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LEGISLATIVE REFERENCE BUREAU  
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State Capitol, Room 446  
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## TESTIMONY IN SUPPORT

### HB2520

## 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

Tuesday, February 6, 2024, 2:00 p.m.  
Conference Room 308

Chair Yamashita and Members of the Committee:

I am Charlotte Carter-Yamauchi, Director of the Legislative Reference Bureau (LRB). Thank you for this opportunity to provide testimony in strong **support** of H.B. No. 2520, which contains the LRB's budget for fiscal year 2024-2025.

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 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 resources.
- 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. In addition, the systems office maintains the LRB's data management system, which is used by LRB staff, other legislative research offices, and Legislators 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 have expanded the availability of legislative information, materials, and services, most notably through ongoing webinars, use of social media, and maintaining a robust website and growing library of videos.

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

H.B. No. 2520, proposes a Bureau budget for Fiscal Year 2024-2025 that is \$314,776 more than its Fiscal Year 2023-2024 budget. This total increase consists of IT security, Concordance licensing, and Linux software programming costs of \$96,870; an \$80,539 increase in publishing costs and a \$1,350 increase in Westlaw subscription costs; a \$107,617 increase for across-the-board staff salary costs, an \$8,400 for Director and First Assistant Director personnel costs established by the 2019 Commission on Salaries, and a \$20,000 increase for session staff costs to assist the Bureau in attracting qualified candidates to work during the legislative session.

In addition to the total increase stated above, H.B. No. 2520 also proposes a separate \$73,970 increase in its vacation payout allowance so that the amount approximates 25% of the value of the Bureau's total vacation payout liability for its increasing number of retirement-eligible employees.

Thank you for the opportunity to testify in support of H.B. No. 2520.

## 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 2018-2019 and 2022-2023, the Research Division responded to 19,334 requests for services.<sup>3</sup> In each year, the Research Division responded to an average of 3,867 requests for services. (See Table 1 for year-by-year totals.)

**Table 1. Research Division Requests (FY 2018-2019 - FY 2022-2023)**

	FY 18-19 (2019)				FY 19-20 (2020)				FY 20-21 (2021)				FY 21-22 (2022)				FY 22-23 (2023)			
	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	953	66%	489	34%	799	56%	617	44%	544	54%	471	46%	588	53%	519	47%	647	53%	564	47%
Bill Drafts (HDs, SDs, CDs) & Floor Amendments	75	14%	469	86%	61	15%	354	85%	28	8%	320	92%	30	7%	379	93%	29	7%	385	93%
Committee Reports	36	6%	614	94%	10	3%	322	97%	5	1%	401	99%	4	1%	428	99%	2	0%	431	100%
Resolutions	242	67%	117	33%	189	43%	251	57%	147	49%	155	51%	112	49%	117	51%	189	52%	176	48%
Certificates	21	100%	0	0%	10	100%	0	0%	2	100%	0	0%	16	100%	0	0%	33	100%	0	0%
Language--Bills, Resos, Legal Checks	5	100%	0	0%	6	55%	5	45%	6	29%	15	71%	8	100%	0	0%	0	n/a	0	n/a
Bill Reviews	513	50%	515	50%	322	50%	321	50%	360	50%	356	50%	525	56%	411	44%	468	53%	421	47%
Research Memos	42	86%	7	14%	30	79%	8	21%	64	76%	20	24%	50	75%	17	25%	21	75%	7	25%
<b>TOTAL HOUSE &amp; SENATE REQUESTS</b>	<b>1887</b>	<b>46%</b>	<b>2211</b>	<b>54%</b>	<b>1427</b>	<b>43%</b>	<b>1878</b>	<b>57%</b>	<b>1156</b>	<b>40%</b>	<b>1738</b>	<b>60%</b>	<b>1333</b>	<b>42%</b>	<b>1871</b>	<b>58%</b>	<b>1389</b>	<b>41%</b>	<b>1984</b>	<b>59%</b>
Administration Measures (formatting and proofing; preparation for Legislature's website) <sup>4</sup>	246				236				215				258				294			
Formatting Acts (preparation for publisher--session laws and supplements) <sup>5</sup>	286				82				239				317				263			
Miscellaneous (projects, studies, task force reports, RFPs, etc.)	8				1				1				2				12			
<b>TOTAL ALL REQUESTS</b>	<b>4638</b>				<b>3624</b>				<b>3349</b>				<b>3781</b>				<b>3942</b>			

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 an aside, we note that the number of requests for FY 19-20 and FY 20-21 have been generally trending down due in very large part to the COVID-19 pandemic. 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 1,438 requests for services for the House and 1,936 requests for services for the Senate each year.<sup>6</sup> Of these requests received by the Research Division, a five-year average of 42.6% come from the House and 57.4% come from the Senate (other requests such as formatting Administration bills on behalf of the Legislature 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 28 requests for each Representative and 77 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 Requests</b>					
<b>Requests for Assistance</b>	<b>FY 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>
Hawaii State Government	125	46	76	75	82
Other Governments*	2	3	2	4	3
Private	15	7	19	12	16
Materials Sent	0	0	0	0	9
Review of Administrative Rules	20	13	16	7	7
<b>TOTALS</b>	<b>162</b>	<b>69</b>	<b>113</b>	<b>98</b>	<b>117</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 and laws back to those database inception dates. 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 392 requests each year. Requests for 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 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>	<b>Average per year</b>
Information from Computer	52	31	30	31	12	31
Technical Assistance	375	294	306	284	246	301
Printouts	54	32	34	36	26	36
Training	17	21	2	6	0	9
General Information	22	21	9	8	13	15
<b>TOTALS</b>	<b>520</b>	<b>399</b>	<b>381</b>	<b>365</b>	<b>297</b>	<b>392</b>

The Systems Office maintains requestor data only for printout type requests. Over the past five years, an average of 45% 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>For House (%)</b>	<b>For Senate (%)</b>	<b>Other</b>	<b>Total Printouts</b>
FY 18-19	17 (32%)	19 (35%)	18 (33%)	54
FY 19-20	11 (34%)	12 (38%)	9 (28%)	32
FY 20-21	10 (29%)	16 (47%)	8 (24%)	34
FY 21-22	13 (36%)	18 (50%)	5 (14%)	36
FY 22-23	7 (27%)	17 (65%)	2 (8%)	26

## 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 in 2009 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, electronic and hard copies of reports to the Legislature, and other state documents. House and Senate journals dating back to 1901, Session Laws of Hawaii back to 1848, 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, and develop web content. Several research librarians also provide technical assistance to the website and the library catalog.

The Library card catalog 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 did not meet the current library cataloging standard. Accordingly, we have updated our Library's cataloging practices to conform to the current library cataloging standard. The Library's online catalog contains thousands of bibliographic records and has added over 18,500 electronic files in the past few years. In FY 2022-2023, there were over 1500 electronic document views from the Library's online catalog.

The Library has historically maintained the Legislative Reference Bureau's and Public Access Room websites. In 2019, both websites completed a full rebuild and redesign through a private vendor; the websites had last been 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.<sup>17</sup> In 2020, the LRB websites received the Outstanding Website award by the Web Marketing Association. *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 the 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>18</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 1,800 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 FY 21-22 and FY 22-23. We are also including the *iClips* statistics in Table 7, which reflects the statistics for FY 21-22 and FY 22-23.

Table 5. LRB Library Requests for Services							
Request Type	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	Average per Year	
Reference/Research	1128	783	868	1005	1015	960	
Online Database Research	21	7	6	12	9	11	
Orientation/Training	83	67	12	31	55	50	
Publications Distributed <sup>19</sup>	489 <sup>20</sup>	690	947	621	666	683	
Documents Borrowed	101	89	81	96	127	99	
<b>TOTALS</b>	<b>1822</b>	<b>1636</b>	<b>1914</b>	<b>1765</b>	<b>1872</b>	<b>1803</b>	
Photocopying (pages)	1136	624	51	296	276	477	
Comp. printouts (pages)	83	83	0	120	0	57	
<b>TOTALS</b>	<b>1219</b>	<b>707</b>	<b>51</b>	<b>416</b>	<b>276</b>	<b>534</b>	

Table 6. LRB Website Statistics								
Month	Users <sup>1</sup>		New Users <sup>2</sup>		Number of Sessions <sup>3</sup>		Pageviews <sup>4</sup>	
	FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 21-22	FY 22-23
July	2,280	2,332	1,887	1,984	3,248	3,308	6,920	6,202
August	2,402	3,094	2,050	2,729	3,196	4,036	6,269	6,489
September	3,006	3,351	2,609	2,982	4,190	4,596	7,847	7,799
October	3,153	3,160	2,782	2,808	4,132	4,114	7,497	6,847
November	2,966	3,317	2,589	2,942	3,969	3,436	7,416	10,887
December	2,597	3,320	2,232	2,868	3,620	3,991	7,109	13,945
January	4,623	6,288	4,102	5,565	6,707	7,588	14,019	27,333
February	4,711	6,545	4,015	5,571	6,620	6,943	12,583	22,242
March	4,101	5,532	3,396	4,477	6,000	5,936	11,794	19,314
April	3,523	4,730	2,841	3,772	5,249	4,932	9,970	16,683
May	2,982	3,907	2,441	3,104	4,212	4,210	8,494	13,238
June	2,545	3,128	2,147	2,546	3,528	3,469	6,956	11,306

<b>(Continued)</b>
<b>*Launched our new website on 12/18/2019</b>
<sup>1</sup> Users who have initiated at least one session during the date range.
<sup>2</sup> The number of first-time users during the selected date range.
<sup>3</sup> A session is the period time a user is actively engaged with your website, app, etc. All usage data (Screen Views, Events, Ecommerce, etc.) is associated with a session.
<sup>4</sup> Pageviews is the total number of pages viewed. Repeated views of a single page are counted. <b>*NOTE* PAR is included in this.</b>
<a href="https://www.lovesdata.com/blog/google-analytics-glossary">https://www.lovesdata.com/blog/google-analytics-glossary</a>

