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TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
February 26, 2008
H.B. 3367, H.D. 2

RELATING TO WIRELESS ENHANCED 911

Chair Oshiro and members of the Committee, thank you for the opportunity to testify on H.B. 3367, H.D. 2.

The Department of Accounting and General Services (DAGS) appreciates the Legislature's desire to ensure that the Wireless Enhanced 911 fund is used as intended by the Wireless Enhanced 911 Board (Board).

DAGS would like to point out that the Board already employs the provisions of 138-7, HRS pertaining to audits. Specifically, 138-7(b) states the following:

b) The Board shall select an independent third party to audit the fund every two years to determine whether the fund is being managed in accordance with this chapter. The Board may use the audit to determine whether the amount of the surcharge assessed on each commercial mobile radio service connection is required to be adjusted. The costs of the audit shall be an administrative cost of the Board recoverable from the fund.

In addition to the independent audits, 138-6, HRS requires the Board to report annually to the Legislature as follows:

[§138-6] Report to the legislature. The board shall submit an annual report to the legislature, including:

- (1) The total aggregate surcharge collected by the State in the last fiscal year;
- (2) The amount of disbursement from the fund;
- (3) The recipient of each disbursement and a description of the project for which the money was disbursed;
- (4) The conditions, if any, placed by the board on disbursements from the fund;
- (5) The planned expenditures from the fund in the next fiscal year;
- (6) The amount of any unexpended funds carried forward for the next fiscal year;
- (7) A cost study to guide the legislature towards necessary adjustments to the fund and the monthly surcharge; and
- (8) A progress report of jurisdictional readiness for wireless E911 services, including public safety answering points, wireless providers, and wireline providers. The report shall include the status of requirements outlined in the Federal Communications Commission Order 94-102 and subsequent supporting orders related to phase I and phase II wireless 911 services.

DAGS is not opposed to an additional audit, if the Auditor's scarce resources will allow it without any increases in appropriation that would take away from programs in the administration's submittal.

Thank you for the opportunity to testify on this matter.