

HOUSE OF REPRESENTATIVES  
THE TWENTY-FIFTH LEGISLATURE  
REGULAR SESSION OF 2009

RECEIVED

COMMITTEE ON CONSUMER PROTECTION & COMMERCE 2009 JAN 15 P 3: 54

Rep. Robert N. Herkes, Chair  
Rep. Glenn Wakai, Vice Chair

SERGEANT-AT-ARMS  
HOUSE OF  
REPRESENTATIVES

Rep. Della Au Belatti	Rep. John M. Mizuno
Rep. Rida T.R. Cabanilla	Rep. Hermina M. Morita
Rep. Mele Carroll	Rep. Joseph M. Souki
Rep. Ken Ito	Rep. Clift Tsuji
Rep. Jon Riki Karamatsu	Rep. Barbara C. Marumoto
Rep. Sylvia Luke	Rep. Cynthia Thielen
Rep. Angus L.K. McKelvey	

NOTICE OF INFORMATIONAL BRIEFING

DATE: Monday, January 26, 2009  
TIME: 2:00 p.m.  
PLACE: Conference Room 325  
State Capitol  
415 South Beretania Street


A G E N D A

The purpose of this informational briefing is to provide the Legislature with an update on the functions and activities of the Department of Commerce and Consumer Affairs and its programs.

If you require special assistance or auxiliary aids and/or services to participate in the House public hearing process (i.e., sign or foreign language interpreter or wheelchair accessibility), please contact the Committee Clerk at 586-6220 or email your request for an interpreter to [HouseInterpreter@Capitol.hawaii.gov](mailto:HouseInterpreter@Capitol.hawaii.gov) at least 24 hours prior to the hearing for arrangements. Prompt requests submitted help to ensure the availability of qualified individuals and appropriate accommodations.

For further information, please call the Committee Clerk at 586-6220.

Selected meetings are broadcast live. Check the current legislative broadcast schedule on the "Capitol TV" Web site at [www.capitoltv.org](http://www.capitoltv.org) OR call 550-8074.

  
\_\_\_\_\_  
Rep. Robert N. Herkes  
Chair





LINDA LINGLE  
GOVERNOR  
JAMES R. AIONA, JR.  
LT. GOVERNOR

STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
335 MERCHANT STREET, ROOM 310  
P.O. Box 541  
HONOLULU, HAWAII 96809  
Phone Number: 586-2850  
Fax Number: 586-2856  
www.hawaii.gov/dcca

LAWRENCE M. REIFURTH  
DIRECTOR  
RONALD BOYER  
DEPUTY DIRECTOR

January 23, 2009

MEMORANDUM

TO: The Honorable Robert N. Herkes, Chair  
House Committee on Consumer Protection and Commerce

FROM: Lawrence M. Reifurth, Director *LM Reifurth*

SUBJECT: Testimony

---

Transmitted herewith is the department's testimony for the House Committee on Consumer Protection and Commerce. In addition, electronic copy will be e-mailed to [cpctestimony@capitol.hawaii.gov](mailto:cpctestimony@capitol.hawaii.gov).

If you have any questions please call Karen Lim, Program Budget Analyst, at 586-2841, or Meoh-Leng Silliman, Business Management Officer, at 586-2844.

Attachment

c: Governor's Policy Office  
Department of Budget and Finance

PRESENTATION  
OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
BIENNIUM BUDGET REQUEST FOR FISCAL BIENNIUM 2009-2011

TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION  
JANUARY 26, 2009

TO THE HONORABLE ROBERT N. HERKES, CHAIR  
AND MEMBERS OF THE COMMITTEE

I am Lawrence Reifurth, and I am the Director of Commerce and Consumer Affairs. I appreciate this opportunity to discuss the Department's condition with the committee. Please note that the attached testimony is the same as was prepared and presented to legislative money committees. Nevertheless, we are available to answer questions on any department related subjects.

The department's mission is to uphold fairness and public confidence in the marketplace, promote sound consumer practices, and increase knowledge, opportunity, and justice in our community.

Along with the department staff and our customers, I am very appreciative of the foresight shown by the legislature when it brought the entire department under the compliance resolution fund ("CRF"), making this the only state department to be fully self-funding and fiscally self-sufficient. As a result, the department and its customers have fared relatively well this past year, and under the proposed biennium budget. In addition, the State Supreme Court's decision in the *HIC v. Lingle* case last month strongly vindicated the legislature's vision in establishing the CRF, and the department's management of the public trust accorded it.

The Department's budget is scrutinized closely by the legislative money committees. I believe strongly in the value of that scrutiny. Such oversight helps ensure that our customers and the public can be confident that there is accountability and transparency in the Department's operations. In turn, our responsibility is to provide the legislature with an open book and the best possible revenue/expense projections.

I also believe strongly that it is the department's duty to only collect as much money as it needs to fulfill its obligations. Our philosophy at DCCA is that if we do not need to spend all the money with which our customers entrust us, we return it to them as soon as possible and reduce the amount we collect.

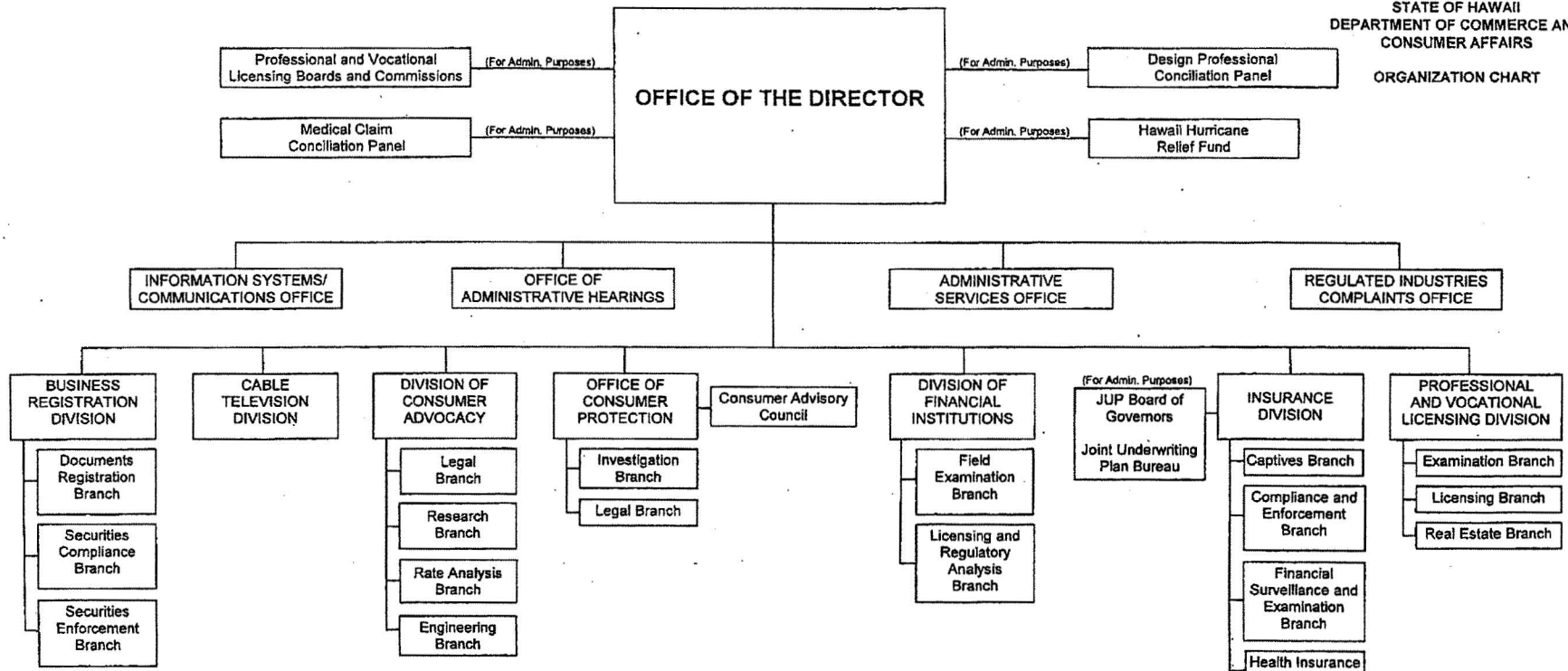
Toward that end, and with the Governor's and the legislature's encouragement and assistance, the Department has been able to reduce fees and assessments by over \$20 million during the last two years (FY 07 & FY 08), and expects to add to that amount approximately \$7 million this fiscal year. As a result, the State's economy is strengthened, and we have been able to better align our revenues and expenses. We will continue to closely monitor the CRF reserve level to ensure that we are operating with a reasonable reserve margin.