<b>Table 7. iClips Statistics*</b>								
<b>Month</b>	<b>Subscribers</b>		<b>Percentage Opened<sup>1</sup></b>		<b>Clicks per unique opens<sup>2</sup></b>		<b>Pageviews of iClips on website</b>	
	<b>FY 21-22</b>	<b>FY 22-23</b>	<b>FY 21-22</b>	<b>FY 22-23</b>	<b>FY 21-22</b>	<b>FY 22-23</b>	<b>FY 21-22</b>	<b>FY 22-23</b>
<b>July</b>	123	155	24%	42.8%	46%	43.0%	161	301
<b>August</b>	123	158	25%	42.3%	52%	44.8%	157	254
<b>September</b>	127	158	25%	39.7%	54%	41.3%	204	207
<b>October</b>	139	157	27%	40.5%	55%	38.0%	197	147
<b>November</b>	142	157	27%	40.6%	51%	42.8%	220	205
<b>December</b>	146	146	26%	42.9%	45%	42.0%	233	244
<b>January</b>	155	159	39%	43.1%	48%	46.7%	340	345
<b>February</b>	155	158	48%	42.9%	47%	46.0%	220	279
<b>March</b>	156	158	48%	43.2%	45%	44.0%	296	225
<b>April</b>	156	159	52%	44.0%	45%	45.7%	285	324
<b>May</b>	156	159	44%	44.0%	43%	40.8%	314	382
<b>June</b>	154	144	42%	45.0%	44%	43.6%	373	435
<b>*We launched the iClips email newsletter on 1/9/2020</b>								
<sup>1</sup> The percentage of recipients who opened the email any number of times.								
<sup>2</sup> The percentage of subscribers who opened and clicked a link in the iClips email newsletter.								
<a href="https://mailchimp.com/help/about-open-and-click-rates/">https://mailchimp.com/help/about-open-and-click-rates/</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 8.)

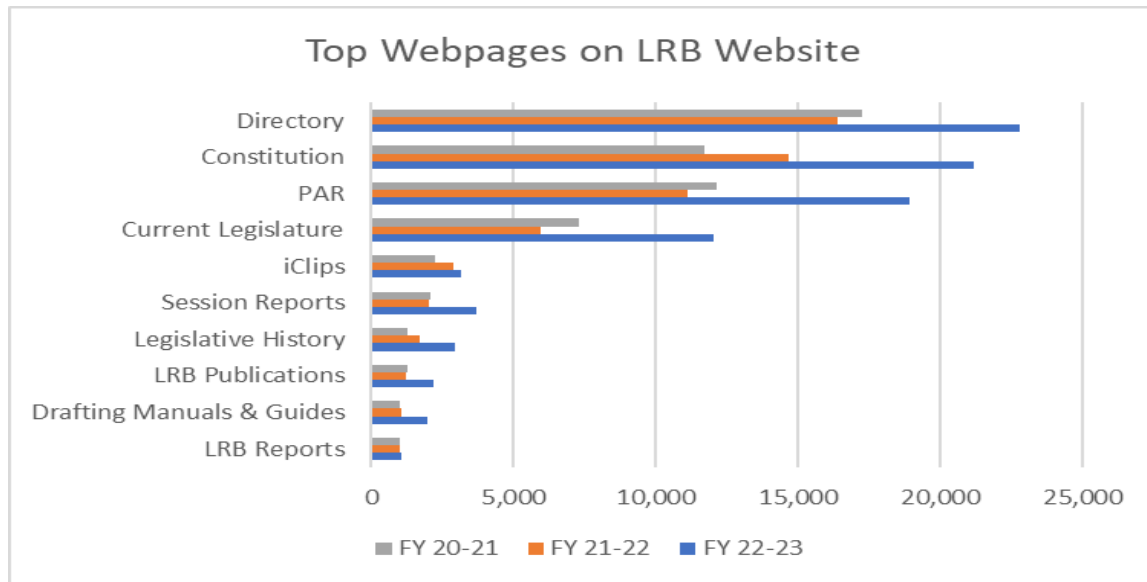
<b>Table 8. LRB Library Requests by Requestor</b>										
<b>Documents Borrowed</b>										
	<b>FY 18-19</b>	<b>%</b>	<b>FY 19-20</b>	<b>%</b>	<b>FY 20-21</b>	<b>%</b>	<b>FY 21-22</b>	<b>%</b>	<b>FY 22-23</b>	<b>%</b>
House	25	25%	6	7%	15	19%	56	58%	9	7%
Senate	16	16%	5	6%	31	38%	8	8%	23	18%
Legislative Agencies	1	1%	0	0%	0	0%	9	10%	4	3%
Other Gov't. Agencies	21	21%	38	43%	0	0%	2	2%	3	3%
Public	38	37%	40	45%	35	43%	21	22%	88	69%
<b>TOTAL</b>	<b>101</b>		<b>89</b>		<b>81</b>		<b>96</b>		<b>127</b>	
<b>Reference/Research</b>										
	<b>FY 18-19</b>	<b>%</b>	<b>FY 19-20</b>	<b>%</b>	<b>FY 20-21</b>	<b>%</b>	<b>FY 21-22</b>	<b>%</b>	<b>FY 22-23</b>	<b>%</b>
House	120	11%	90	11%	96	11%	86	9%	84	8%
Senate	94	8%	60	8%	48	6%	65	6%	96	9%
Legislative Agencies	51	4%	32	4%	46	5%	67	7%	62	6%
Other Gov't. Agencies	256	23%	192	25%	168	19%	256	25%	272	27%
Public	607	54%	409	52%	510	59%	531	53%	501	50%
<b>TOTAL</b>	<b>1128</b>		<b>783</b>		<b>868</b>		<b>1005</b>		<b>1015</b>	
<b>Publications Distributed</b>										
	<b>FY 18-19</b>	<b>%</b>	<b>FY 19-20</b>	<b>%</b>	<b>FY 20-21</b>	<b>%</b>	<b>FY 21-22</b>	<b>%</b>	<b>FY 22-23</b>	<b>%</b>
House	51	10%	134	19%	173	18%	78	13%	103	15%
Senate	40	8%	97	14%	146	15%	99	16%	125	19%
Legislative Agencies	73	15%	88	13%	133	14%	113	18%	93	14%
Other Gov't. Agencies	291	60%	367	53%	479	51%	296	48%	341	51%
Public	34	7%	4	1%	16	2%	35	5%	4	1%
<b>TOTAL</b>	<b>489</b>		<b>690</b>		<b>947</b>		<b>621</b>		<b>666</b>	
<b>Online Database Research</b>										
	<b>FY 18-19</b>	<b>%</b>	<b>FY 19-20</b>	<b>%</b>	<b>FY 20-21</b>	<b>%</b>	<b>FY 21-22</b>	<b>%</b>	<b>FY 22-23</b>	<b>%</b>
House	3	14%	4	57%	1	17%	1	8%	4	45%
Senate	3	14%	0	0%	2	33%	2	17%	3	33%
Legislative Agencies	15	72%	3	43%	3	50%	9	75%	2	22%
<b>TOTAL</b>	<b>21</b>		<b>7</b>		<b>6</b>		<b>12</b>		<b>9</b>	

Table 8 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.

Table 9, reflects the Bureau's top ten webpages for FY 18-19 through FY 22-23.

\*Note: No data collected for FY 18-19 and FY 19-20.

Table 9. Top Webpages on LRB Website					
Webpage	FY 18-19*	FY 19-20*	FY 20-21	FY 21-22	FY 22-23
Directory	n/a	n/a	17,256	16,383	22,771
Constitution	n/a	n/a	11,735	14,674	21,194
PAR	n/a	n/a	12,145	11,094	18,916
Current Legislature	n/a	n/a	7,296	5,949	12,047
iClips	n/a	n/a	2,238	2,902	3,155
Session Reports	n/a	n/a	2,091	2,037	3,676
Legislative History	n/a	n/a	1,251	1,727	2,948
LRB Publications	n/a	n/a	1,286	1,220	2,200
Drafting Manuals & Guides	n/a	n/a	1,000	1,065	1,981
LRB Reports	n/a	n/a	984	1,021	1,074



## Public Access Room (PAR)

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>21</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 with internet access for drafting and submitting testimony, working on correspondence, and researching legislative issues;

- Workspace for individuals and/or small groups and a charging station for phones and laptops;
- Legislative volumes and reference materials;
- Photocopying services for testimony and meeting materials;
- Televisions for viewing legislative proceedings;
- Wide variety of handouts to aid in legislative participation;
- Videos of "how to" tutorials, PAR workshops, and descriptions of legislative process and procedure;
- Workshops covering introduction to the legislature or focusing on participation, deadlines, and various aspects of the legislative process; and
- Website with up-to-date resources to facilitate participation and in-depth information on the legislative process.

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. Up to two temporary full-time staff members have been added during legislative sessions.

PAR staff members conduct numerous workshops and tutorials throughout the year. Due to COVID-19, rather than traveling to communities on Oahu and the neighbor islands, almost all PAR workshops since FY 20-21 have continued to be conducted remotely. 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 patrons, as necessary. Staff also produce and distribute numerous informative email bulletins, each designed around whichever aspect of the legislative calendar is relevant at the time of publication (current reach @ 3000/subscribers). Numerous handouts, publications, videos, and workshops are written and produced for the public by the PAR staff members. Popular handouts include "District Maps," "Pictures and Profiles," and the "Website Guide."

