

STAND. COM. REP. NO.

1702

Honolulu, Hawaii

APR 10 2007

RE: GOV. MSG. NO. 265

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Tourism and Government Operations, to which was referred Governor's Message No. 265, submitting for study and consideration the nomination of:

COMPTROLLER OF THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

G.M. No. 265 RUSS K. SAITO,
for a term to expire 12-6-2010,

begs leave to report as follows:

Your Committee received testimony in support of the nominee from the Department of Human Resources Development; Automotive Management Division, Department of Accounting and General Services; Campaign Spending Commission; State Procurement Office; U.S. Small Business Administration; a Honolulu City Council Member; a Maui County Council Member; First Hawaiian Bank; Hawaiian Telcom; Grove Farm; Outrigger Enterprises, Inc.; Questor Associates; Ralph S. Inouye Co Ltd; Subcontractors Association of Hawaii; Building Industry Association; Structural Engineers Association of Hawaii; Masa Fujioka & Associates; Coalition of Hawaii Engineering & Architectural Professionals; Hidano Construction, Inc.; Hawaii Island Contractors' Association; General Contractors Association of Hawaii; GJB & Associates LLC; American Society of Civil Engineers; American Council of Engineering Companies of Hawaii; The American Institute of Architects Hawaii State Council; and nineteen individuals.

Russ K. Saito currently serves as the Comptroller, originally appointed in December, 2002. The nominee received a Bachelors and Masters Degree in Electrical Engineering from the University of

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Hawaii, and a Masters Degree in Business Management from Central Michigan University, Hawaii Campus.

Mr. Saito's experience includes various management positions with GTE/Verizon from 1977 to 2002, and staff engineer positions with that company from 1968 to 1977.

Mr. Saito's notable accomplishments as Comptroller include: (1) improving the speed of payment to contractors and streamlining the financial management process; (2) improving the fairness and openness of the procurement process; (3) promoting the adoption of administrative rules to help small businesses to grow in areas critical to the State's economy; (4) improving the way the State responds to emergencies; establishing effective project management and standards based control of public works and information technology implementation and operations; (5) overseeing the transfer of school repair and maintenance and construction programs to the Department of Education; and (6) expediting the creation of transitional housing and shelter space.

More specifically, your Committee further notes that Mr. Saito has, among other things:

- (1) With regard to procurement, increased openness and fairness in the award of state contracts, and brought efficiency, integrity, and transparency to the State procurement process;
- (2) With regard to financial reporting, on behalf of the State of Hawaii being awarded the Certificate of Achievement for Excellence in Financial Reporting for the Department of Accounting and General Services Comprehensive Annual Financial Report, for every report since 2003;
- (3) With regard to paying vendors for goods and services, provided the State with optimized financial management by establishing the Accounting and Audit Review Committee to address statewide accounting and auditing policy, review action plans for resolving audit findings, and provide monthly management reports;
- (4) With regard to government accessibility, helped improve citizen access by offering electronic newsletters, web-cast events and news conferences, emails to the Governor



from the public, and online applications for service on boards and commissions;

- (5) With regard to the transaction of government business, facilitated the doing of business between the State and private citizens over the Internet;
- (6) With regard to promoting small business, set aside smaller contracts for award to small businesses and required that large contractors be evaluated in part on their use of small businesses as subcontractors on larger contracts;
- (7) With regard to natural disasters, facilitated a program to enable state buildings to withstand the effects of natural and man-made disasters; and
- (8) With regard to land management, has digitized the land court and file plan map collection and is currently digitizing shoreline maps and photographs.

Mr. Saito received unanimous support from testifiers, including high praises for his efficiency, fairness, promptness, and integrity. Your Committee has been pleased with the nominee's testimony on a myriad of measures considered by your Committee. Mr. Saito gives straightforward answers, rational reasons, background information, and documentation.

Mr. Saito states in his testimony that he has tried to perform his duties responsibly and with integrity, and to treat all people with respect and fairness. During his tenure as Comptroller, he has strived to make a difference in restoring trust in government and making government work better. In sum, Mr. Saito reiterates his goals for the Department of Accounting and General Services (DAGS), to mirror DAGS mission statement, "To help agencies better serve the public by providing, at best value and with integrity: superior public facilities, expert technology solution and services, operational support, fiscal guidance, oversight of administrative services and preservation and promotion of cultural heritage." These are goals that are congruent with your Committees' view of the mission of DAGS.

As affirmed by the records of votes of the members of your Committee on Tourism and Government Operations that are attached to this report, your Committee, after full consideration of the



background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Respectfully submitted on
behalf of the members of the
Committee on Tourism and
Government Operations,


CLARENCE K. NISHIHARA, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

**Record of Votes of the
 Committee on Tourism and Government Operations
 TSG
 (Advise and Consent)**

Governor's Message No.:* GM 265	Committee Referral: TSG	Date: 3-22-07		
<input type="checkbox"/> The Committee is reconsidering its decision.				
The Recommendation is to:				
<input checked="" type="checkbox"/> Advise and Consent (2340) <input type="checkbox"/> Not Advise and Consent (2345)				
Members	Aye	Aye (WR)	Nay	Excused
NISHIHARA, CLARENCE K. (C)	/			
KIM, DONNA MERCADO (VC)	/			
TSUTSUI, SHAN S.	/			
TRIMBLE, GORDON	/			
TOTAL	4			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one Governor's Message per Record of Votes