While the immediate impact of budget cuts may not be as pronounced at DCCA as at general-funded agencies, we are fully cognizant of the need to manage our resources with the utmost of diligence. This includes a closer look at travel, filling vacancies, overtime, and electrical and maintenance costs.

The department's strong current position is fortunate as it is quite likely that the economy's slowdown will translate into an increase in demand for departmental assistance, while simultaneously reducing our revenues. Licensing and registration numbers are already falling, while prior downturns teach us that we can expect more frequent utility price increases, unlicensed business activity, and an increase in consumer scams among other "sharp" practices, each of which needs more careful consideration than ever before. As a result, we are called upon to proceed ever more carefully, spending more where our customers need us to, and less where we can.

Thank you for this opportunity to brief you. My staff and I would be pleased to answer any questions that you might have.

STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS  
ORGANIZATION CHART



PROFESSIONAL AND VOCATIONAL LICENSING BOARDS, COMMISSIONS AND PROGRAMS

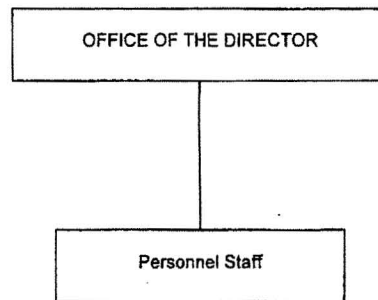
Accountancy  
Activity Providers and Activity Desks\*  
Acupuncture  
Barbering and Cosmetology  
Boxing  
Cemetery and Pre-Need Funeral Authority\*  
Chiropractic Examiners  
Collection Agencies\*  
Commercial Employment Agencies\*  
Condominium Property Regimes\*  
Contractors  
Dental Examiners

Dispensing Opticians\*  
Electricians and Plumbers  
Electrologists\*  
Elevator Mechanics  
Engineers, Architects, Surveyors and Landscape Architects  
Hearing Aid Dealers and Fitters\*  
Limited Equity Housing Cooperatives\*  
Marriage and Family Therapists\*  
Massage Therapy  
Medical Examiners  
Mental Health Counselors  
Mixed Martial Arts (effective 7/1/09; Act 279, SLH 2007)  
Mortgage Brokers and Solicitors\*

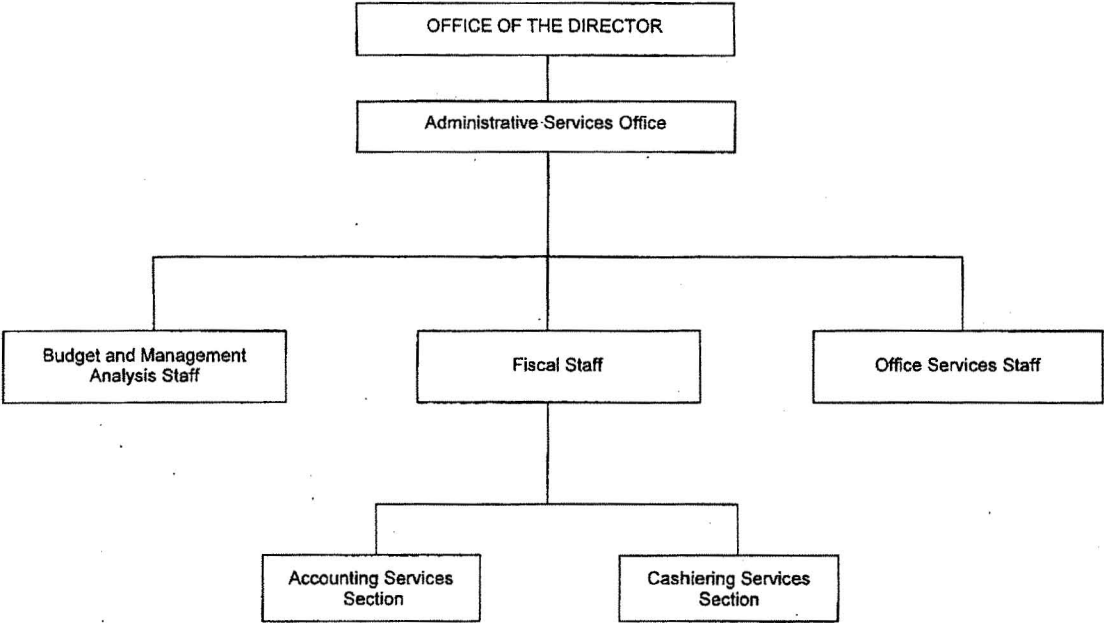
Motor Vehicle Industry Licensing  
Motor Vehicle Repair Industry Licensing  
Naturopathy  
Nurses Aides\*  
Nursing  
Nursing Home Administrators\*  
Occupational Therapists\*  
Optometry  
Pest Control  
Pharmacy  
Physical Therapy  
Pilotage\*  
Private Detectives and Guards

Psychology  
Real Estate  
Real Estate Appraisers\*  
Social Workers\*  
Speech Pathologists and Audiologists  
Subdivision\*  
Time Sharing\*  
Travel Agencies\*  
Uniform Athlete Agents\*  
Veterinary Examiners

STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS  
OFFICE OF THE DIRECTOR  
ORGANIZATION CHART

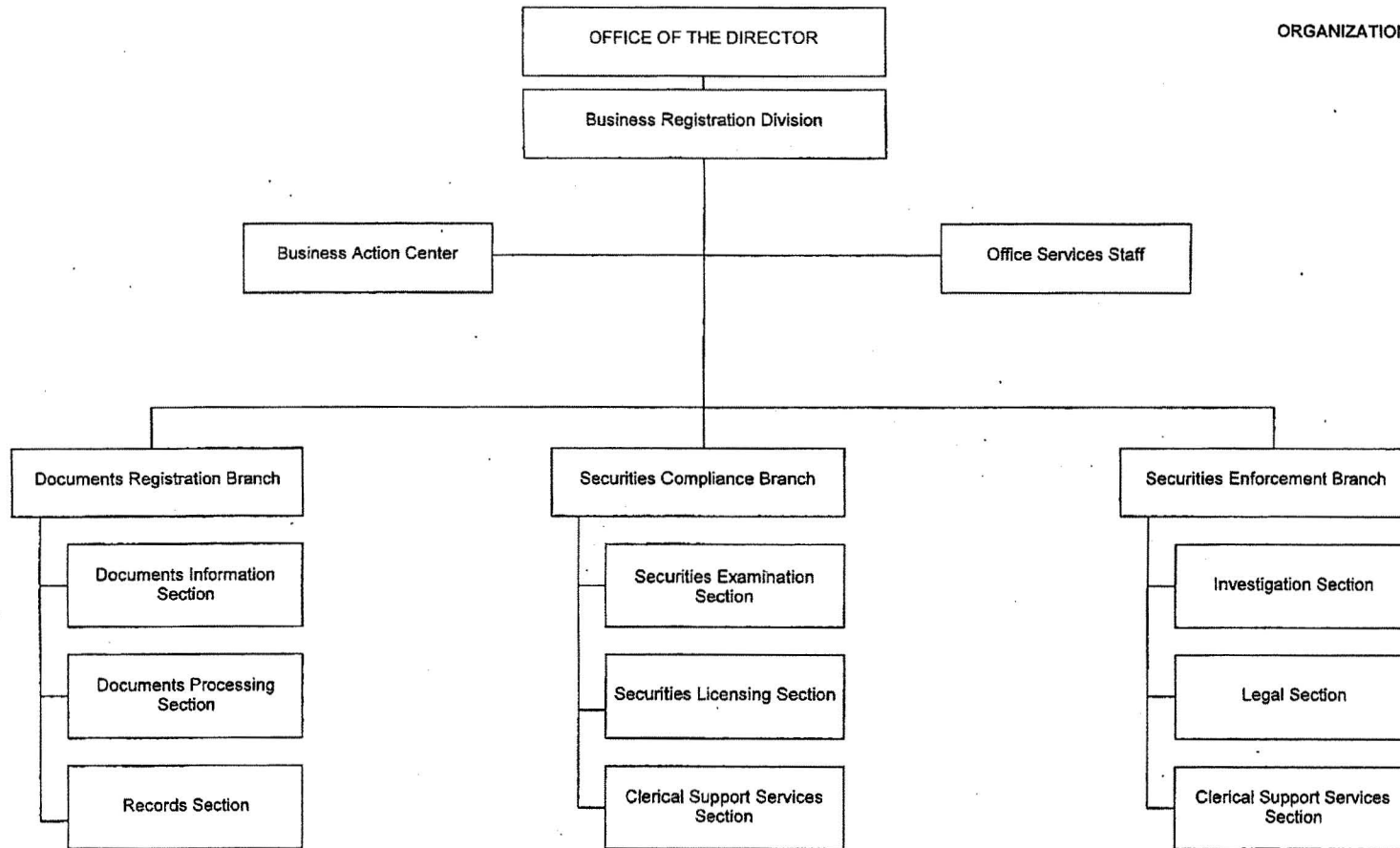


STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS  
ADMINISTRATIVE SERVICES OFFICE  
ORGANIZATION CHART



STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS  
BUSINESS REGISTRATION DIVISION