As part of the Bureau's website redesign project, the PAR's website was dramatically redesigned to present a wealth of new information and resources to the public. It now consists of over three dozen pages and presents convenient handouts, "how-to" guides and videos, and an array of other learning material (including a keiki page for students). During FY 22-23, the PAR website recorded over 70,000 visits (sessions).

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 public, PAR staff responds to numerous requests for information from legislative offices, executive branch agencies, and the media. PAR staff began offering remote workshops in the fall of 2020. This allows many of these sessions to be recorded and subsequently emailed or posted to the website, furthering their reach. PAR continues to offer primarily remote workshops due to persisting health concerns.

Table 10. LRB Public Access Room Requests for Services					
Request Type	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Email Inquiries	310	499	469	699	608
Printing/Copying <sup>22</sup>	83,364	66,835	17,535	15,960	41,155
Workshop Participants <i>(Participants on Neighbor Islands)</i>	1,530 <i>(113)</i>	1,156 <i>(79)</i>	1,064 <i>(344)</i>	883	1,811
Telephone Inquiries <sup>23</sup>	2,203	1,776	2,228	2,208	2,533
PAR walk-in patrons <sup>24</sup>	5,776	2,873	117	580	2,209
Broadcasts <sup>25</sup>	156	230	49	17	0

In addition to the abovementioned duties, PAR staff had historically been assigned by legislative leadership to act as the contract administrator for the Legislature's Legislative Broadcast Project, the responsibilities of which generally included selecting events to broadcast, monitoring production activity, and approving all contractor billing. However, with the advent of COVID-19 and the move to livestream all legislative proceedings, the broadcast contract with Olelo was not renewed, thus effectively eliminating PAR's workload in this regard.

Public Access Room (PAR) Website Statistics for FY 2022-23							
Month	Users <sup>1</sup>		New Users <sup>2</sup>		Number of Sessions <sup>3</sup>		
	FY 21-22	FY 22-23	FY 21-22	FY 22-23	FY 21-22	FY 22-23	
July	2,280	2,332	1,887	1,984	3,248	3,308	
August	2,402	3,094	2,051	2,729	3,196	4,036	
September	3,006	3,351	2,612	2,981	4,190	4,596	
October	3,153	3,160	2,782	2,808	4,132	4,114	
November	2,966	3,345	2,589	2,939	3,969	4,559	
December	2,597	3,362	2,232	2,874	3,620	5,229	
January	4,623	6,278	4,103	5,546	6,707	10,140	
February	4,711	6,562	4,016	5,498	6,620	9,481	
March	4,101	5,592	3,397	4,517	6,000	8,203	
April	3,523	4,718	2,843	3,779	5,249	6,714	
May	2,982	3,900	2,441	3,130	4,212	5,416	
June	2,545	3,174	2,147	2,598	3,528	4,485	
					<u>FY21-22</u>	<u>FY22-23</u>	
					<b>TOTAL SESSIONS:</b>	54,671	<b>70,281</b> (increase of 15,610 from FY 2021-22)

<sup>1</sup> Users who have initiated at least one session during the date range.  
<sup>2</sup> Number of first-time users during the selected date range.  
<sup>3</sup> A session is the period time a user is actively engaged with the website (essentially, a visit to the website consisting of one or more pageviews).

## 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 two hundred fifty-one 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.

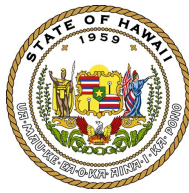
In the late 1970s, legislative leadership tasked the Bureau with duplicating magnetic cards (magcards) containing measures the Administration submitted for introduction. Duplicate sets of the magcards were sent to both the Senate and House clerks. The Bureau was not required to format or proofread measures 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. The websites also obtained official .gov addresses, previously, we had a .com address.
18. See section 23G-18, HRS.
19. 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.
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. See sections 21G-2 and 23G-3(12), HRS.
22. Does not include pages printed directly from public terminals. Includes copies made for Legislators to distribute to constituents.
23. Actual numbers are estimated to be considerably higher; data has been difficult to capture and reflects only confirmed instances.
24. Actual numbers are estimated to be considerably higher; data has been difficult to capture and reflects only confirmed instances.
25. As contract coordinator for the Legislative Broadcast Program, PAR staff's responsibilities included selecting events for broadcast, monitoring production activity, and approving all billing. This number reflects the number of hearings, information briefings, sessions, or confirmation hearings that were broadcast.





## HAWAI'I STATE ETHICS COMMISSION

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

Committee: House Committee on Finance  
Bill Number: HB 2520  
Hearing Date/Time: February 6, 2022, 2:00 p.m.  
Re: Testimony of the Hawai'i State Ethics Commission in **SUPPORT** of HB 2520, Making Appropriations to Provide for the Expenses of the Legislature, the Auditor, the Legislative Reference Bureau, the Ombudsman, and the Ethics Commission

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

The Hawai'i State Ethics Commission ("Commission") supports HB 2520, which appropriates \$1,584,678 to the Commission for its operating and other expenses for FY 2024-2025. The Commission likewise supports Section 13, which appropriates an additional \$16,553 for vacation payouts/transfers.

The Commission's 2023 Annual Report is attached. Notable highlights include:

- Facilitated ethics training for 35,977 public officials and state employees, constituting over 70% of the total state workforce, without a direct increase in budget or staffing.
- Successfully advocated for 8 new laws aimed at enhancing the ethics code and lobbying regulations, ensuring that Hawai'i state employees adhere to the "highest standards of ethical conduct."
- Successfully renegotiated its office lease, securing a favorable monthly rate reduction, and executed a complete refurbishment of the office premises.
- Implemented office modernization initiatives, including the successful scanning and shredding of approximately 75,000 pages of documents.
- Gained national recognition from the nonpartisan Campaign Legal Center for the Commission's educational efforts, highlighting its commitment to promoting ethical practices.

The Commission notes a request an additional attorney position was not included in HB 2520. The Commission acknowledges this Committee must consider requests from other state agencies to support many worthy programs. The Commission can continue to perform its core functions based on the budget proposed in HB 2520. Should the State's financial situation change, however, the need for the additional position remains and the capacity to grow and expand programs could make a significant improvement in the Commission's ability to fulfill its constitutional mandate.

The Commission additionally highlights that it exercises prudent fiscal constraint. In FY 2023-24, the Commission was able to reduce expenditures and successfully returned \$70,124.24 of its allocated budget back to the General Fund.

**Budget for FY 2024-2025**

The bulk of the Commission’s budget request is related to staff salaries (\$1,334,003) and office rent (\$131,880). An additional \$104,380 is proposed for a new staff attorney position to assist with proactive education, advice, and enforcement efforts (not included in HB 2520). More detail can be found in the Commission’s attached budget table for fiscal year 2024-25.

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

Very truly yours,

/S/ Robert D. Harris  
Robert D. Harris  
Executive Director and General Counsel

Attachments:

1. Budget table, FY 2024-2024
2. Hawai‘i State Ethics Commission, 2023 Annual Report

## Hawai'i State Ethics Commission - Budget Projections for FY 2024-2025

	2023-2024 Base Budget	2024-2025 Estimated Budget	Increases/ Decreases From FY24	% Increase/ Decrease From FY24
<b>TOTAL BUDGET</b> (excluding vacation payouts)	<b>\$ 1,541,514</b>	<b>\$ 1,625,443</b>	<b>\$ 83,929</b>	<b>5.4%</b>
<b>PERSONNEL</b>				
Staff Salaries <sup>1</sup>	1,229,623	1,334,003	104,380	8.5%
Cost Adjustments for staff salaries	-			
Vacation Payouts/Transfer	16,553	16,553		
<b>TOTAL PERSONNEL</b> (excluding vacation payouts)	<b>1,229,623</b>	<b>1,334,003</b>	<b>104,380</b>	<b>8.5%</b>
<b>MATERIALS AND SUPPLIES</b>				
<b>Office Expenses:</b>				
Office Supplies	3,500	3,500	-	0.0%
Postage	1,500	1,500	-	0.0%
Telephone & Internet	11,640	11,640	-	0.0%
Subtotal:	16,640	16,640	-	0.0%
<b>Intrastate Transportation and Travel</b>				
Commissioners / Staff	8,500	8,500	-	0.0%
Car Mileage and Parking	750	750	-	0.0%
Subtotal:	9,250	9,250	-	0.0%
<b>Out-of-State Travel</b>				
Airfare (6 @ \$1,000 ea.)	6,000	6,000	-	0.0%
Lodging and per diem for 5.5 days (6 @ \$145/day x 5.5 days)	4,800	4,800	-	0.0%
Excess Hotel and Increases in per diem/airfare	1,700	1,700	-	0.0%
Taxi/bus fare	160	160	-	0.0%
Subtotal:	12,660	12,660	-	0.0%
<b>Equipment Rental and Maintenance</b>				
Copier	3,600	3,600	-	0.0%
Computer Equipment Maintenance	3,500	3,500	-	0.0%
Misc. (time clock, projector, etc.)	700	700	-	0.0%
Investigation Software	3,100	3,100	-	0.0%
Software License Renewals	22,000	22,000	-	0.0%
Videoconferencing software for training	1,200	1,200	-	0.0%
Subtotal:	34,100	34,100	-	0.0%

