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**HOUSE COMMITTEE ON FINANCE
SUPPLEMENTAL BUDGET REQUEST FOR 2008-2009
MONDAY, JANUARY 7, 2008
STATE CAPITOL, CONFERENCE ROOM 306**

TESTIMONY OF THE OFFICE OF THE LIEUTENANT GOVERNOR (LTG 100)

Chair Oshiro, Vice-Chair Lee, and members of the House Committee on Finance, aloha mai kakou. My name is Kevin A. Souza and I am the Chief of Staff of the Office of the Lieutenant Governor. I am here today to testify on the Office of the Lieutenant Governor's supplemental budget request for fiscal year 2008-2009. The following is a summary of our office's objectives, performance results, problems and issues faced, and our program budget.

As you know, under Article V, Section 4 of the Hawaii State Constitution, the Lieutenant Governor acts in place of the Governor when the Governor is out of state. Additionally, the Office of the Lieutenant Governor's statutorily mandated duties include leadership as the Secretary of State and necessary administrative support in the efficient implementation of all Secretary of State duties. More specifically, pursuant to Section 26-1, HRS, the Lieutenant Governor is designated Secretary of State for intergovernmental relations and, in this capacity, directs and performs varied activities which are administrative, ministerial, and coordinative in nature. These activities include name change processing, administrative rules depository functions, certifications, apostilles, posting of board and commission hearing notices, and the sale and distribution of legislative publications. Beyond these duties, this office has been charged with the added and welcomed responsibilities of leading the Administration's efforts in the area of drug control.

We believe that today's strong economy and moderate revenue growth gives our state the opportunity to address current problems and make targeted investments in our future. But, this does not mean we should abandon fiscal discipline and open the spending floodgates. We support the Governor and you, the Legislature, in your effort toward managing a sound state budget. We all want to ensure a healthy economy for our State over the long run.

I. Department-Wide Budget Summary Information:

- 1. Totals for department FY08 budget with restrictions (where applicable) and emergency requests and FY09 proposed operating budget adjustments by means of financing (See Attachment 1).**

Please see Attachment 1.

- 2. Identify any emergency requests (by title and amount) that your department will be seeking for the current fiscal year (See Attachment 2). If none, please indicate "none".**

None.

- 3. Provide a summary of your FY09 proposed operating budget adjustments by Program ID (See Attachment 3). This summary should provide the aggregate of adjustments by Program ID and means of financing.**

Please see Attachment 3.

- 4. Provide a description of all FY09 proposed operating budget adjustments by Program ID (See Attachment 4).**

Please see Attachment 4.

- 5. Provide a listing of all proposed FY09 capital improvement projects (See attachment 5).**

None.

- 6. Briefly discuss specific budget adjustments of concern for your agency.**

Not applicable.

- 7. Provide a summary of your department's request to the Department of Budget and Finance, the funding decisions made by the Department of Budget and Finance, and the funding decisions finalized by the Governor (See Attachment 6).**

Please see Attachment 6.

- 8. Explain the process used to identify priorities (requests for additional operating and capital improvements program funding) for your department including which category the requests for additional funding fall into: a. program initiatives of the Governor, b. certain unavoidable fixed costs and/or entitlements, or c. on-going critical programs which lack continued funding.**

Not applicable.

- 9. Discuss how requests for additional operating and capital improvements program funding were prioritized and discuss the manner in which community, departmental, and legislative input was gathered and utilized to determine priorities.**

Not applicable.

- 10. Briefly discuss which actions your department has taken or is planning to take to reduce operating costs, and how those actions will translate into savings that may be reduced from your budget (See Attachment 7).**

Please see Budget Testimony.

- 11. Identify all positions that are vacant as of December 1, 2007. For each of these positions please indicate if authority for your department to hire was or was not granted (See Attachment 8).**

Please see Attachment 8.

- 12. Provide a listing of all instances of your department's expenditures exceeding the federal fund ceiling for FY07 and FY08 (See Attachment 9).**

Not applicable.

