

PRESENTATION OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
TO THE SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION,
AND AFFORDABLE HOUSING
SUPPLEMENTAL BUDGET REQUEST FOR FISCAL YEAR 2009

TWENTY FOURTH STATE LEGISLATURE
REGULAR SESSION

JANUARY 18, 2008

TO THE HONORABLE RUSSELL S. KOKUBUN, CHAIR
AND MEMBERS OF THE COMMITTEE

Program Structure Number: 10 01 03 04

Program ID: CCA-105

Program Title: Professional and Vocational Licensing

Page References in the Multi-Year Program and Financial Plan:

1. Introduction:

a. Summary of program objectives.

To ensure that the individual is provided with professional, vocational, and personal services meeting acceptable standards of quality, equity and dependability by establishing and enforcing appropriate service standards; to regulate activities for the protection, welfare and safety of the participants as well as the public.

Statutory reference: Chapters 373, 421H, 436B, 436E, 437, 437B, 438, 439, 440, 441, 442, 443B, 444, 447, 448, 448E, 448F, 448H, 451A, 451D, 451J, 452, 453, 454, 455, 457, 457A, 457B, 457G, 458, 459, 460, 460J, 461, 461J, 462A, 463, 463E, 464, 465, 466, 466K, 467, 467E, 468E, 468L, 468M, 471, 484, 514A, and 514E, HRS.

b. Description of program objectives.

Present your summary of objectives and activities as discussed in the Multi-Year Program and Financial Plan.

The program receives and processes applications, examines, licenses and renews licenses of individuals or businesses seeking to do business and provides other services to licensees, boards and commissions, and programs.

c. Explain how your program intends to meet its objectives in the upcoming supplemental year.

The program will continue to provide services to its clients and the public. We will seek to streamline and improve efficiency through advancing legislative proposals and rule amendments, and implementing them upon enactment, and through effective use of technology based processes.

2. Program Performance Results:

a. Discuss the performance results achieved by the program in FY 07.

In FY 2007, the program advanced two legislative proposals to streamline and provide more flexible licensing standards. These two proposals were enacted into law. We continued to seek new technology to improve services. We offered a 10% “customer appreciation credit (CAC) for online renewals.

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

Improvements in overall efficiency and additional licensing and fee flexibility benefit our clients and the public.

c. Explain how the effectiveness of the program is measured (i.e.: outcomes, measures of effectiveness, benchmarks, etc.) and discuss the performance results achieved during the past two years.

The effect of programs is measured by the following measures of effectiveness in our variance report:

	<u>FY 06-07</u>
No. of applications received	17,042
No. of applicants licensed	13,158
No. of licenses renewed	58,424
No. of update transaction for licensees	227,796
Total licensee population (all statuses)	303,237
% new licenses issued within 10-12 business days	93%
% renewals issued within 10-12 business days	90%
No. of condominium requests and educational offerings	60,262
No. of real estate requests and educational offerings	95,051

Although we continue to receive a positive flow of applications, licenses issued decreased in the areas of real estate, nursing, mental health counselors and dental. Economic conditions have engendered a decrease in real estate, nurses opted to delay licensing for cost savings, mental health counselor licensing requirements changed and licensing by credentialing for dentists was repealed. While there were decreases in real estate requests, the variance is not significant or a sign of negative indications. The decrease is due to the increased availability of real estate related educational material and real estate licensing information on the Real Estate Commission’s website and other related internet resources. The decrease in the percentage of renewals processed in a timely manner was due to an increase in renewals and where renewals during the fiscal year involved posting of employment, insurance and bond information, which is more time consuming.

d. Discuss actions taken by the program to improve its performance results.

Continuation of streamlining requirements and procedures, information technology (IT)

initiatives with current programs and introduction of new IT programs, and a focus on improved customer service will improve licensing processes. We anticipate putting more information on-line to increase outreach efforts to condominium and real estate communities, and to provide more on-line filing where feasible.

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

None.

3. **Problems and Issues:**

- a. **Discussion of problems and issues encountered, if any.**

On a FY basis, expenditures are currently matched by incoming revenues. The program has a sufficient reserve. The program will need to continue to closely monitor out year expenditures and revenues and the impact of the 25% customer appreciation credit implemented in FY 08, to ensure self sufficiency (with reserve).

- b. **Program change recommendations to remedy problems.**

The program will continue to maintain some level of vacancy savings provided services to its clients are maintained at its current level. On-line services will continue to be explored as a means to reduce operating costs.

- 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.**

Economic conditions have been favorable which have increased yearly revenues for the program to offset expenditures, even though slightly. Should there be a decrease in yearly revenues which subsequently fail to cover expenditures, the program's reserve will be negatively affected.

4. Expenditures for FY08:

	FY 08 Apprn (Act 213/07)	Collective Bargaining	Transfers	Restrictions	Ceiling Increase	Estimated Total Expenditure
(Position Count)	(60.00)	-		-	-	(60.00)
Personal Services	4,811,895	159,774		-	-	4,971,669
Other Current	2,557,162	-		-	100,000	2,657,162
Equipment	-	-		-	-	-
Leases	-	-		-	-	-
Motor Vehicles	-	-		-	-	-
TOTAL	7,369,057	159,774		-	100,000	7,628,831
(Position Count)	-	-		-	-	-
General Funds	-	-		-	-	-
(Position Count)	(55.00)	-		-	-	(55.00)
Special Funds	5,331,120	135,619		-	-	5,466,739
(Position Count)	(5.00)	-		-	-	(5.00)
Trust Funds	2,037,937	24,155		-	100,000	2,162,092
(Position Count)	-	-		-	-	-
Other Funds	-	-		-	-	-

a. Explain all transfers within the program I.D. and the impact on the program.

None.

b. Explain all transfers between program I.D.'s and the impact on the program.

None.

c. Explain all restrictions and the impact on the program.

As applicable, provide a description of the impact of the transfers that have occurred within the program I.D. between the various cost elements, transfers occurring between different program I.D.'s, and restrictions imposed.

None.

**5. Supplemental Budget requests for FY09:
Provide the total position counts and funds requested.**

	MOF	FY09 Apprn (Act 213/07)	Supplemental Request	Total FY09 Exec Supp Budget
(Position Count)	B	(55.00)	-	(55.00)
				-
Personal Services	B	3,954,287	-	3,954,287
Other Current	B	1,118,833	-	1,118,833
Equipment	B	-	-	-
Leases	B	-	-	-
Motor Vehicles	B	-	-	-
TOTAL	B	5,073,120	-	5,073,120
(Position Count)	T	(5.00)	-	(5.00)
				-
Personal Services	T	857,608		857,608
Other Current	T	1,180,329	-	1,180,329
Equipment	T	-	-	-
Leases	T	-	-	-
Motor Vehicles	T	-	-	-
TOTAL	T	2,037,937	-	2,037,937

a. Workload or program request:

For each program package or item requested within the Program I.D., provide the following (if no request is being made, indicate "none"):

None.

b. For all position count reductions, please specify whether the positions were filled or vacant.

None.

6. Program restrictions:

Identify restrictions carried over from FY08 as well as additional reductions due to the Department of Budget & Finance budget ceilings for FY09. If no reduction is being proposed, please indicate "none".

None.

7. Capital Improvement Program (CIP) requests for FY09:

CIP data for all projects within the agency being heard shall be combined into a single appendix in the department's testimony (if no request is being made, please indicate "none").

None.

- 8. Proposed lapses of CIP projects:
Any CIP project identified for lapse shall include the following (if no lapses are being proposed, please indicate "none"):**

None.