	2023-2024 Base Budget	2024-2025 Estimated Budget	Increases/ Decreases From FY24	% Increase/ Decrease From FY24
<b>Dues, Subscriptions, Training</b>				
COGEL Membership	470	470	-	0.0%
COGEL Registration (6 x \$600)	3,600	3,600	-	0.0%
Attorney Registration Fees	3,400	3,400	-	0.0%
Training Expenses	7,500	7,500	-	0.0%
Legal Reference Publications	4,900	4,900	-	0.0%
Newspapers Subscriptions, etc.	240	240	-	0.0%
Disruptive Behavior Training	800	800	-	0.0%
Subtotal:	20,910	20,910	-	0.0%
<b>Newspaper Advertisements</b>	1,100	1,100	-	0.0%
	1,100	1,100	-	0.0%
<b>Commission Meetings, Investigations and Hearings</b>				
Subpoena Fees	900	900	-	0.0%
Court Reporter	7,500	7,500	-	0.0%
Witness Fees, Travel, Mileage	1,500	1,500	-	0.0%
Hearings Officer	1,500	1,500	-	0.0%
Commission Meeting Expenses	1,000	1,000	-	0.0%
Subtotal:	12,400	12,400	-	0.0%
<b>Consulting Services</b>				
Computer Consulting	42,000	42,000	-	0.0%
Other Services (Interpreting, shredding)	500	500	-	0.0%
Subtotal:	42,500	42,500	-	0.0%
<b>Office Rent<sup>2</sup></b>	158,331	131,880	(26,451)	-16.7%
<b>TOTAL MATERIALS AND SUPPLIES:</b>	307,891	281,440	(26,451)	-8.6%
<b>CAPITAL OUTLAY</b>				
<b>Office Furniture &amp; Equipment<sup>3</sup></b>	4,000	10,000	6,000	150.0%
<b>TOTAL CAPITAL OUTLAY:</b>	4,000	10,000	6,000	150.0%
<b>GRAND TOTAL:</b>	<b>\$ 1,541,514</b>	<b>\$ 1,625,443</b>	<b>\$ 83,929</b>	<b>5.4%</b>

<sup>1</sup> This includes a required increase for the Executive Director position under the 2019 report from the Commission on Salaries. The Ethics Commission proposes to hire an additional staff attorney to assist with compliance and enforcement with a pay range up to \$100,000.

<sup>2</sup> FY24-28 Lease rent renegotiated in 7th amendment to office lease representing a decrease in cost. Rent generally increases 2.5% each fiscal year, CAM typically increases 2.68% each calendar year.

	2023-2024	2024-2025	Increases/ Decreases	% Increase/ Decrease
	Base	Estimated	From FY24	From FY24
	<u>Budget</u>	<u>Budget</u>		

<sup>3</sup> New office furniture and equipment to utilize renovated office space.

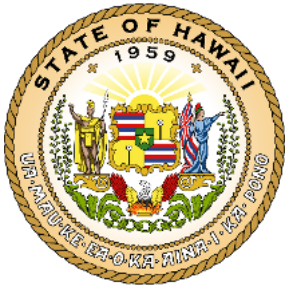




# 2023 ANNUAL REPORT

Hawai'i State Ethics Commission  
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# HAWAI'I STATE ETHICS COMMISSION 2023 ANNUAL REPORT

## MISSION & DUTIES:

**E**stablished 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 approximately 60,000 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, 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 nearly 500 lobbyists representing more than 400 organizations that lobby the state legislature or executive branch.

## **ETHICS ADVICE:**

The Commission issues advisory opinions and other types of guidance (including opinion letters written by the Commission’s attorneys) about the application of the State Ethics Code and the State Lobbyists Law. In 2023, the Commission’s attorneys received and responded to an impressive 1,179 requests for advice from state legislators, state employees, lobbyists, members of the public, and candidates for state elective office. Many of these requests included written advice and active follow-up. The Commission considers its ability to provide timely and meaningful guidance and advice to be one of its most essential functions.

In 2023, no advisory opinions were issued.

## **ETHICS EDUCATION:**

Ethics education was a significant priority for the Commission in 2023. The Commission is charged with educating state officials and employees about ethics in government, HRS § 84-31(a) (7). Starting on January 1, 2023, a new law required all state employees to take either a live or online ethics training course within ninety days of becoming an employee and at least once every four years thereafter.

### **NATIONAL LEADERSHIP AWARD**

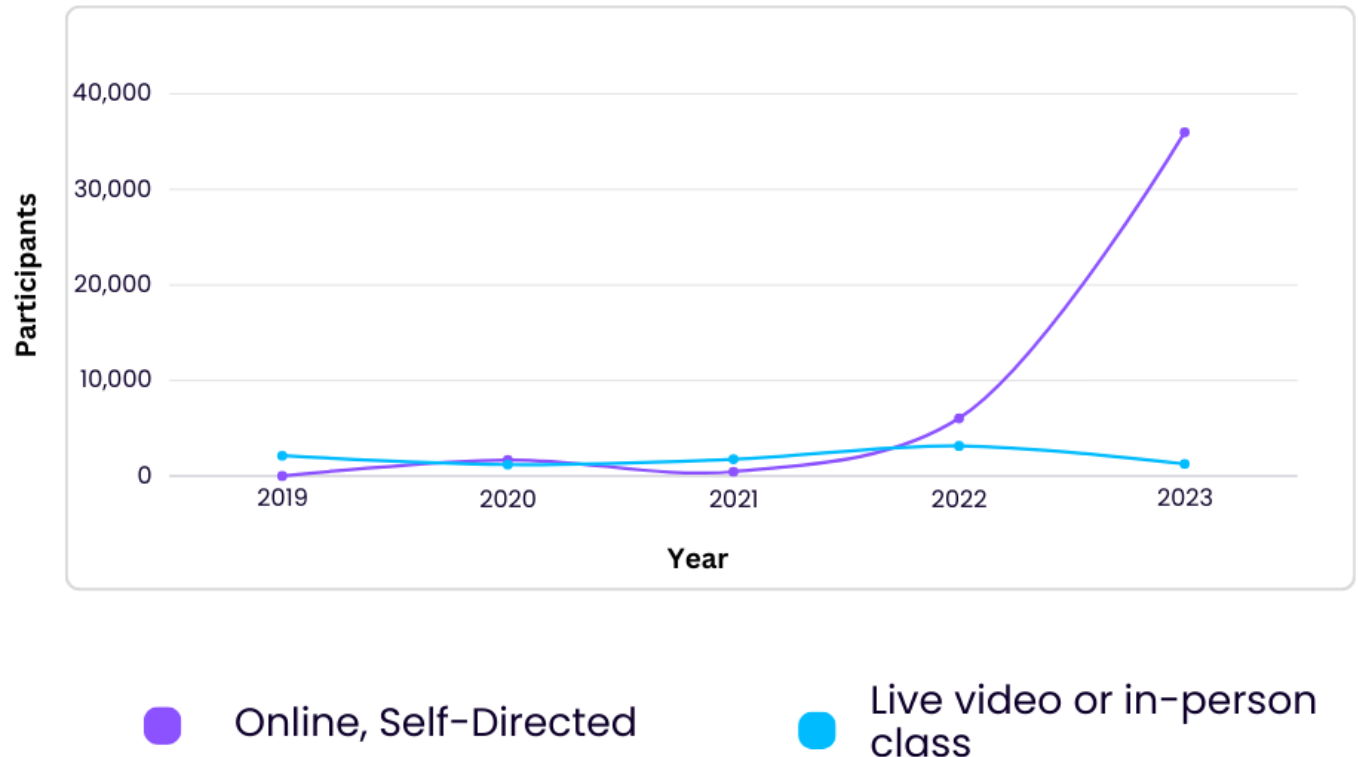
The Commission’s education efforts received recognition from the Campaign Legal Center’s 2023 “Top 10 Training Upgrades for Ethics Commissions” report. Available at <https://campaignlegal.org/>

Fulfilling this new mandate was a key focus of the Commission. Implementation steps included conducting in-person and videoconference trainings. In addition to



# Ethics Training Participation

Participation in ethics training from 2019–2023, broken out by live classes (video or in-person) or online, self-directed training module



offering general ethics trainings, the Commission scheduled specialized trainings for lobbyists, board & commission members, and legislators. The Commission also offered sessions with Continuing Legal Education credits for government attorneys. The Commission’s videoconference training calendar can be found at <https://ethics.hawaii.gov/training/#signup>.

Key to meeting the mandatory ethics training requirement was a shift towards a self-directed online training modules. These training modules empower state employees to engage in ethics education anytime, anywhere, provided they have a computer and internet access. Three modules were offered in 2023:

- State employees;
- Board and commission members; and
- Charter schools.

Designed for convenience, these on-demand training sessions require approximately 35 minutes to complete. They offer a user-friendly and adaptable method for state employees to fulfill their ethics training requirements. For direct access, individuals can visit the Commission's dedicated webpage: <https://ethics.hawaii.gov/training/>.

# 806%

Average participation increase in ethics training in 2023 over past four years

With assistance from a variety of government agencies, a monumental total of 35,977 participants undertook the self-directed training module in 2023. It should be noted this represents approximately 500% increase in the number of participants over 2022, and a dramatic 7,724% increase over 2021. While difficult to track with specificity, it appears approximately 70% of all state employees met the mandatory ethics training requirement by the end of 2023. These incredible numbers were achieved without any direct increase in budget or staffing of the Commission.