- 13. Provide a listing of all budget appropriations transferred to another Program ID and/or another department in FY07 and FY08 (See Attachment 10).**

Not applicable.

- 14. Provide a listing of all deployed positions (See Attachment 11).**

Not applicable.

II. Program I.D. and Title:

1. Introduction:

a. Summary of program objectives.

To enhance the effectiveness and efficiency of state programs by providing leadership and executive management and by developing policies and priorities to give program direction.

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

1. Pursuant to Article V, Section 4 of the Hawaii State Constitution, the Lieutenant Governor acts in place of the Governor in the event of the Governor's absence from the State.

2. The Lieutenant Governor provides leadership as the Secretary of State and necessary administrative support in the efficient implementation of all Secretary of State duties. More specifically, pursuant to Section 26-1, HRS, the Lieutenant Governor is designated Secretary of State for intergovernmental relations and, in this capacity, directs and performs varied activities which are administrative, ministerial, and coordinative in nature. These activities include name change processing, administrative rules depository functions, certifications, apostilles, posting of board and commission hearing notices, and the sale and distribution of legislative publications.

3. The Lieutenant Governor performs duties and implements projects assigned by or on behalf of the Governor. At this time, these duties have centered on public safety and human services, including the Hawaii Drug Control Plan. More specifically, the Lieutenant Governor has been asked to provide leadership and to develop policies and priorities in the area of combating illicit drug abuse and underage drinking in the State of Hawaii which directly affect public safety and the State's human services. The Lieutenant Governor has also been tasked with other policy projects dealing with public safety, including both corrections and law enforcement initiatives.

4. The Lieutenant Governor provides administrative support to the Office of the Lieutenant Governor's attached agency, the Office of Information Practices.

5. Finally, the Lieutenant Governor provides timely information to public and constituent queries, concerns, and problems.

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

1. Projects

The Office of the Lieutenant Governor will efficiently coordinate its projects to maximize their results. It will work jointly and collaborate with as many community, public sector, and private sector interests as are appropriate on its projects.

2. Office Management

The Office of the Lieutenant Governor continues to cross train its staff in supporting the Lieutenant Governor in carrying out his ministerial duties as well as the overall mission of the office. Additionally, a plan to streamline and automate operations by providing enhanced electronic access to government information and services will be implemented. Workload evaluation will be an ongoing review by the Lieutenant Governor and his staff.

2. Program Performance Results:

a. Discuss the performance results achieved by each program in FY07.

1. Constitutional Obligations

The Lieutenant Governor continues to serve in place of the Governor, from time to time, when the Governor is out of state.

2. Statutory Obligations / Secretary of State

The Office of the Lieutenant Governor continues to provide leadership as the Secretary of State along with the necessary administrative support in the efficient implementation of Secretary of State duties. In this capacity, the Lieutenant Governor directed and performed varied activities which are administrative, ministerial, and coordinative in nature. These activities included name change processing, administrative rules depository functions, certifications, apostilles, the posting of board and commission hearing notices, and the sale and distribution of legislative publications.

3. The Hawaii Drug Control Plan

The Lieutenant Governor continues to provide leadership in developing and directing the State's response to illicit drug use and underage drinking. The Office of the Lieutenant Governor actively engages with stakeholders at the federal, state, county, and community levels to coordinate and facilitate collaborative efforts in the targeted areas of prevention, treatment, and interdiction/enforcement. The Drug Control Specialist, housed within the Office of the Lieutenant Governor, supports the administration's drug control strategy as the official liaison

between the office and the numerous private and public agencies and individuals involved in the effort against illicit drug use and underage drinking.