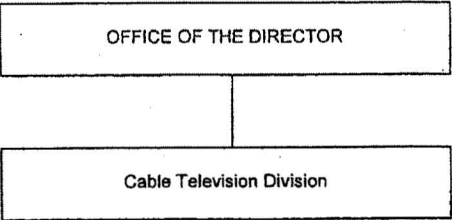
ORGANIZATION CHART





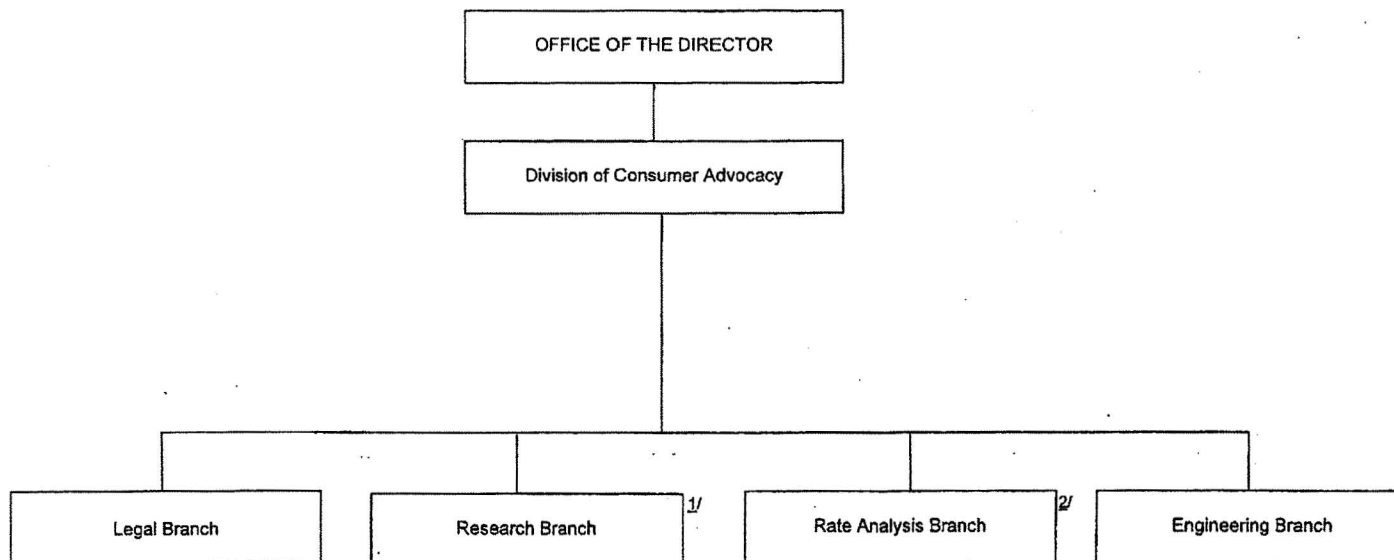
STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS  
CABLE TELEVISION DIVISION

ORGANIZATION CHART



STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY

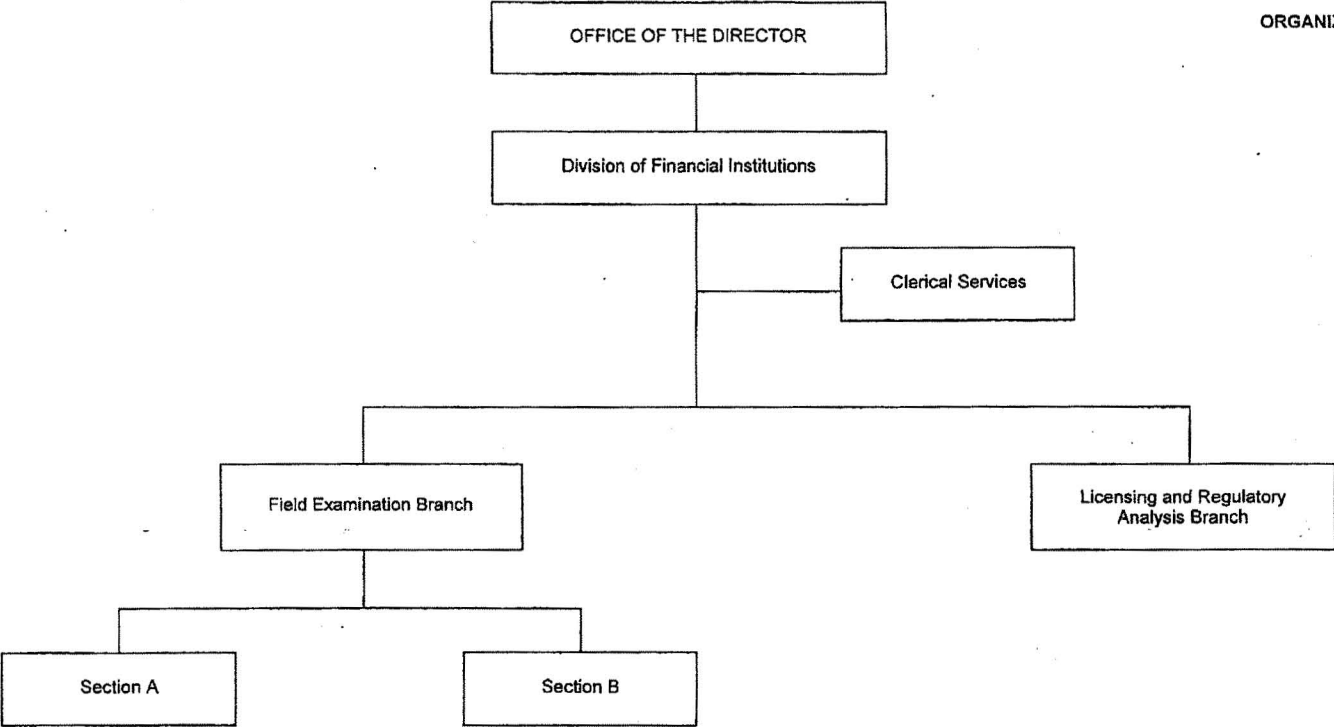
ORGANIZATION CHART



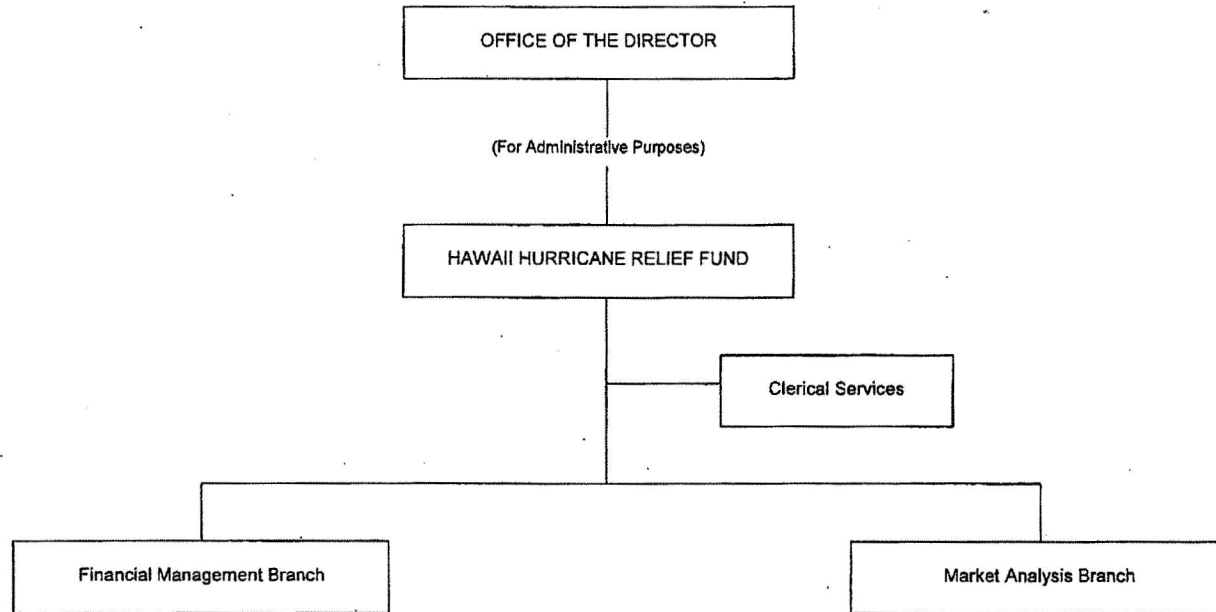
<sup>1/</sup> Financial Analysis Branch renamed to Research Branch pursuant to reorganization proposal acknowledged and accepted on December 11, 2007.