## LEGISLATION:

In 2023, the Commission, through its Executive Director, actively participated in the Commission to Improve Standards of Conduct, an entity created by the State House of Representatives. Approximately 10 ethics-related policy proposals were drafted, considered, and recommended by the Standards Commissions for consideration by the 2023 Legislature. The Ethics Commission successfully advocated for many of these bills to pass or to be included in Legislative rules. Ethics bills that passed in 2023 included:

- Act 8 (HB 137 HD1 of 2022): **Lobbyist Disclosures.** Beginning 1/1/2025, requires lobbyists to specifically describe the legislative or administrative action worked on during a reporting period.
- Act 9 (HB 140 of 2022): **Record Maintenance.** Gives greater discretion to the Commission to maintain or destroy financial disclosure records beyond the current 6-year statutory requirement.
- Act 10 (HB 142 of 2022): **Lobbyist Gift Giving.** Prohibits lobbyists from giving gifts to state employees or legislators that are otherwise prohibited under state ethics law.
- Act 20 (HB 138 of 2022): **Mandatory Lobbyist Training.** Establishes mandatory lobbyist training as a condition for registration.
- Act 123 (HB 141 of 2022): **Legislator Disclosures.** Beginning 1/1/2025, requires state legislators to report the names of lobbyists that he or she received income from (even if through another entity, such as a LLC).
- Act 128 (SB 1493 SD1 HD1 CD1): **Lobbyist Donations During the Legislative Session.** Prohibits lobbyist contributions and expenditures (including promises of contributions or expenditures) to any elected official or candidate during and around the legislative session.
- Act 129 (SB 182 SD1 HD1 CD1): **Administrative Fine Procedure.** Amends the filing deadline for disclosures of financial interests for candidates to statewide office, and substantively amends the procedure for imposing administrative fines related to disclosures of financial interests.
- Act 261 (HB 717 HD1 SD2 CD1): **Nepotism Prohibition.** Prohibits most state employees from appointing, hiring, promoting, or retaining relatives and household members and from making or participating in certain other employment-related decisions and from awarding a contract to or otherwise taking official action on a contract with a business if the employee's relative or household member is an executive officer of or holds a substantial

# 2023 ENFORCEMENT SUMMARY

## ETHICS COMPLAINTS RECEIVED

### 329

Total number of complaints received from sourced or anonymous sources

## TOTAL CASES CLOSED

### 360

Matters resolved due to lack of jurisdiction, guidance or advice given, or settlements/enforcement successfully pursued

## INVESTIGATIONS LAUNCHED:

### 17

Where the Commission found that allegations of an ethical violation had merit and initiated a formal investigation.

## CHARGES ISSUED:

### 3

Times when the Ethics Commission initiated a formal charge into an alleged ethics code violation



## FRAUD, WASTE, AND ABUSE COMPLAINTS RECEIVED:

### 48

Complaints received in conjunction with the Office of the Attorney General

## PENALTIES ASSESSED:

### \$9,500

Fines assessed and directed to the general fund.



ownership interest in that business. Imposes administrative fines for violations.

The Ethics Commission is committed to implementing these new laws. Recognizing the complexity of these initiatives, the Commission has prioritized the establishment of a robust rollout of guidance, back office support, and online filing changes to ensure a seamless rollout.

## 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.

**HAWAII STATE ETHICS COMMISSION**

ethics.hawaii.gov

In 2023, the Commission received 329 new complaints of violations of the Ethics Code and Lobbyists Law. The Commission issued 17 Resolutions to Investigate, authorizing staff to conduct comprehensive investigations, issued three Charges, and closed 360 cases. The Commission publicly resolved four Charges and investigations by issuing a Resolution of Investigation/Charge document. The Commission resolved another 8 matters by issuing ethics guidance and closed 349 other matters for lack of jurisdiction, lack of supporting evidence, or another reason. Many of those cases were referred to other government agencies for action. The Commission assessed a total of \$9,500 in administrative penalties, payable to the General Fund.

Notable enforcement actions include:

**Department of Taxation, Ted Shiraishi:** Resolution of Investigation 2023-2

The Commission resolved an Investigation of Ted Shiraishi, former Administrative Rules Officer of the State of Hawai'i Department of Taxation. Mr. Shiraishi was subject to the post-employment provisions of the State Ethics Code, HRS § 84-18. As such, he was prohibited from representing another person or business for one year on any matter involving action by his former state agency. During this restriction period, Mr. Shiraishi called and sent a letter to the DOTAX rules office on behalf of his new private employer to discuss a tax matter. Mr. Shiraishi had not previously been the subject of a Commission charge or investigation. He cooperated with the Commission's investigation. He admitted to violating the Post-Employment law and expressed contriteness. He agreed to pay an administrative penalty of \$2,000 to the State of Hawai'i.

**State Public Charter School Commission, Sione Thompson:** Resolution of Charge 2023-2

The Commission resolved a Charge against Sione Thompson, the former Executive Director of the State Public Charter School Commission. While serving as the Executive Director, Mr. Thompson sat on the Board of three nonprofit organizations: RiseHI; Hawai'i Children's Action Network; and Male Hawala. These Board positions were not reported on Mr. Thompson's financial disclosure

statement. Further, while Executive Director, he awarded approximately \$500,000 in contracts to these three nonprofits. Mr. Thompson admitted he violated the Conflicts of Interest law (HRS § 84-14(a)) and the Financial Disclosure law (HRS § 84-17(f)). He agreed to pay an administrative penalty of \$5,000 to the State of Hawai'i.

**Hālau Lōkahi Public Charter School, Laara Allbrett;** Resolution of Charge 2023-1

The Commission resolved a charge against Laara Allbrett, the former Director of Hālau Lōkahi Public Charter School, Department of Education. Ms. Allbrett was the Director of Hālau Lōkahi from 2011 to July 2014. Ms. Allbrett used state funds to pay for herself and other family members to attend the graduation of her son and related expenses (total of \$2,048.43). Ms. Allbrett admitted she violated the Fair Treatment law, HRS § 84-13(a). She agreed to pay an administrative penalty of \$2,500 to the State of Hawai'i.

**Department of the Attorney General, Brandon D. Zakahi;** Resolution of Investigation 2023-1

The Commission resolved an investigation of Brandon Zakahi, a former legal clerk with the Department of the Attorney General, for violations of the confidentiality section of the State Ethics Code. Mr. Zakahi provided clerical support for deputy attorney generals. As a part of his duties and responsibilities, Mr. Zakahi sent an electronic message to Plaintiff's counsel in a particular matter that referenced confidential information that Mr. Zakahi had reviewed as a legal clerk. The information was potentially adverse to the State's defense. Mr. Zakahi admitted he violated the Confidentiality law, HRS § 84-12. He agreed to pay an administrative penalty of \$1,000 to the State of Hawai'i.

## NEPOTISM EXCEPTIONS

As of July 12, 2023 no state employee (except for employees of the legislative or judicial branches) shall "[a]ppoint, hire, promote, or retain a relative or household member to, or demote, discharge, or terminate a relative or household member from . . . a paid position in the employee's employing agency . . . ." The Commission

“may grant an exception to an employee or agency that is unable to comply with this section for good cause, including a demonstrated lack of qualified personnel or applicants.” Act 261 at (g). On May 17, 2023, the Commission delegated “the initial decision on any good cause exception application to the Executive Director.”

A total of five nepotism good cause exception applications were considered in 2023. These decisions are public and can be found on the Commission’s website at [https://hawaiiethics.my.site.com/public/s/ethics-advice/Ethics\\_Advice\\_c/OOB6R00000AwpxUAB](https://hawaiiethics.my.site.com/public/s/ethics-advice/Ethics_Advice_c/OOB6R00000AwpxUAB) or <https://ethics.hawaii.gov/opinionpubs/>.

## **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 2023, the Commission received 1,805 financial disclosure statements. Public disclosure statements (for elected officials, department directors, and other designated state officials) are available on the Commission’s “public data” portion of its website. The Commission received and published 236 gifts disclosure statements, all of which are available on the “public data” portion of the Commission’s website.

## **LOBBYISTS 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. In 2019, 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 the e-filing system for lobbying, financial disclosures, and gifts disclosures; the Commission launched a series of enhancements in 2023 to make it easier for filers to complete their forms.

In 2023, the Commission received and published 523 lobbyist registration statements, representing 448 organizations, along with 1,252 lobbyist expenditure reports.

## **FRAUD, WASTE, AND ABUSE:**

The Commission partnered with the Department of the Attorney General to launch an anti-fraud hotline aimed at identifying fraud, waste, and abuse of government funds. The agencies developed a website and online complaint form ([antifraud.hawaii.gov](http://antifraud.hawaii.gov)), dedicated phone hotline (808.587.0000), and dedicated email address ([antifraud@hawaii.gov](mailto:antifraud@hawaii.gov)) where individuals can confidentially report suspected violations. These anti-fraud resources were created to empower the public with confidential, easy-to-use methods to report potential violations.

## **OFFICE MODERNIZATION**

In 2023, the Commission adeptly negotiated a restructuring of its office lease terms, securing a favorable monthly rate reduction. Additionally, an agreement was reached to refurbish the office premises, bearing no supplementary costs for the State of Hawai'i. Having occupied the same office for approximately three decades with minimal updates, this renovation initiative was both timely and necessary. The modernization encompassed enhancements such as upgraded carpeting, installation of energy-efficient lighting, refreshed paintwork, and a reimaged office layout, all designed to optimize both operational efficiency and visual appeal.

## **SCANNING DOCUMENTS**

In 2023, the Commission successfully completed the digitization of most essential office documents, a critical step towards a paperless initiative. Approximately 75,000 pages were scanned into digital format and then safely shredded. The scanning process not only increased document accessibility and security but also paved the way for streamlined data management. By leveraging advanced optical character recognition (OCR) technology, the Commission can now more efficiently retrieve and share information, contributing to a more productive and eco-friendly work environment.



## INVENTORY OPTIMIZATION

In conjunction with reducing overall paper documentation in the office, the Commission worked to remove obsolete and unnecessary furniture items. With the approval of the Speaker of the House and Senate President, 12 filing cabinets, 9 desks, and 4 chairs were offered to other state agencies, donated to charity, or appropriately discarded. This optimization created more open and functional areas, leading to a more modern and decluttered office space.

## 2023 ETHICS IN HAWAI'I CONFERENCE

The Commission coordinated with the Honolulu Ethics Commission to organize a day-long state-wide Ethics in Hawai'i Conference, drawing participation from each county, totaling 38 attendees. Esteemed speakers, renowned in the fields of ethics and criminal justice, offered an overview of pertinent topics and emerging trends. A key focus was on contemporary ethics scandals in the news, with a discussion on how to better prevent and address corruption at the state and county level.