In addition to the above, the Office of the Lieutenant Governor played a significant role in numerous drug control initiatives over the past year, including:

- Facilitating a partnership between the Department of Health and Department of Human Services in obtaining a 3-year, \$8.12 million Access to Recovery (ATR) grant from the Substance Abuse and Mental Health Services Administration (SAMHSA). The initiative will provide recovery support services to parents in the Child Welfare Services system.
- Chairing the State Advisory Council for the 5-year, \$11 million Strategic Prevention Framework – State Incentive Grant from SAMHSA, which will fund and develop a coordinated, data driven substance abuse prevention infrastructure, including targeted prevention programming and formal evaluation.
- Chairing the State's Co-Occurring – State Incentive Grant project task force that completed work on a Strategic Plan for Integrated Treatment of Co-Occurring Substance Use and Mental Disorders.
- Coordinating State support and participation in SAMHSA-led initiative to develop a specialized Strategic Plan to address Co-Occurring Disorders in the Native Hawaiian population.
- Advocating for the establishment of a Screening, Brief Intervention, Referral and Treatment (SBIRT) pilot program in local hospital emergency rooms and/or trauma centers. SBIRT is an evidence-based, best practice, model program that spans both the substance abuse treatment and prevention fields.
- Working with the Department of Human Services to allow for Medicaid reimbursement for substance abuse screening and brief intervention services provided in medical settings.
- Spearheading State support for an innovative pre-natal alcohol and drug Screening, Assessment, Referral and Treatment (SART) program in Hawaii Island. This community-based initiative aims to improve birth and child outcomes by responding specifically to the needs to alcohol and drug-using pregnant women.
- Re-establishing the Hawaii Advisory Commission on Drug Abuse and Controlled Substances (HACDACS) as an active and integral broad-based community advisory body on drug control matters.

- Supporting the Administration's (DLIR's) partnership with the private sector and workers' union to pass Act 179, allowing on-site substance abuse screening tests in the workplace.
- Coordinating with the White House Office of National Drug Control Policy (ONDCP) to hold a Regional Student Drug Testing Summit in Honolulu in March 2007.
- Leading the Administration's efforts to prevent and reduce underage drinking by participating in and supporting the Hawaii Partnership to Prevent Underage Drinking, and hosting the Surgeon General's visit to roll out the national Call to Action on Underage Drinking.
- Actively encouraging anti-smoking initiatives such as the Synar Tobacco Initiative to control the sale of tobacco products to minors. Due to strong prevention and education efforts to strict enforcement, Hawaii consistently ranks high in tobacco sale compliance rates.
- Coordinating public substance awareness campaigns that continue to educate the public on the problems, challenges, ongoing efforts, and triumphs in the field of illicit drug use and underage drinking. Organized activities and events for Substance Abuse Awareness Month (February), Alcohol Awareness Month (April), Teach-Ins for Underage Drinking Prevention (May), and Alcohol and Drug Addiction Recovery Month (September).

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

All project efforts and resultant outcomes relate directly to program objectives of: (1) achieving efficiencies and effectiveness where possible in State government; and (2) providing Administration and State leadership by addressing statewide, national, and international concerns which either affect or are of benefit to the people of Hawaii.

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.

In order to measure the effectiveness of programs, ongoing evaluations by the Lieutenant Governor and his staff are performed to ensure project goals are achieved. Additionally, critical functions are evaluated based on performance efficiency (i.e., constituent response times, public services, etc.).

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

In addition to the previously discussed responsibilities, the Office of the Lieutenant Governor will continue to solicit feedback and input from community, public sector, and private sector interests on issues which affect the State of Hawaii, including, but not limited to, issues related to public safety and the Hawaii Drug Control Plan, as well as all constitutional and statutory obligations performed by the Office of the Lieutenant Governor.

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

There have not been any modifications made to our program's performance measures.

3. Problems and Issues:

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

The most challenging issue for the Office of the Lieutenant Governor is to implement as many projects as organizationally possible with limited office staff and resources.

b. Program change recommendations to remedy problems.

Efforts continue to be made to cross train staff in the Secretary of State duties as well as other duties to achieve the mission of the Office of the Lieutenant Governor.

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.

Not applicable.

4. Expenditures for FY08:

Provide the appropriation data, transfers, restrictions, available resources, and the estimated expenditures for FY08. For new Program I.D.'s, please present the data as best as can be determined.