<sup>2/</sup> Economics and Pricing Branch renamed to Rate Analysis Branch pursuant to reorganization proposal acknowledged and accepted on December 11, 2007.

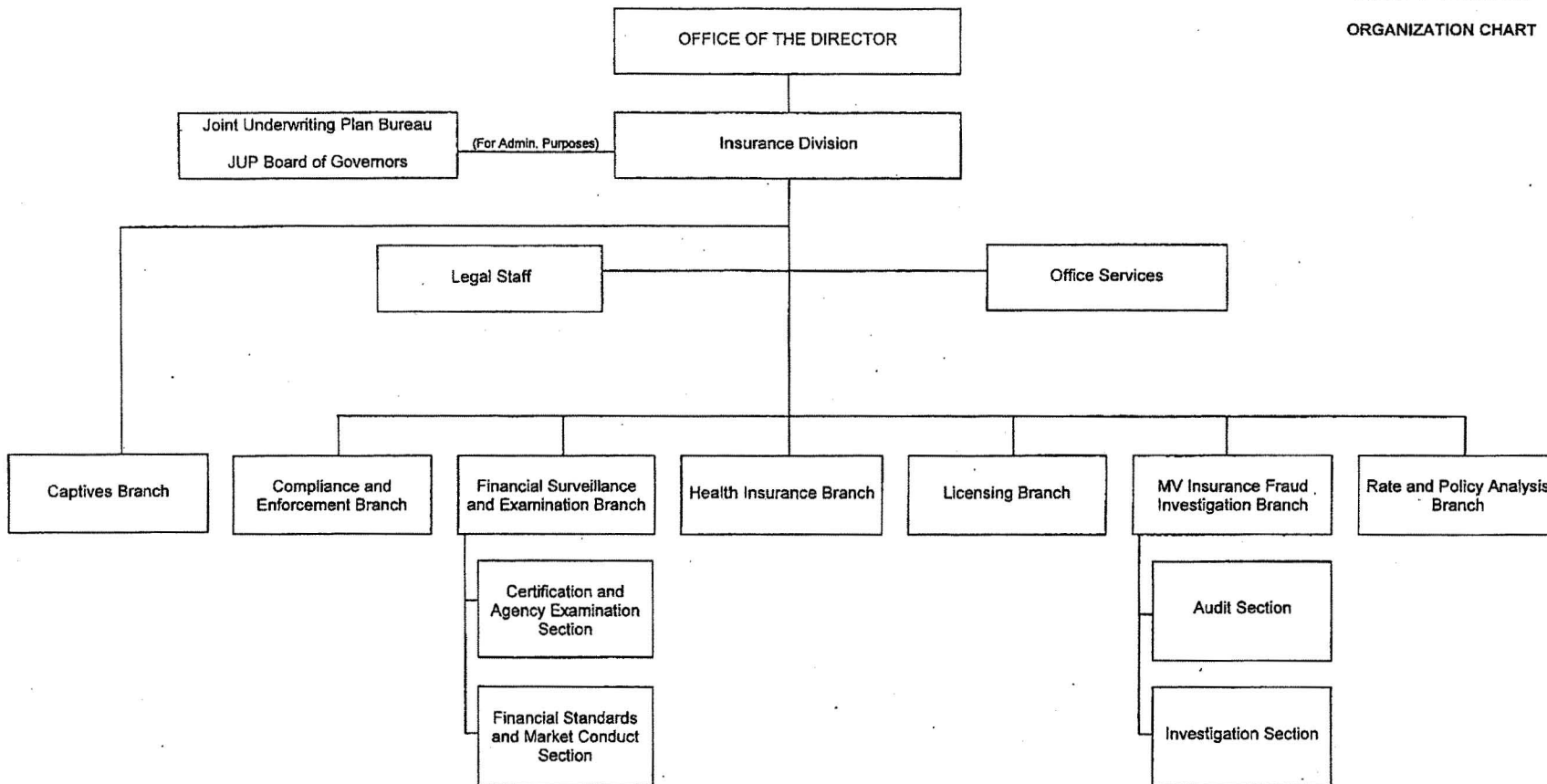
STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS  
DIVISION OF FINANCIAL INSTITUTIONS  
ORGANIZATION CHART



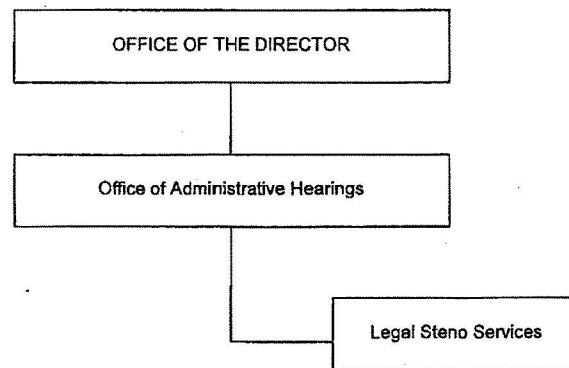
STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS  
HAWAII HURRICANE RELIEF FUND  
ORGANIZATION CHART



STATE OF HAWAII  
 DEPARTMENT OF COMMERCE  
 AND CONSUMER AFFAIRS  
 INSURANCE DIVISION  
 ORGANIZATION CHART



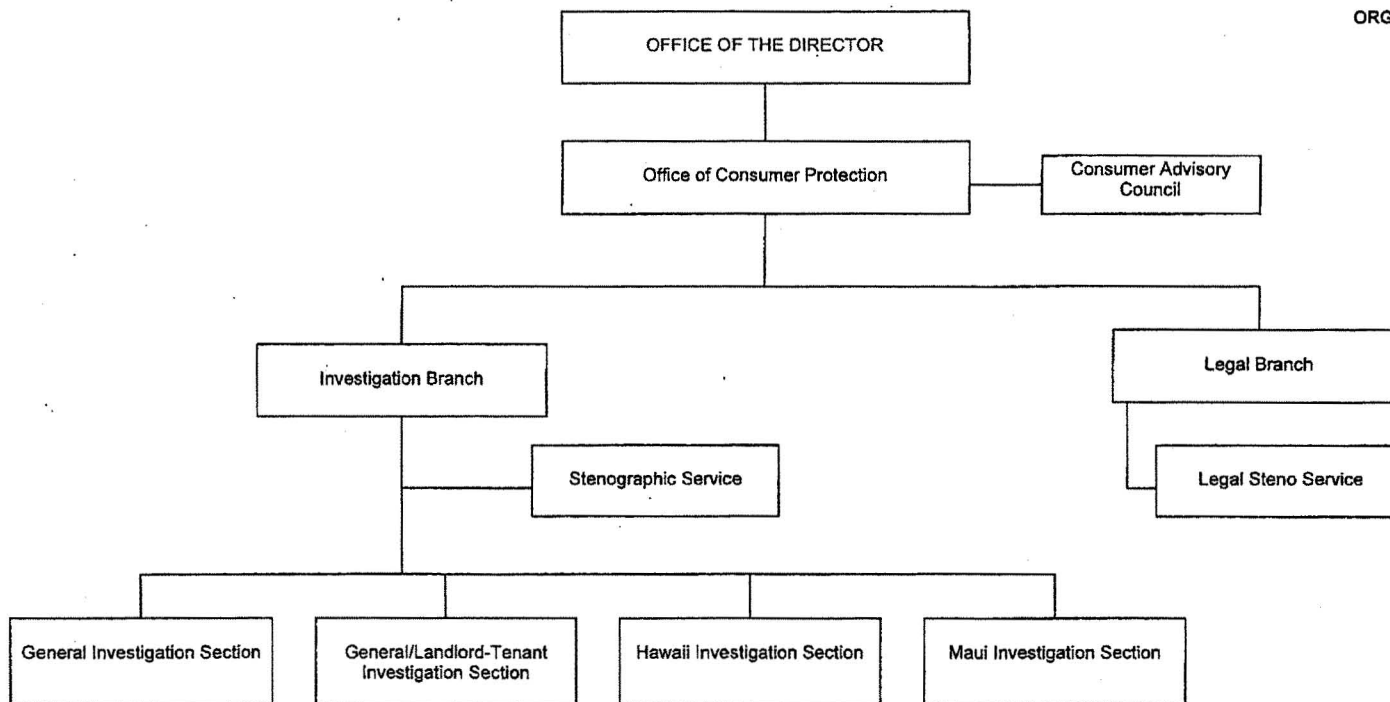
STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS  
OFFICE OF ADMINISTRATIVE HEARINGS  
ORGANIZATION CHART



