimony for FIN on 2/19/2020 2:00:00 PM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier<br/>Position</b> | <b>Present at<br/>Hearing</b> |
|---------------------|---------------------|-------------------------------|-------------------------------|
| Alan Urasaki        | Individual          | Support                       | No                            |

Comments:

Please support the requested appropriations.