



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

HOUSE COMMITTEE ON FINANCE

H.B. 3151, HD1 - RELATING TO ELECTRONIC PERMITTING FEES

Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health

February 26, 2008
12:00 P.M.

1 **Department's Position:** The Department strongly supports this administration measure (HTH-11).

2 **Fiscal Implications:** The bill may reduce direct payments to the general fund by up to \$29,000.

3 **Purpose and Justification:** The Department is developing electronic permitting and fee payments, and
4 seeks a level playing field for the costs of electronic permit applications. In order to increase efficiency
5 in permit processing and accountability of funds, the Department of Health is developing an electronic
6 permitting and fee payment procedure. To encourage the use of this electronic method, a procedure for
7 the deduction of processing and credit card fees needs to be established. The bill accomplishes this by
8 allowing the Department to deduct from the permit fee paid by the applicants an apportioned amount for
9 processing and credit card fees. This process will avoid adding a surcharge to the permit application
10 fees submitted and paid electronically, and spare the Department from paying the processing and credit
11 card fees from other program funds. This bill supports that concept.

12 The electronic permitting and fee payment should save considerable staff time and minimize data
13 entry errors. For example, some Department of Health environmental programs process hundreds of
14 permits or approval applications each year. Electronic permitting and payment can eliminate or
15 minimize the manual re-entry of information into computers already provided by the applicant.

1 E-permitting would also reduce the extensive accounting paperwork for processing checks.

2 Electronic application processing and credit card payments both involve fees to service
3 providers, such as the software designer for the State's web portal, and the credit card companies. For
4 individual wastewater systems where the application fee is \$100, the electronic processing fee is about
5 \$5.00 and the credit card fee is \$3.00.

6 This bill covers certain Department of Health programs as a pilot, because the financial impact is
7 quantifiable and modest. Such information has not been obtained for all state programs. The
8 departmental programs covered by the bill are environmental and operate under chapters 324D (water
9 pollution), 342H (solid waste pollution), 342J (hazardous waste), 342L (underground storage tanks),
10 340E (safe drinking water), and 340F (Hawaii law mandatory certification of operating personnel in
11 water treatment plants), Hawaii Revised Statutes. We estimate the yearly cost to the general fund, at
12 \$8.00 per application, to be about \$29,000.

13 Thank you for the opportunity to testify.