06/30/08

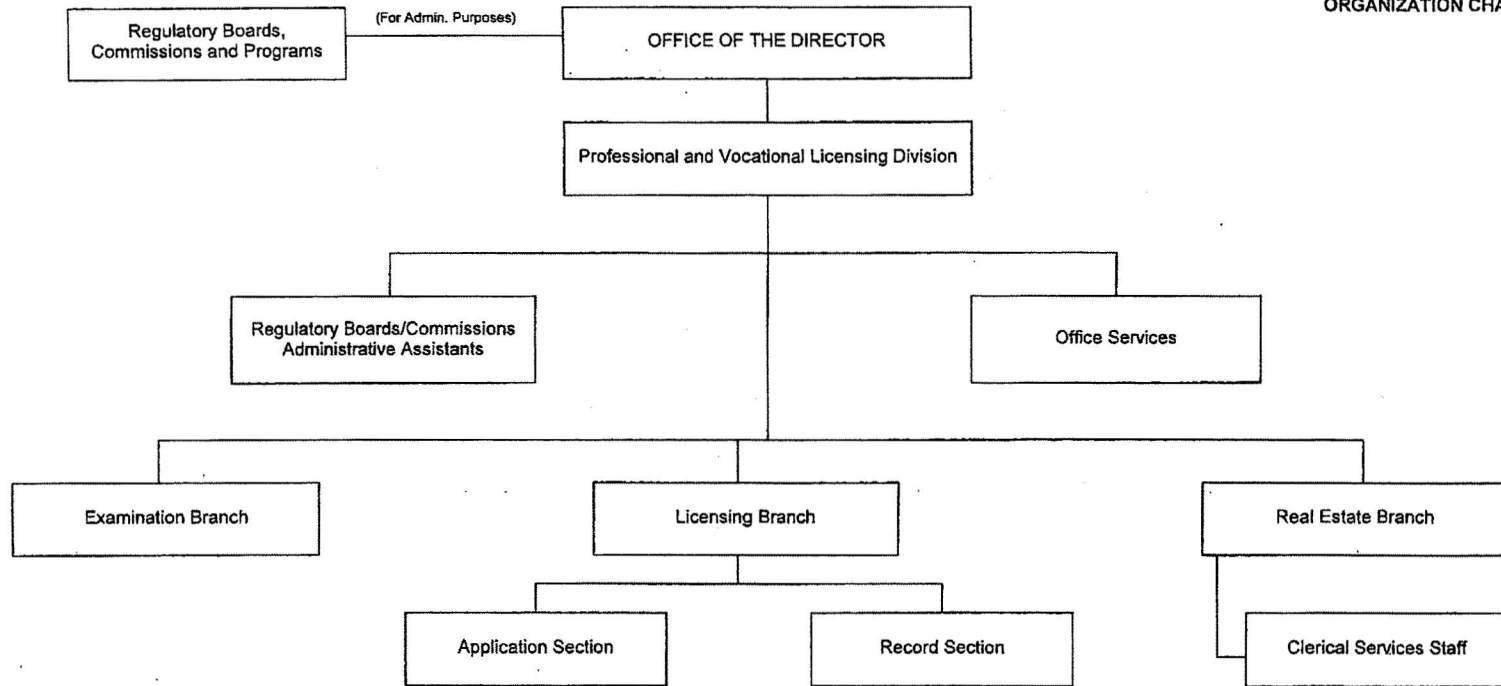
STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS  
OFFICE OF CONSUMER PROTECTION

ORGANIZATION CHART



STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS  
PROFESSIONAL AND VOCATIONAL LICENSING  
DIVISION

ORGANIZATION CHART





STATE OF HAWAII  
 DEPARTMENT OF COMMERCE AND  
 CONSUMER AFFAIRS  
 REGULATORY BOARDS, COMMISSIONS  
 AND PROGRAMS

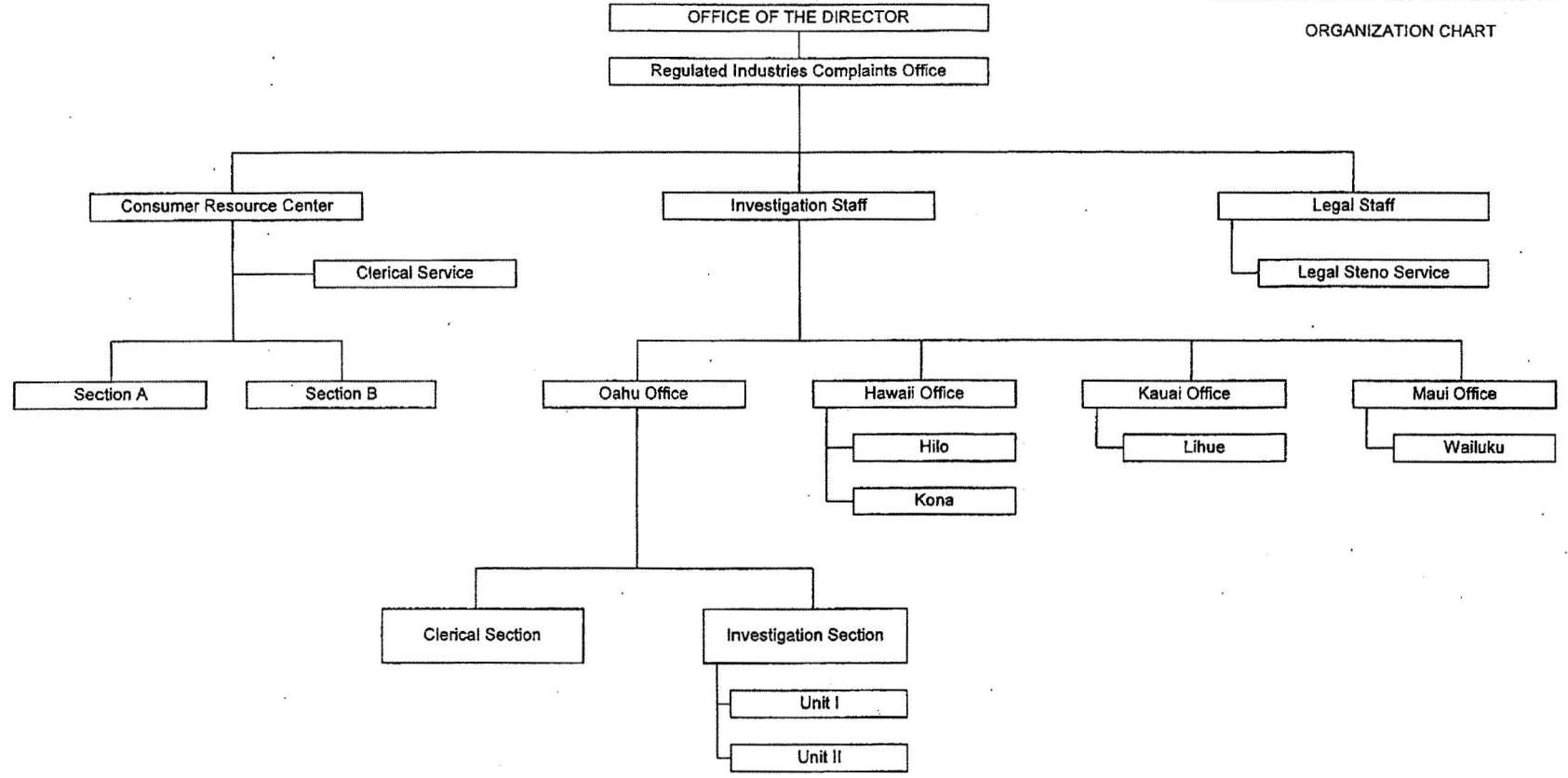
ORGANIZATION CHART

OFFICE OF THE DIRECTOR

(For Administrative Purposes)