The conference's agenda encompassed training sessions and fostering skill development among participants. The interactive nature of the discussions facilitated robust engagement, encouraging collaborative learning, and the exchange of best practices.

A notable outcome of the event was the strengthened network of relationships between county representatives and state agencies. The collaborative spirit exhibited throughout the conference underscores a collective commitment to advancing ethical standards across Hawai'i. The Ethics in Hawai'i Conference served as a pivotal platform for professional development, knowledge dissemination, and the cultivation of collaborative partnerships, setting a constructive tone for ongoing endeavors to advance ethics on a statewide basis.

## COMMISSIONERS AND STAFF:

The Commission is comprised of five members nominated by the State Judicial Council and appointed by the Governor for four-year terms. The Commission

welcomed one new member in 2023. The current members of the Commission are Wesley Fong (Chair), Harry McCarthy (Vice Chair), Beverley Tobias, Robert Hong, and Cynthia Thielen.

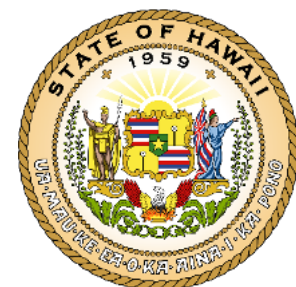
As of December 2023, the Commission employs a staff of eleven: Executive Director Robert D. Harris; Compliance Director Bonita Chang; Enforcement Director Kee Campbell; three staff attorneys (Nancy Neuffer, Jennifer Yamanuha, and Jodi Yi); Investigator Jared Elster; Computer Specialist Patrick Lui; Office Manager Caroline Choi; Secretary Lynnette Santiago; and Administrative Assistant Myles Yamamoto. The Commission is in the process of hiring a full-time analyst.

The Commission prioritizes fiscal prudence and efficiency. In 2023, the Commission was able to return \$70,124.24 of its allocated budget back to the General Fund.

## INTERNATIONAL LEADERSHIP

As a part of a national professional leadership program, Executive Director Robert Harris was selected to travel to Moldova to advise key stakeholders on necessary efforts to build an ethical democracy. There, he met with dozens of government leaders; U.S. Embassy staff; members of the media; and NGO leaders. Comparisons to Hawai'i were made based on Hawaii's leadership in being the first state to establish a constitutionally mandated ethics commission and its role in helping found the Conference on Governmental Ethics Laws (COGEL) organization.

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





Robin K. Matsunaga  
Ombudsman

Yvonne M.F. Jinbo  
First Assistant

**OFFICE OF THE OMBUDSMAN  
STATE OF HAWAII**

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**TESTIMONY OF ROBIN K. MATSUNAGA, OMBUDSMAN,  
ON H.B. NO. 2520, 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 6, 2024**

Chair Yamashita and Members of the Committee on Finance:

Thank you for the opportunity to present testimony in strong support of H.B. No. 2520. The purpose of this bill is to provide appropriations for the legislative branch, including the Office of the Ombudsman. Section 11 of this bill appropriates \$1,574,544 for the operations of the Office of the Ombudsman for FY 2024-2025. Section 13 of this bill appropriates an additional \$84,035 for accrued vacation payments and vacation transfer payments for employees who leave employment with the Office of the Ombudsman prior to June 30, 2025.

The Office of the Ombudsman was created to receive and investigate complaints about the administrative acts of state executive branch and county government agencies of the State of Hawaii. Although 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 12 months, we received 3,610 jurisdictional complaints, which is 3.8 percent less than the previous 12 month period, but still 7.6 percent more than we received during the 12-month period preceding the COVID-19 pandemic. The number of complainants who exhibit behavior that is inappropriate, hostile, and sometimes threatening continues to increase, but my office has continued to effectively investigate complaints at pre-pandemic levels of efficiency. We have been able to successfully persuade agencies to take corrective action when we have found through our investigations that an agency had not acted properly.

The appropriation in Section 11 of this bill will provide the funding needed for the office to pay for increased operating expenses, as well as salary adjustments for office staff to keep their pay equitable to that of employees in the executive and judicial branches. The appropriation in Section 13 of this bill will provide funding for vacation payouts and transfers, based on the

current composition of staff in the office. Attached for your information is a breakdown and comparison of my office's proposed budget for FY 2024-2025 and the current fiscal year.

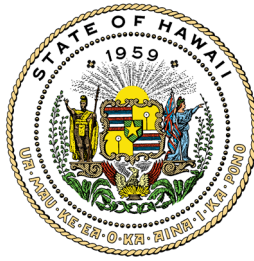
Your support of this bill and the appropriations in Sections 11 and 13 will allow my office to continue to timely, independently, and impartially investigate citizen complaints about the administrative acts of state and county agencies and their employees.

Thank you for your consideration of this testimony and for your support of my office.

## Attachment

OFFICE OF THE OMBUDSMAN  
OPERATING BUDGET  
FY 2024-2025 vs. FY 2023-2024

	<u>FY 2024-2025</u>	<u>FY 2023-2024</u>
A. PERSONAL SERVICES		
Staff Salaries	1,510,544 (14)	1,464,442 (14)
SUBTOTAL PERSONAL SERVICES	1,510,544	1,464,442
 B. OTHER CURRENT EXPENSES		
Office Supplies & Postage	6,600	6,600
Telephone	6,500	6,500
Intra-state Transportation & Subsistence	2,000	2,000
Out-of-state Transportation & Subsistence	7,000	7,000
Coronavirus Pandemic Response	0	200
Printing, Advertising & Publications	1,000	1,000
Maintenance - Office Equipment	4,500	4,500
Equipment Rental	4,700	4,700
Training/Subscriptions/Dues	7,000	7,000
Other Miscellaneous Current Expense	1,100	1,100
Computer Services	21,000	20,000
Risk Management	<u>(included w/Other)</u>	<u>(included w/Other)</u>
SUBTOTAL OTHER CURRENT EXPENSES	61,400	60,600
 C. EQUIPMENT, FURNISHINGS, & BOOKS		
Equipment	2,000	2,000
Furnishings	0	0
Books	<u>600</u>	<u>600</u>
SUBTOTAL EQUIP, FURNISHINGS, BOOKS	2,600	2,600
 <b>TOTAL OPERATING BUDGET</b>	<b><u>1,574,544</u></b>	<b><u>1,527,642</u></b>
 Vacation payout / transfers	84,035	84,035
 <b>TOTAL BUDGET REQUEST</b>	<b><u>1,658,579</u></b>	<b><u>1,611,677</u></b>



HOUSE COMMITTEE ON FINANCE  
The Honorable Kyle T. Yamashita, Chair  
The Honorable Lisa Kitagawa, Vice Chair

**Testimony in SUPPORT of H.B. No. 2520,  
Making Appropriations to Provide for the Expenses  
of the Legislature, the Auditor, the Legislative Reference Bureau,  
the Ombudsman, and the Ethics Commission.**

Hearing: Tuesday, February 6, 2024, 2:00 p.m.

The Office of the Auditor **supports** H.B. No. 2520, specifically Sections 7, 8, 9, and 13, which appropriates to the Office of the Auditor for FY2024-25: **\$3,406,800** for personnel and operational expenses; **\$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 from the Audit Revolving Fund to conduct or complete our audit functions as provided by law.

**The Office of the Auditor**

The position of Auditor is established by Art. VII, Section 10 of the State Constitution. The Office of the Auditor is responsible for conducting post audits of, among other things, the accounts and performance of State departments, agencies, and programs. We report our audit findings and recommendations to the Governor and the Legislature as well as to the audited entity. We also perform other work as directed by the Legislature.

Our audits are conducted in accordance with *Government Auditing Standards* promulgated by the Comptroller General of the United States, which require that we be independent and free of undue influence threats that impair – or can be seen as impairing – that independence.

We provide nonpartisan, unbiased, and objective assessments of State programs. More specifically, we assess whether programs are effectively and efficiently achieving their statutory purposes, providing valuable transparency into those programs and helping to answer questions the Legislature may have about how those programs are performing. And, we offer meaningful recommendations to address audit findings and to improve program performance.

## **Operating Budget**

The Office of the Auditor requests a total operating budget of **\$3,556,800**, which includes both the personnel and operating expenses of \$3,406,800, as well as an amount for special studies and other legislative requests of \$150,000. Exhibit 1 presents the budget request by objects of expenditure. Exhibit 2 shows the current appropriation and estimated expenditures.

## **Audit Revolving Fund**

The Office of the Auditor contracts with independent certified public accountants for the financial audits of 20 departments, agencies, and programs as well as the State of Hawai‘i’s Annual Comprehensive Financial Report (ACFR). We strongly support the independent audits of departments, agencies, and programs’ financial statements. Among other things, independent audits provide assurance that their respective financial statements are presented fairly in accordance with generally accepted accounting principles. State departments, agencies, and programs must be accountable for their use of public funds, and the financial audit is one aspect of that accountability. Moreover, the State’s ACFR is reviewed by credit-rating agencies in evaluating the State’s credit risk. The State’s credit rating has a significant impact on how much money the State can borrow to finance projects and the cost of that financing.

State departments, agencies, and programs receiving federal grants and other awards are also required to have financial audits as well as reviews of their respective compliance with the terms of those grants and awards. The contracts issued by the Office of the Auditor include those compliance reviews, referred to as single audits, for those departments, agencies, and programs that require single audits, including the single audit of the State of Hawai‘i. The cost of financial and single audits contracted by the State Auditor are paid through the Audit Revolving Fund, and some departments, agencies, and programs reimburse all or part of those costs, which are deposited into the fund.

The financial statement audit contracts that we administer through our Audit Revolving Fund are listed on Exhibit 3.<sup>1</sup> The proposed sum of \$2,800,000 will ensure sufficient funds to pay for these financial and single audits.

