

DEPARTMENT OF AGRICULTURE
SUPPLEMENTAL BUDGET REQUEST FOR FISCAL BIENNIUM 2008-2009

Program Structure Number: 10 01 04 02

Program I.D. and Title: AGR 812 - Measurement Standards

I. Introduction

A. Summary of Program Objectives

To minimize inaccuracy or fraudulent practices in commercial measurement, labeling, and pricing to reduce losses for sellers and consumers through a program of licensing, inspecting, testing, calibrating, and investigating complaints.

B. Description of Program Activities

The measurement standards program consists of two major areas:

1. Standards and Trade Practices Enforcement Section. Responsible for programs that assure transactions or processes involving measuring instruments, product standards, and packages of consumer commodities are accurate and fair to all parties involved.
2. Standards and Technical Services Section. Responsible for programs assuring that physical standards used for measurement in the state conform to national measurement standards, ensuring that standards used by Division personnel and industry in the State are accurate and traceable to national standards, and testing certain commodities for compliance with quality standards.

C. Explain how your Program intends to meet its objectives within this biennium.

Continue to inspect and test devices and check labeling, net content and pricing to the extent possible with reduced staffing. Emphasis will be placed on areas where the greatest non-compliance has been experienced in the past. Changes will be made to the rules to gain assistance from registered service agencies in inspecting non-defective devices. Registration fees will be increased to more adequately cover the costs of conducting the inspections.

II. Program Performance Results

A. Discuss the performance results achieved by your program in FY 2007.

The compliance rate of commercial devices remained stable at around 86%, with only 30% of the commercial devices registered being inspected during FY 07. There were 126 requests for label analysis in FY 07. During FY 07, 19 stores were inspected for price verification, 100 percent of them met the minimum tolerance of less than two percent overcharge errors.

The program continues to investigate complaints. The program received and investigated 6 odometer complaints, a significant decrease from the 15 investigations done in FY 06.

B. Explain how these results relate to the program's objectives and the department's mission.

The program has a direct connection to agriculture and the sale of agricultural commodities through the registration and testing of commercial measuring devices. The program also supports agriculture through the enforcement of specific agricultural labeling requirements. A robust measurement standards regulatory and enforcement program provides the market infrastructure and enforcement framework necessary to facilitate a healthy and prosperous economy.

Accurate measuring devices assure producers and consumers of agricultural commodities and other products that they are receiving true measure, which affects revenue received, and value for the price paid. Enforcement of labeling requirements, in part, helps to assure that products claimed to be from Hawaii actually are from Hawaii and protects this market niche for producers of Hawaii diversified agricultural products. Enforcement of specific agricultural labeling requirements for Hawaii-grown coffee, Hawaiian macadamia nuts, Koa wood, and Island Fresh milk also enhances the use of Hawaii produced products. The verification of pricing accuracy further improves the consumer's confidence in the marketing system. This program in general creates equity in the market place, which brings value to both the business and the consumer. The program provides value to businesses by providing a level playing field. The program provides value to the public by ensuring that commodities offered for sale have been accurately measured.

C. Explain how the effectiveness of the program is measured (i.e., outcome, measures of effectiveness, benchmarks, etc.) and compare with the performance results achieved during the past 2 years.

The compliance rate for devices, labels and prices inspected continues to be the major measures of program effectiveness. Compliance for all devices has been around 86% in the past few years and this continues to be the area where the greatest manpower resources are devoted. Labeling and content compliance rates have both been in the 97% to 100% range for the past two years. Pricing compliance has increased from 98% to 100%; this area will continue to have increased effort to improve compliance.

D. Discuss actions taken by your program to improve its performance results.

The program is reviewing and revising standard operating procedures and Chapter 87 and Chapter 96 administrative rules. The program is evaluating the appropriate use of the authority to adopt rules that would authorize registered private service agencies to conduct annual inspection of devices. Before these rules are adopted the capabilities of the service agencies need to be evaluated. There are perceived advantages to this approach that would allow the department to only randomly check the devices that are determined "correct" by the service agencies and spend more time on the devices reported to be in error, repaired, or newly placed in service. The program is implementing trend analysis, pareto analysis and

causal analysis and corrective actions directed at systemic problems. The program is also working on improving the reliability and repeatability of inspections.