REGULATORY BOARDS, COMMISSIONS AND PROGRAMS		
Regulatory Boards/Commissions Administrative Assistants		Real Estate Branch
Accountancy	Motor Vehicle Industry Licensing	Condominium Property Regimes* Limited Equity Housing Cooperatives* Real Estate
Activity Providers and Activity Desks*	Motor Vehicle Repair Industry Licensing	
Acupuncture	Naturopathy	
Barbering and Cosmetology	Nurses Aides*	
Boxing	Nursing	
Cemetery and Pre-need Funeral Authority*	Nursing Home Administrators*	
Chiropractic Examiners	Occupational Therapists*	
Collection Agencies*	Optometry	
Commercial Employment Agencies*	Pest Control	
Contractors	Pharmacy	
Dental Examiners	Physical Therapy	
Dispensing Opticians*	Pilotage*	
Electricians and Plumbers	Private Detectives and Guards	
Electrologists*	Psychology	
Elevator Mechanics	Real Estate Appraisers*	
Engineers, Architects, Surveyors and Landscape Architects	Social Workers*	
Hearing Aid Dealers and Fitters*	Speech Pathologists and Audiologists	
Marriage and Family Therapists*	Subdivision*	
Massage Therapy	Time Sharing*	
Medical Examiners	Travel Agencies*	
Mental Health Counselors	Uniform Athlete Agents*	
Mixed Martial Arts* (effective 7/1/09; Act 279, SLH 2007)	Veterinary Examiners	
Mortgage Brokers and Solicitors*		

STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND  
CONSUMER AFFAIRS  
REGULATED INDUSTRIES COMPLAINTS OFFICE  
ORGANIZATION CHART



Worksheet 1  
Funding levels for divisions/branches

<u>Division or Branch Name</u>	<u>FY09 (P)</u>	<u>FY09 (T)</u>	<u>FY09 \$\$\$</u>	<u>FY10 (P)</u>	<u>FY10 (T)</u>	<u>FY10 \$\$\$</u>	<u>MOF</u>
Cable Television Division	4.00	-	1,264,568	4.00	-	1,286,537	B
Division of Consumer Advocacy	23.00	-	2,734,518	23.00	-	2,773,450	B
Division of Financial Institutions	32.00	-	3,101,929	32.00	-	3,138,648	B
Professional, and Vocational Licensing Division	55.00	9.00	5,367,714	57.00	9.00	5,601,065	B
Professional, and Vocational Licensing Division	5.00	7.00	2,080,194	8.00	4.00	2,141,155	T
Insurance Division	81.00	1.00	13,857,916	81.00	1.00	13,877,058	B
Insurance Division			200,000			200,000	T
Office of Consumer Protection	16.00	4.00	1,674,912	16.00	4.00	1,747,750	B
Office of Consumer Protection			50,681			50,681	T
Business Registration Division	75.00	10.00	6,847,558	74.00	9.00	6,875,735	B
Regulated Industries Complaints Office	65.00	1.00	5,527,755	66.00	2.00	5,659,616	B
Director's Office	26.00	1.00	3,273,559	26.00	1.00	3,334,803	B
Administrative Services Office							
Office of Administrative Hearings	4.00	5.00	850,935	4.00	5.00	922,511	B
Information Systems/Communications Office	15.00	1.00	1,792,352	15.00	1.00	1,627,347	B
Totals by MOF	396.00	32.00	46,293,716	398.00	32.00	46,844,520	B
	5.00	7.00	2,330,875	8.00	4.00	2,391,836	T

Table 1  
Priority List of Functions

Priority #	Description of Function	Performance Measures	Statutory Reference (HRS, PL, etc.)
1	<p>CCA111 - Business Registration &amp; Securities Regulation: To ensure that business registration information is accurately maintained for corporations, partnerships, limited liability companies, trade names, trademarks, service marks and other business registration filings, and to provide public access to this information; ensure compliance with and enforcement of securities and franchise laws; educate the public regarding aspects of investment fraud, precautions and where victims can get help, as part of securities enforcement and compliance efforts; and run business centers that offer personalized assistance to small and start-up businesses.</p>	<p>(1) Estimated number of new accounts. (2) Estimated avg % of online filings. (3) Estimated number of completed compliance examinations. (4) Estimated number of securities enforcement complaints resolved at the investigative level. (5) Number of people counseled, attending events or otherwise reached. (6) Number of customers served at counter, by phone and through live chat or e-mail.</p>	<p>Chapters 26-9(g), 414, 414D, 415A, 417E, 419, 421, 421C, 421I, 423, 424, 425, 425E, 428, 474, 482, 482E, 485A, and 519, HRS.</p>
2	<p>CCA106 - Insurance Regulatory Services: Regulatory oversight of the insurance industry.</p>	<p>The Program's measures of effectiveness focus upon the examination of insurance entities, consumer complaints, review of insurers' request to raise or lower premiums and fraud investigations. Benefits to the public: The financial condition of insurers is assessed by conducting examinations to assure that the current and future claims will be paid to the policyholders. Investigations of consumer complaints directly assist the consumers to resolve their problems and may uncover a licensee's non-compliance with statutory requirements. The review of insurers' rate filings to adjust their premiums protects the public from excessive and unjustified premium increases. The investigation and prosecution of fraud cases benefits the public by possible recovery of loss and convicting individuals committing fraud.</p>	<p>Chapter 287, 386, 386A, 392, 393, 431, 431E, 431K, 431L, 431M, 431N, 431P, 432, 432C, 432D, 432E, 435C, 435E, 448D, 481R, 481X and 488, HRS.</p>
3	<p>CCA110 - Office of Consumer Protection: Maintain Complaint Database.; Investigation of Complaints; Prosecution of Legal Actions; Legislation; Education; Landlord-Tenant Hotline.</p>	<p>Allows public to observe complaint history from public database. Effective investigation leads to prosecution of law violators. Prosecution of violators leads to effective enforcement of Hawaii's consumer protection laws, provides restitution to consumers, and deters illegal conduct. OCP drafted several pieces of legislation benefiting the people of Hawaii; including the Mortgage Rescue Fraud Act which was passed into law during the past legislative session. Each year OCP provides consumer education to thousands of residents of the State, through public speaking, public service announcements, and distribution of brochures. Each year, OCP provides information to thousands of persons in Hawaii regarding rights and remedies under the landlord-tenant code.</p>	<p>Chapters 209, 290, 436M, 437, 437D, 446, 446E, 457G, 467B, 476, 477, 477E, 480, 480D, 481A, 481B, 481C, 481D, 481F, 481H, 481L, 481K, 481M, 481P, 486N, 487, 487A, 487H, 487J, 487N, 487R, and 521, HRS.</p>
4	<p>CCA103 - Consumer Advocate for Comm, Util &amp; Tran Svcs: Ensure the provision of reliable service at reasonable cost to ratepayers, and educate consumers regarding aspects of public utility.</p>	<p>(1) Average percentages of the decisions on utility and transportation matters agree with division recommendations. (2) Consumer savings due to DCA participation. (3) Number of webpage hits. (4) Number of correspondence/phone contacts.</p>	<p>Section 269-51, HRS.</p>