## **Our Work**

Exhibit 4 is a list of the reports that we issued to the Legislature in 2023 and 2024. The work includes audits of the Office of Hawaiian Affairs and the Hawai‘i State Hospital’s implementation of the Hawai‘i Information Portal (HIP), as well as statutorily required reviews of the special funds, revolving funds, trust funds, and trust accounts maintained by the Department of Public Safety, the Department of Labor and Industrial Relations, the Department of Agriculture, the Department of Defense, the Department of Accounting and General Services, and the Department of Budget and Finance. We additionally issued reports on statutorily

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<sup>1</sup> 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 paid from our operating budget.

required reviews of legislative proposals to require health insurers to provide coverage for fertility preservation services for cancer patients, various sexual and reproductive health care services, and services provided by pharmacists.

We are in the process of completing statutorily required reviews of certain tax credits, exemptions, and exclusions under the General Excise Tax and income tax laws. Sections 23-72, et seq. and 23-91, et seq., Hawai'i Revised Statutes, require us to review a number of different tax exemptions, exclusions, credits, and deductions each year.

We completed an assessment of the implementation of audit recommendations contained in Report No. 18-18 by the Office of Health Care Assurance's Adult Residential Care Homes Program. Generally, we conduct active follow-up on the status of an agency's implementation of our audit recommendations two to three years after issuance of an audit report. An omnibus report on the general implementation of recommendations from 2018 through 2021 was issued separately in November 2023.

The State of Hawai'i's ACFR was issued on January 29, 2024. 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 ACFRs that evidence the spirit of transparency and full disclosure; we hope the State earns that same award this year. On-time issuance of the ACFR and achievement of GFOA's award can positively affect the State's ability to issue general obligation bonds to fund capital improvement projects. We are working to provide support and expect the statewide Single Audit to issue by its March 31, 2024 deadline.

We are reviewing bills that propose to create new special or revolving funds and will be providing the Legislature with a report no later than 30 days prior to *sine die* that assesses whether those proposed funds meet certain statutory criteria as required by Section 23-11, Hawai'i Revised Statutes.

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. 2520.



**OFFICE OF THE AUDITOR**  
**Statement Showing Budget for Office Operations**  
**By Object of Expenditure for FY2024-2025**

Exhibit 1

**Operating Budget**

Personal services:

Staff salaries	\$3,015,504
Salary Commission Increase	8,296
Total personal services	<u>3,023,800</u>
Contractual Services	194,916
	<u>3,218,716</u>

Other expenses:

Office expenses	47,500
Intrastate transportation and travel	4,800
Out-of-state travel	42,000
Training	20,000
Printing	5,000
Rental and maintenance of equipment	20,000
Books	500
Equipment	46,284
Miscellaneous	2,000
	<u>188,084</u>
Total other expenses	<u>188,084</u>

**Total Operating Budget** **\$3,406,800**

**Special Studies Appropriation** **\$150,000**

**Vacation Payments Appropriation** **\$68,106**

**Audit Revolving Fund** **\$2,800,000**

**OFFICE OF THE AUDITOR**  
**Statement Showing Budget and Estimated Expenditures**  
**By Object of Expenditure for FY2023-2024**

Exhibit 2

	<b>Budget</b>	<b>Estimated</b>	<b>Variance</b>
Personal services:			
Staff salaries	\$ 2,941,364	\$ 2,414,131	\$ 527,233
Contractual services	194,916	194,916	-
Total personal services	\$ 3,136,280	\$ 2,609,047	\$ 527,233
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	20,000	20,000	-
Printing	5,000	5,000	-
Rental and maintenance of equipment	20,000	20,000	-
Books	500	500	-
Equipment	46,284	46,284	-
Advertising	-	-	-
Miscellaneous	2,000	2,000	-
Total other expenses	\$ 188,084	\$ 188,084	\$ -
TOTAL	\$ 3,324,364	\$ 2,797,131	\$ 527,233
Special Studies Appropriation (Act 3, SLH 2023)	\$ 150,000	\$ -	\$ 150,000
Vacation Payments Appropriation (Act 3, SLH 2023)	\$ 68,106	\$ 68,106	\$ -
Audit Revolving Fund Appropriation (Act 3, SLH 2023)	\$ 2,800,000	\$ 2,800,000	\$ -

**OFFICE OF THE AUDITOR  
AUDIT REVOLVING FUND  
FY2025 - BUDGET REQUEST**

# of Contracts	Department - Agency Financial Statement (and Single Audits, as applicable) Audits	Expenditure Ceiling Request Projected FYE 2024 Fees	Funding Source Breakdown			General Fund Request (General Fund portion of fees)
			General Fund	Non-GF (Reimbursement)		
	Department of Accounting and General Services					
1	ACFR-Combined Single Audits	\$ 1,600,000	100.0%	0.0%	n/a	\$ 1,600,000
	ICSD - SSAE 16: IT Controls					
2	Department of the Attorney General	\$ 127,000	55.0%	45.0%	Federal	\$ 69,850
	Department of Budget and Finance					
3	Hawaii Employer - Union Health Benefits Trust Fund	\$ 250,000	0.0%	100.0%	Trust	\$ -
4	Employees' Retirement System	\$ 257,749	0.0%	100.0%	Other Non-GF	\$ -
	Department of Business, Economic Development & Tourism					
5	Stadium Authority	\$ 61,500	0.0%	100.0%	Special	\$ -
6	Hawaii Housing Finance & Development Corporation	\$ 215,242	0.0%	100.0%	Special	\$ -
7	HTA - Hawaii Tourism Authority	\$ 125,000	0.0%	100.0%	Special	\$ -
	Hawaii Convention Center - Special Purpose F/S					\$ -
8	Hawaii Community Development Authority	\$ 45,000	0.0%	100.0%	Special	\$ -
9	Department of Commerce and Consumer Affairs	\$ 167,000	0.0%	100.0%	Special	\$ -
10	Department of Education	\$ 500,000	90.0%	10.0%	Federal	\$ 450,000
11	Department of Hawaiian Home Lands	\$ 150,000	0.0%	100.0%	Trust	\$ -
12	Department of Health					
	Water Pollution Control Revolving Fund	\$ 385,500	70.0%	30.0%	Federal	\$ 269,850
	Drinking Water Treatment Revolving Loan Fund					
	Deposit Beverage Container Program	\$ 52,500	Charge back 100% to DBC program			\$ -
13	Department of Human Services	\$ 445,000	44.56%	55.44%	Federal	\$ 198,301
14	Hawaii Public Housing Authority	\$ 335,000	0.0%	100.0%	Various	\$ -
15	Department of Land and Natural Resources	\$ 127,300	0.0%	100.0%	Special	\$ -
	Department of Transportation					
16	Administration	\$ 42,000	0.0%	100.0%	Special	\$ -
17	Airports	\$ 384,375	0.0%	100.0%	Special	\$ -
18	Harbors	\$ 250,000	0.0%	100.0%	Special	\$ -
19	Highways	\$ 355,000	0.0%	100.0%	Special	\$ -
20	Oahu Metropolitan Planning Organization	\$ 53,000	0.0%	100.0%	Special	\$ -
<b>TOTAL Managed 20 Contracts:</b>		<b>\$ 5,928,166</b>				<b>\$ 2,588,001</b>
<b>Reserve for Estimated Adjustments/Overages:</b>		<b>\$ 371,834</b>				<b>\$ 211,999</b>
<b>TOTAL Requested Budget Amounts:</b>		<b>\$ 6,300,000</b>				<b>\$ 2,800,000</b>

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

Report No.	Title
<b>Performance audits and other reports issued in 2023</b>	
23-01	Sunset Evaluation: Regulation of Appraisal Management Companies
23-02	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Public Safety
23-03	Study of Proposed Mandatory Health Insurance Coverage for Early Access Breast Cancer Screening
--	2022 Annual Report
23-04	Audit of the Office of Hawaiian Affairs
23-05	Analyses of Proposed Special and Revolving Funds 2023
23-06	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Labor and Industrial Relations
23-07	Financial and Program Audit of the Department of Health's Deposit Beverage Container Program, June 30, 2022
23-08	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>
23-09	Report on the Implementation of State Auditor's Recommendations 2018 - 2021
23-10	Study of Proposed Mandatory Health Insurance Coverage for Various Sexual and Reproductive Health Care Services
23-11	Study of Proposed Mandatory Health Insurance Coverage for Standard Fertility Preservation Services
23-12	Proposed Mandatory Health Insurance Coverage for Pharmacist Services
23-13	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Agriculture
23-14	Review of General Excise and Use Tax Provisions Pursuant to Section 23-75, Hawai'i Revised Statutes

**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2023 and 2024 Legislatures**

**Exhibit 4**

Report No.	Title
<b>Performance audits and other reports issued in 2023</b>	
23-15	Review of Income Tax Provisions Pursuant to Section 23-94, Hawai'i Revised Statutes
23-16	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Defense
23-17	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Accounting and General Services

**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2023 and 2024 Legislatures**

**Exhibit 4**

Report No.	Title
<b>Performance audits and other reports issued and to be issued in 2024</b>	
24-01	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Budget and Finance
24-02	Audit of the Hawai'i State Hospital's Implementation of the Hawai'i Information Portal
24-xx	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Land and Natural Resources
24-xx	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Transportation
24-xx	Audit of the Department of Human Services' Child Welfare Services Branch
24-xx	Audit of the Driver Education Program
24-xx	Audit of the Hawai'i Tourism Authority
24-xx	Report on the Department of Education's Cool Classrooms Initiative
24-xx	Audit of the Department of Human Services' Med-QUEST Division
24-xx	Follow-Up on Recommendations from Report No. 19-12, <i>Audit of the Department of Land and Natural Resources' Special Land and Development Fund</i>
24-xx	Follow-Up on Recommendations from Report No. 19-13, <i>Audit of the Department of Education's Administration of School Impact Fees</i>
24-xx	Follow-Up on Recommendations from Report No. 21-01, <i>Audit of the Agribusiness Development Corporation</i>
24-xx	Review of General Excise and Use Tax Provisions Pursuant to Section 23-76, Hawai'i Revised Statutes
24-xx	Review of Income Tax Provisions Pursuant to Section 23-95, Hawai'i Revised Statutes
24-xx	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of the Attorney General
24-xx	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Business, Economic Development and Tourism