The program is in the process of evaluating an upgrade in hardware and software applications that will make the program inspection activities more efficient. Specifically, the program is developing a method of inspecting taxi meters that utilized Radio Frequency Identification (RFID) technology to automatically enter business, taxi, and inspection information via RFID. The hardware and software upgrades are designed to keep more accurate records of business information and inspection data while reducing the amount of time it takes an inspector to carry out some types of inspections.

- E. Please identify all modifications to your program's performance measures and discuss the rationale for these modifications.

No modifications were made to this program's performance measures.

III. Issues and Problems

- A. Discussion of issues or problems encountered by program.

The Maui district is without a resident inspector due to a retirement however recent interviews have been held for this position. Honolulu is short two inspectors due to resignation. Inspectors have to travel to neighbor islands when critical needs arise. The current budget appropriation does not contain the resources necessary to train new inspectors, purchase essential equipment for field data collection and upgrades to the metrology laboratory, or replace aging program vehicles. Paper based field data collection and manual data entry continue to contribute to inefficient man hour utilization, inaccurate data entry and a lack of data analysis capabilities.

- B. Program change recommendations to remedy problems.

Fill the vacant position on Maui and the two vacant positions in the Honolulu office. The program is evaluating the appropriate use of the authority to adopt rules that would authorize registered private service agencies to conduct annual inspection of devices. Revision and adoption of Chapters 87 and 96 administrative rules will significantly increase deposits to the general fund. Pricing on fuel meter licensing has been increased and will bring in over \$100,000 annually to the general fund. The program is in the process of evaluating the purchase of equipment and software upgrades that will allow for the elimination of the paper based data collection and data entry system, improve manpower utilization, keep more accurate business records and inspection data and reduce the overall amount of time it takes an inspector to carry out some types of inspections. Development of the RFID taxi meter project will be facilitated through the development of an RFID laboratory within the division.

- C. Identify any program issues or problems that have affected or will affect the implementation of the program, and the corrective measures or remedies established or planned.

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The program has initiated the process to fill all vacant positions and submitted the requests to fill to Budget and Finance. The program is seeking collaborative partnerships with businesses and industry to develop the hardware and software applications necessary to implement the RIFD project.

IV. Expenditures for FY 2007-2008

	Appropriation Act 213/07 <u>FY 08</u>	Collective Bargaining <u>Augmentation</u>	Transfer <u>In/Out</u>	Restriction/ <u>Specific Appn</u>	Net Allocation Est. Total <u>Expenditure</u>
(Pos Ct)	(15.00)				(15.00)
Pers Svcs	632,580	13,000			645,580
Current Expenses	86,565				86,565
Equipment					
Motor Vehicles	(15.00)				(15.00)
Total	719,145	13,000			732,145
Less:					
(Pos Ct)	(15.00)				(15.00)
General Fund	719,145	13,000			732,145

- A. Explain all transfers within the program I.D. and its impact on the program. N/A
- B. Explain all transfers between program I.D.s and its impact on the program. N/A
- C. Explain all Governor's restrictions and the impact on the program. None

V. Budget Request for Fiscal Biennium 2008-09

<u>Act 213/07 FY 08-09</u>	<u>Budget Request FY 08-09</u>	<u>Total Requirements</u>
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(Pos Count)	(15.00)	(15.00)
Personnel Svcs	632,580	632,580
Current Expenses	86,565	86,565
Equipment		
Motor Vehicle		
	(15.00)	(15.00)
TOTAL REQUIREMENTS	719,145	719,145
Less:		
(Pos Ct)	(15.00)	(15.00)
General Fund	719,145	719,145

A. Description and Explanation for Each Request

There are no Supplemental Budget Requests.

VI. Restrictions/Reductions. None

VII. CIP Request for Fiscal Biennium 2008-09. None

VIII. Proposed Lapses of Capital Improvements Program Projects. None