Table 1  
Priority List of Functions

Priority #	Description of Function	Performance Measures	Statutory Reference (HRS, PL, etc.)
5	CCA104 - Financial Institution Services: Supervision and regulation of financial institutions, escrow depositories and regulation of money transmitters.	(1) % of institutions examined in a timely manner. (2) % of applications processed in a timely manner. (3) % of audited statements reviewed within 30 days. (4) % of license renewals processed in a timely manner.	Chapters 412, 449, 489D, HRS.
6	CCA105 - Professional & Vocational Licensing: Receive and review applications for professional and vocational licenses, condominium, real estate subdivision and time share projects; administration bills proposed to amend professional and vocational licensing laws; and update and evaluate examinations.	(1) Number of applications received. (2) Number of applicants licensed. (3) Number of permits issued. (4) Number of licenses renewed. (5) Number of update transactions for license. (6) Number of condominium requests, applications, reports and educational offerings. (7) Number of Real Estate requests and educational offerings. (8) Number of subdivision filings received. (9) Law changes measured through percent of administration bill proposals enacted. (10) Number of examinations and examination procedures developed, modified or revised. (11) Number of examinees & re-examinees.	Chapters 373, 421H, 436B, 436E, 437, 437B, 438, 439, 440, 440E, 441, 442, 443B, 444, 447, 448, 448E, 448F, 448H, 451A, 451D, 451I, 452, 453, 453D, 454, 455, 457, 457A, 457B, 457G, 458, 459, 460, 460I, 461, 461J, 462A, 463, 463E, 464, 465, 466, 466K, 467, 467E, 468E, 468K, 468L, 468M, 471, 481E, 484, 514A, and 514E, HRS.
7	CCA112 - Regulated Industries Complaints Office: Complaint receipt, investigation and prosecution of possible professional license violations.	(1) Number of consumers affected by agency actions. (2) Number of businesses affected. (3) Dollar amount of fines assessed.	Section 26-9(h), HRS.
8	CCA102 - Cable Television: Compliance with HRS 440G and HAR 16-131,132,133.	(1) % homes where cable tv service available in state. (2) % compl by cable tv com sys w/state & reg rptg reqs. (3) % complaints addressed within 30 days.	Chapter 440G, HRS.
9	CCA191- General Support: Administration of the Department; conduct administrative hearings for the Department; and assist in information technology needs of the Department.	(1) % of dept-related leg hearings to which timely written testimony submitted. (2) % of complaints/inquiries addressed in a timely manner. (3) Cases completed within designated time frames for contested case hearings. (4) Hearings Officers' recommended orders adopted by Final Administrative Authority. (5) % of information systems work requests completed in the required time. (6) % of requests for systems additions or enhancements fulfilled.	Section 26-9, HRS.

Table 2  
Program ID Listing of Major Activities

Prog ID/Org	Major Activity or Activities performed	Priority #	Pos (P)	Pos (T)	PS \$\$\$\$	Other \$\$\$\$	MOF
<b>CCA102 - Cable Television</b>			4	0	430,175	856,362	B
CCA102/FA	Franchising is the single most important tool by which the division can determine and build in requirements for quality services. This applies to new franchises, franchise renewals and transfers of franchises.	1					
CCA102/FA	Expansion and enhancement of the Institutional Network (INET)	2					
CCA102/FA	Long range planning can enhance the division's ability to identify new and improved services, future community needs and interests and enhancing technologies.(ie DBS, broadband, etc)	3					
CCA102/FA	Monitoring complaint responses and complaint resolution ensures improved consumer service.	4					
CCA102/FA	Technical inspections and reporting requirements are important means by which quality cable communications services can be assured. We continue to enforce and monitor.	5					
CCA102/FA	Support for PEG access promotes diversity of programming.	6					
CCA102/FA	PEG contracts are to be procured pursuant to Chapter 103D, HRS.	7					
<b>CCA103 - Consumer Advocate for Comm, Util &amp; Tran Svcs</b>			23	0	1,881,738	891,712	B
CCA103/HA	The Director and the Division staff advocate positions on behalf of consumers of utility and transportation services before the State of Hawaii Public Utilities Commission ("PUC"), the Federal Communications Commission ("FCC"), and other federal, state and local agencies. These positions are developed and advocated concerning: (a) Applications for authority to offer new services; (b) Rate and fare proposals; (c) Revenue and earnings requirements of regulated utilities; (d) Financing of equipment, plant, and other facilities, (e) Review of capital improvement projects; (f) Transfers, extensions, and cancellations of permits, franchises, and certificates; (g) Regulations governing regulated industries; (h) Formulation of policies and long range planning for telecommunications and energy utilities; and (i) Service quality.	1					
CCA103/HA	Compliance investigations are conducted regarding the adequacy and efficiency of utility services.	2					
CCA103/HA	Education of consumers through web site, newsletters, sponsored events, and attendance at trade-shows, fairs, business and community meetings, etc.	3					

Table 2  
Program ID Listing of Major Activities

Prog ID/Org	Major Activity or Activities performed	Priority #	Pos (P)	Pos (T)	PS \$\$\$\$	Other \$\$\$\$	MOF
<b>CCA104 - Financial Institution Services</b>			32	0	2,770,139	368,509	B
CCA104/BA	The Division is responsible for the licensure, examination and supervision of state-chartered and licensed banks, trust companies, savings and loan associations, financial services loan companies, credit unions, escrow depositories, and money transmitters.	1					
<b>CCA105 - Professional &amp; Vocational Licensing</b>			57	9	4,462,232	1,138,833	B
			8	4	940,826	1,200,329	T
CCA105/GA	The special funded program is responsible for the licensing and regulation of 46 different professions and vocations. It provides administrative support to 25 regulatory licensing boards and, on behalf of the director of the department, administers 21 regulatory licensing programs.	1					
CCA105/GA	The trust funds are dedicated to specific statutory purposes to educate the licensees who are the contributors to the fund, or serve as a source of monetary recovery for an injured consumer, or support increased government service demands by licensees. One fund is federally mandated to collect fees on its behalf, with revenues going to the federal agency.	2					
<b>CCA106 - Insurance Regulatory Services</b>			81	1	6,715,671	7,161,387	B
			0	0	0	200,000	T
CCA106/EA	Field examinations of insurers, health maintenance organizations, rating organizations, mutual and fraternal benefit societies, advisory organizations, agencies, independent claims organizations, guaranty associations.	1					
CCA106/EA	Investigation of complaints by the public of alleged violations of insurance statutes and rules and other consumer requests for assistance.	2					
CCA106/EA	Qualification examinations and licensing insurers, health maintenance organizations and all categories of producers to transact insurance.	3					
CCA106/EA	Analysis of approval or disapproval of policies and rate filings.	4					
CCA106/EA	Licensing, examination and regulatory oversight of the captive insurance companies and development of the captive industry in Hawaii.	5					

Table 2  
Program ID Listing of Major Activities

Prog ID/Org	Major Activity or Activities performed	Priority #	Pos (P)	Pos (T)	PS \$\$\$\$	Other \$\$\$\$	MOF
CCA106/EA	Review of insurance entities financial, operating and tax statements.	6					
CCA106/EA	Regulatory surveillance for market conduct and financial condition of all insurers, health maintenance organizations, and mutual and fraternal benefit societies for compliance with insurance laws.	7					
CCA106/EA	Investigation of violations and enforcement of motor vehicle claims fraud law	8					
CCA106/EA	Administration of the Hawaii Joint Underwriting Plan, including the development and promulgation of motor vehicle insurance rates.	9					
<b>CCA110 - Office of Consumer Protection</b>			16	4	1,545,840	201,910	B
		0	0	0	50,681	T	
	<u>Investigation of Complaints.</u> Receive all complaints on a statewide basis: walk-ins, mail and telephone; evaluate complaints in relation to investigation threshold criteria, for cases meeting threshold requirements; determine all facts of complaint; determine from facts whether or not there is a violation of any consumer protection law; refer cases which, on their face, fall within the jurisdiction of another agency; inform complainant of findings of fact and course of action to be taken, if any, by this office or another governmental agency; coordinate fact finding functions with other governmental agencies; monitor advertisements; subpoena witnesses for investigation of facts; conduct investigative public hearings to determine if there is any violation of consumer protections law.	1					
	<u>Prosecution.</u> Determine adequacy of evidence to prove violation prior to filing a complaint in court; negotiate Assurance of Voluntary Compliance or Consent Judgment prior to the filing of a complaint in court; take court action against business entity which has violated consumer protection law; obtain injunction, civil penalty and restitution for consumers in court actions and settlement of cases.	2					
	<u>Landlord-Tenant Cases.</u> Provide Landlord-Tenant code information to callers.	3					



Table 2  
Program ID Listing of Major Activities

Prog ID/Org	Major Activity or Activities performed	Priority #	Pos (P)	Pos (T)	PS \$\$\$\$	Other \$\$\$\$	MOF
	<u>Legislation.</u> Promulgate rules and regulations to protect consumers; draft consumer protection legislation for the Department; recommend consumer protection legislation to the Legislature; and offer testimony on other consumer protection legislation.	4					
<b>CCA111 - Business Registration &amp; Securities Regulation</b>			74	9	5,358,180	1,517,555	B
CCA111/CA	<u>Corporations, partnerships, trade names, limited liability companies, etc.</u> Determine that all documents are filed in compliance with applicable statutory requirements. Assist the public in accessing information regarding documents that have been successfully filed with the Division, including implementing online access to public registration services and public documents. Provide personalized assistance to businesses registering with the Division.	1					
CCA111/CA	<u>Sales of securities and franchises.</u> Examine applications for registration of securities and franchises to determine that offerings of the securities or franchise comply with statutory requirements; register securities, salespersons, broker-dealers, investment advisers, investment adviser representatives and franchises; examine financial reports and records of securities dealers and investment companies; conduct investigations of reported fraud and other securities or franchise violations and prosecute violations and extend investor education outreach to communities throughout Hawaii.	1					
<b>CCA112 - Regulated Industries Complaints Office</b>			66	2	4,961,607	698,009	B
CCA112/AB	Intake, investigate, resolve and civilly or administratively prosecute complaints involving professional and vocational licensing law violations.	1					
CCA112/AB	Information and referrals, complaints history dissemination, consumer and industry education through brochures, online and presentations at various locations statewide.	2					
CCA112/AB	Administration of the State Certified Arbitration Program, also known as the state lemon law program.	3					