**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2023 and 2024 Legislatures**

**Exhibit 4**

Report No.	Title
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**Performance audits and other reports issued and to be issued in 2024**

24-xx	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the University of Hawai'i
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--	2023 Annual Report
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**Proposed fund reviews**

--	We expect to perform approximately 60 - 70 reviews of proposed special and revolving funds during the 2024 legislative session.
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***Financial Statements and Single Audit Reports***

Financial statement audits issued in 2023	Performed by:
State of Hawai'i <b>Annual Comprehensive Financial Report</b> - June 30, 2022	Accuity LLP
State of Hawai'i <b>Single Audit Report</b> - June 30, 2022	Accuity LLP
Department of Accounting and General Services, <b>Stadium Authority</b> - June 30, 2022 Financial Statements and Single Audit Report	N&K CPAs, Inc.
<b>Department of the Attorney General</b> - June 30, 2021 Financial Statements and Single Audit Report	KPMG LLP
Department of Budget and Finance, <b>Employees' Retirement System of the State of Hawai'i</b> - June 30, 2021 Financial Statements	KPMG LLP
Department of Budget and Finance, <b>Hawai'i Employer-Union Health Benefits Trust Fund</b> - June 30, 2022 Financial Statements	KKDLY LLC
Department of Business, Economic Development and Tourism, <b>Hawai'i Community Development Authority</b> - June 30, 2022 Financial Statements	KKDLY LLC
Department of Business, Economic Development and Tourism, <b>Hawai'i Housing Finance and Development Corporation</b> - June 30, 2022 Financial Statements and Single Audit Report	Accuity LLP
Department of Business, Economic Development and Tourism, <b>Hawai'i Tourism Authority</b> - June 30, 2022 Financial Statements	Accuity LLP
<b>Department of Education</b> - June 30, 2022 Financial Statements and Single Audit Report	Accuity LLP
<b>Department of Hawaiian Home Lands</b> - June 30, 2022 Financial Statements and Single Audit Report	Akamine, Oyadomari & Kosaki CPA's, Inc.
<b>Department of Health</b> , State of Hawai'i - June 30, 2022 Financial Statements and Single Audit Report	KMH LLP
Department of Health, <b>Drinking Water Treatment Revolving Loan Fund</b> - June 30, 2022 Financial Statements	KMH LLP
Department of Health, <b>Water Pollution Control Revolving Fund</b> - June 30, 2022 Financial Statements	KMH LLP



**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2023 and 2024 Legislatures**

**Exhibit 4**

<b>Financial statement audits issued in 2023 (cont.)</b>	<b>Performed by:</b>
<b>Department of Human Services</b> - June 30, 2022 Financial Statements and Single Audit Report	Accuity LLP
Department of Human Services, <b>Hawai'i Public Housing Authority</b> - June 30, 2022 Financial Statements	KMH LLP
Department of Human Services, <b>Hawai'i Public Housing Authority</b> - June 30, 2022 Single Audit Report	KMH LLP
Department of Transportation, <b>Administration Division</b> - June 30, 2022 Financial Statements and Single Audit Report	KKDLY LLC
Department of Transportation, <b>Airports Division</b> - June 30, 2022 Financial Statements	KPMG LLP
Department of Transportation, <b>Airports Division</b> - June 30, 2022 Single Audit Report	KPMG LLP
Department of Transportation, <b>Harbors Division</b> - June 30, 2022 Financial Statements	Accuity LLP
Department of Transportation, <b>Highways Division</b> - June 30, 2022 Financial Statements	Accuity LLP
Department of Transportation, <b>Highways Division</b> - June 30, 2022 Single Audit Report	Accuity LLP
Department of Transportation, <b>Oahu Metropolitan Planning Organization</b> - June 30, 2022 Financial Statements and Single Audit Report	Accuity LLP

**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2023 and 2024 Legislatures**

**Exhibit 4**

<b>Financial statement audits issued and to be issued in 2024</b>	<b>Performed by:</b>
State of Hawai'i <b>Annual Comprehensive Financial Report</b> - June 30, 2023*	Accuity LLP
State of Hawai'i <b>Single Audit Report</b> - June 30, 2023*	Accuity LLP
<b>Department of the Attorney General</b> - June 30, 2022 Financial Statements and Single Audit Report*	KKDLY LLC
<b>Department of the Attorney General</b> - June 30, 2023 Financial Statements and Single Audit Report*	KKDLY LLC
Department of Budget and Finance, <b>Employees' Retirement System of the State of Hawai'i</b> - June 30, 2022 Financial Statements	Eide Bailly LLP
Department of Budget and Finance, <b>Employees' Retirement System of the State of Hawai'i</b> - June 30, 2023 Financial Statements*	Eide Bailly LLP
Department of Budget and Finance, <b>Hawai'i Employer-Union Health Benefits Trust Fund</b> - June 30, 2023 Financial Statements	KKDLY LLC
Department of Business, Economic Development and Tourism, <b>Hawai'i Community Development Authority</b> - June 30, 2023 Financial Statements	KKDLY LLC
Department of Business, Economic Development and Tourism, <b>Hawai'i Convention Center</b> - June 30, 2022 Special Purpose Financial Statements	Accuity LLP
Department of Business, Economic Development and Tourism, <b>Hawai'i Convention Center</b> - June 30, 2023 Special Purpose Financial Statements*	Accuity LLP
Department of Business, Economic Development and Tourism, <b>Hawai'i Housing Finance and Development Corporation</b> - June 30, 2023 Financial Statements and Single Audit Report	Eide Bailly LLP
Department of Business, Economic Development and Tourism, <b>Hawai'i Tourism Authority</b> - June 30, 2023 Financial Statements*	Accuity LLP
Department of Business, Economic Development and Tourism, <b>Stadium Authority</b> - June 30, 2023 Financial Statements	N&K CPAs, Inc.
<b>Department of Education</b> - June 30, 2023 Financial Statements and Single Audit Report*	Accuity LLP
<b>Department of Hawaiian Home Lands</b> - June 30, 2023 Financial Statements and Single Audit Report*	Akamine, Oyadomari & Kosaki CPA's, Inc.

**Office of the Auditor**  
**Current Projects and Reports Submitted to the 2023 and 2024 Legislatures**

**Exhibit 4**

Financial statement audits issued and to be issued in 2024 (cont.)	Performed by:
<b>Department of Health</b> , State of Hawai'i - June 30, 2023 Financial Statements and Single Audit Report*	KMH LLP
Department of Health, <b>Drinking Water Treatment Revolving Loan Fund</b> - June 30, 2023 Financial Statements	KMH LLP
Department of Health, <b>Water Pollution Control Revolving Fund</b> - June 30, 2023 Financial Statements	KMH LLP
<b>Department of Human Services</b> - June 30, 2023 Financial Statements and Single Audit Report*	Accuity LLP
Department of Human Services, <b>Hawai'i Public Housing Authority</b> - June 30, 2023 Financial Statements	KMH LLP
Department of Human Services, <b>Hawai'i Public Housing Authority</b> - June 30, 2023 Single Audit Report*	KMH LLP
<b>Department of Land and Natural Resources</b> - June 30, 2021 Financial Statements*	N&K CPAs, Inc.
<b>Department of Land and Natural Resources</b> - June 30, 2022 Financial Statements*	N&K CPAs, Inc.
Department of Transportation, <b>Administration Division</b> - June 30, 2023 Financial Statements and Single Audit Report	KKDLY LLC
Department of Transportation, <b>Airports Division</b> - June 30, 2023 Financial Statements	Plante & Moran, PLLC
Department of Transportation, <b>Airports Division</b> - June 30, 2023 Single Audit Report*	Plante & Moran, PLLC
Department of Transportation, <b>Harbors Division</b> - June 30, 2023 Financial Statements	Accuity LLP
Department of Transportation, <b>Highways Division</b> - June 30, 2023 Financial Statements*	Accuity LLP
Department of Transportation, <b>Highways Division</b> - June 30, 2023 Single Audit Report*	Accuity LLP
Department of Transportation, <b>Oahu Metropolitan Planning Organization</b> - June 30, 2023 Financial Statements and Single Audit Report*	N&K CPAs, Inc.

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

**HB-2520**

Submitted on: 1/31/2024 3:55:28 PM

Testimony for FIN on 2/6/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Justin Silva	Individual	Oppose	Written Testimony Only

Comments:

In accordance with section 9 of article VII of 2 the Constitution of the State of Hawaii and sections 37—91 and 3 37—93, Hawaii Revised Statutes, the legislature has determined that the general fund expenditure ceiling for fiscal year 2023—2024 has already been exceeded by \$1,005,342,735, or 9.4 per cent. The appropriations contained in sections 2, 3, and 13 of this Act will cause the state general fund expenditure ceiling for fiscal year 2023-2024 to be further exceeded by \$28,572,120, or 1.0 per cent.

**HB-2520**

Submitted on: 2/1/2024 10:51:40 AM

Testimony for FIN on 2/6/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Alan Urasaki	Individual	Support	Written Testimony Only

Comments:

I support funding of the office of the Ombudsman. They do important work for the state and it's citizens. Please support this measure. Thank you for your consideration on this matter. Mahalo.