Act 213/SLH 07		Collective Bargaining	Transfers In/Out	Restriction	Net Allocation	Est.Total Expenditures
Position Count	3.00				3.00	3.00
Personal Services	796,604.00	29,456.00			826,060.00	826,060.00
Current Expenses	53,013.00				53,013.00	53,013.00
Equipment	0.00					0.00
Motor Vehicles	0.00					0.00
TOTAL	849,617.00				879,073.00	879,073.00
Position Count	3.00					3.00
General Fund	849,617.00				879,073.00	879,073.00

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 any restrictions and the impacts 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.

	FY 09	Total Cost
Position Count	0.00	0.00
Personal Services	0.00	0.00
Current Expenses	0.00	0.00
Equipment	0.00	0.00
Motor Vehicles	0.00	0.00
Grand Total	0.00	0.00
Position Count (Special)	0.00	0.00
Position Count (Federal)	0.00	0.00
Position Count General	0.00	0.00

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"):

i. A description of the request, the reasons for the request, and the desired outcomes or the objectives to be accomplished by the proposed program.

None.

ii. A listing/description of the positions requested, and funding requirements by cost category and source of funding.

None.

iii. For all lump sum requests, please provide a detailed breakout indicating specific purposes for all planned expenditures.

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 Department of Budget and Finance budget ceilings for FY09. If no reduction is being proposed, please indicate "none".

None.

a. A description of the reduction, the reasons for the reduction, and the impacts to the objectives to be accomplished by the program.

None.

b. A listing/description of the positions cut including source of funding, please specify whether the positions were filled or vacant.

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.

Each CIP request shall include the following:

- a. **Project title and description.**

None.

- b. **Financial requirements by project phase and means of financing.**

None.

- c. **Explanation and scope of project.**

None.

- d. **Justification for the project.**

None.

- e. **For all lump sum requests, please provide a specific breakout detailing specific projects for all planned expenditures.**

None.

- f. **Senate and House district(s) for the project.**

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.

a. Project title.

None.

b. Act and year of project appropriation (include all applicable amendments).

None.

c. Amount requested for lapse and means of financing.

None.

d. Justification for lapse of the project.

None.

Attachment 1
Department-Wide Summary Information
Totals for Proposed Department Budget Adjustments (by Method of Funding)

FY08				
MOF	Act 213/07 Appropriation (a)	Restriction (b)	Emergency Request (c)	Total FY08 (a)+(b)+(c)
A	849,617	-	-	849,617
	-	-	-	-
	-	-	-	-
Dept. Totals	849,617	0	0	849,617

FY09				
MOF	Act 213/07 Appropriation (d)	Reduction (e)	Addition (f)	Total FY09 (d)+(e)+(f)
	849,631	-		849,631
	-	-	-	-
	-	-	-	-
Dept. Totals	849,631	-		849,631

Please indicate restrictions and reductions as negative numbers, using brackets ()

Attachment 2
Department-Wide Summary Information
Fiscal Year 08 Proposed Emergency Requests

<u>Program ID</u>	<u>MOF</u>	<u>Title of Emergency Requests</u>	<u>FTE</u>	<u>\$ Amount</u>
LTG100		None	-	-
Dept. Totals by MOF			-	-

Attachment 3
Department-Wide Summary Information
Fiscal Year 09 Proposed Budget Adjustments

<u>Program ID</u>	<u>MOF</u>	<u>Program ID Title</u>	<u>FTE</u>	<u>\$ Amount</u>
LTG100	A	Office of the Lieutenant Governor	-	-
Dept. Totals by MOF			-	-

Attachment 5
FY09 Capital Improvements Program Summary

<u>Priority</u>	<u>Project Title</u>	<u>FY09 \$ Amount</u>	<u>MOF</u>
1	None	-	A
2			
3			
4			

Attachment 7
Actions to Realize Savings

<u>Program ID</u>	<u>MOF</u>	<u>Description of Action to Realize Savings</u>	<u>\$ Amount of Actual FY07 Savings</u>	<u>\$ Amount of Projected FY08 Savings</u>
LTG100	A	None	-	-