Table 2  
Program ID Listing of Major Activities

Prog ID/Org	Major Activity or Activities performed	Priority #	Pos (P)	Pos (T)	PS \$\$\$\$	Other \$\$\$\$	MOF
<b>CCA191 - General Support</b>			45	7	4,346,765	1,537,896	B
CCA191/AA	Provides: (1) general policy and administrative leadership, supervision and coordination of the various programs of the Department; (2) assistance in the direction and supervision of operating divisions; and (3) centralized personnel management and organizational analysis support services to operating divisions.	1					
CCA191/AI	Provides all divisions of DCCA with: 1) services to find, acquire, implement and maintain information technology; (2) support for telephone systems, through DAGS-ICSD and the State's telephone service providers, for additions, changes and problems to telephone services. This work includes the maintenance of phone directories for internal and external use; 3) services to enhance and update DCCA's web site; and 4) support for Information Line, an audio-response, fax-on-demand, computer driven system that contains pre-recorded DCCA contact information, consumer information, consumer alerts, and forms.	2					
CCA191/AA	Provides all divisions of DCCA with: (1) centralized budgeting and accounting services; (2) centralized clerical services; (3) building management; and (4) other administrative support services.	3					

Table 2  
 Program ID Listing of Major Activities

Prog ID/Org	Major Activity or Activities performed	Priority #	Pos (P)	Pos (T)	PS \$\$\$\$	Other \$\$\$\$	MOF
CCA191/AH	Provides: (1) specialized staff support to all divisions, as well as attached boards/commissions, by conducting pre-hearing conferences and formal hearings to resolve business disputes through impartial and informed treatment of consumer complaints; (2) recommended decisions based on written findings of fact and conclusions of law; (3) due process hearings for the Department of Education that arise under the Individuals with Disabilities Education Act; (4) contested cases hearings for the Condominium Dispute Resolution Pilot Program and the Condominium Management Dispute Resolution Process Pilot Program; and (5) administrative hearings of appeals relating to the administration of the State's Procurement Code and for the Employer-Union Health Benefits Trust Fund. In addition, administers (1) the Medical Claims Conciliation Panel; and (2) the Design Claims Conciliation Panel.	4					
		Dept Total by MOF	398	32	32,472,347	14,372,173	B
			8	4	940,826	1,451,010	T

Table 3  
Biennium Budget Reductions

#	Description of Reduction	Impact of Reduction	Prog ID/Org	Pos (P)		Pos (T)	Pos (P)		Pos (T)	MOF
				10	10		11	11		
1	Base Adjustment: Equipment	Rationale: Base adjustment - Non recurring costs per Finance Memo No. 08-10.	CCA 103/HA			(20,000)			(20,000)	B
2	Base Adjustment: Equipment	Rationale: Base adjustment - Non recurring costs per Finance Memo No. 08-10.	CCA 104/BA			(10,800)			(10,800)	B
3	Base Adjustment: Equipment	Rationale: Base adjustment - Non recurring costs per Finance Memo No. 08-10.	CCA 106/EA			(32,900)			(32,900)	B
4	Base Adjustment: Other Current Expenses (Economic Cadre)	Rationale: Base adjustment - Non recurring costs per Finance Memo No. 08-10.	CCA111/CA			(65,000)			(65,000)	B
5	Base Adjustment: Equipment	Rationale: Base adjustment - Non recurring costs per Finance Memo No. 08-10.	CCA 111/CA			(5,425)			(5,425)	B
6	Base Adjustment: Equipment	Rationale: Base adjustment - Non recurring costs per Finance Memo No. 08-10.	CCA 191/AA			(20,000)			(20,000)	B
7	Base Adjustment: Equipment	Rationale: Base adjustment - Non recurring costs per Finance Memo No. 08-10.	CCA 191/AH			(17,600)			(17,600)	B
8	Base Adjustment: Equipment	Rationale: Base adjustment - Non recurring costs per Finance Memo No. 08-10.	CCA 191/AI			(199,370)			(199,370)	B
			TOTAL			(371,095)			(371,095)	B

Table 4  
Biennium Budget Additions

Description of Addition	Prog ID/Org	Pos (P)	Pos (T)	\$\$\$\$ 10	Pos (P)	Pos (T)	\$\$\$\$ 11	MOF
		10	10		11	11		
<b>Base Adjustments:</b>								
Collective Bargaining	CCA 102/FA			54,203			54,203	B
Collective Bargaining	CCA 103/HA			87,657			87,657	B
Collective Bargaining	CCA 104/BA			335,608			335,608	B
Collective Bargaining	CCA 105/GA			245,763			245,763	B
Collective Bargaining	CCA 105/GA			47,013			47,013	T
Collective Bargaining	CCA 106/EA			468,602			468,602	B
Collective Bargaining	CCA 110/DA			94,138			94,138	B
Collective Bargaining	CCA 111/CA			320,766			320,766	B
Collective Bargaining	CCA 112/AB			212,811			212,811	B
Collective Bargaining	CCA 191/AA			137,367			137,367	B
Collective Bargaining	CCA 191/AH			57,678			57,678	B
Collective Bargaining	CCA 191/AI			78,785			78,785	B
	<b>Totals by MOF:</b>			2,093,378			2,093,378	B
				47,013			47,013	T
<b>Executive Request (Form A):</b>								
Increase ceiling for estimated fringe benefits. (CRF)	CCA 105/GA			142,340			142,340	B
Increase ceiling for estimated fringe benefits. (REEF)	CCA 105/GA			9,894			9,894	T
Increase ceiling for estimated fringe benefits. (CMEF)	CCA 105/GA			26,311			26,311	T
Add 2.00 temporary positions and funds for MMA. (CRF)	CCA 105/GA		2	139,842		2	139,842	B
Increase ceiling for federal registry fee (REARF)	CCA 105/GA			20,000			0	T
Convert 2.00 temporary positions to permanent positions. (CRF)	CCA 105/GA	2	-2	0	2	-2	0	B
Convert 2.00 temporary positions to permanent positions. (REEF)	CCA 105/GA	2	-2	0	2	-2	0	T
Convert 1.00 temporary position to a permanent position. (CMEF)	CCA 105/GA	1	-1	0	1	-1	0	T
Increase ceiling for estimated fringe benefits. (CIAF)	CCA 106/EA			25,648			25,648	B
Increase ceiling for estimated fringe benefits. (CRF)	CCA 110/DA			53,328			53,328	B
Increase ceiling for estimated fringe benefits. (CRF)	CCA 111/CA			173,611			173,611	B
Increase ceiling for investigator positions.* (CRF)	CCA 112/AB			76,012			76,012	B
Increase ceiling for estimated fringe benefits. (CRF)	CCA 191/AA			69,783			69,783	B
Increase ceiling for estimated fringe benefits. (CRF)	CCA 191/AH			31,498			31,498	B
Increase ceiling for estimated fringe benefits. (CRF)	CCA 191/AI			31,690			31,690	B
	<b>Totals by MOF:</b>	2	0	743,752	2	0	743,752	B
		3	-3	56,205	3	-3	36,205	T

Table 5  
 Current Year (FY09) Restrictions

<u>Prog ID</u>	<u>FY09 \$\$\$</u>	<u>Impact</u>	<u>FY10 \$\$\$</u>	<u>FY11 \$\$\$</u>
		None.		

PRESENTATION  
OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
BIENNIUM BUDGET REQUEST FOR FISCAL BIENNIUM 2009-2011

TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION

JANUARY 26, 2009

TO THE HONORABLE ROBERT N. HERKES, CHAIR  
AND MEMBERS OF THE COMMITTEE

**Operational Budget**

**1. Introduction:**

- a. **Title of Program ID:** CCA 102 – Cable Television
- b. **Summary of program objectives.**

To foster the development of responsive and reliable cable television communications services for the people of Hawaii, by promoting the public interest in authorizations by the state regarding cable television franchises; regulate basic cable television rates and service to ensure compliance with applicable State and Federal law; expand and operate the Statewide Institutional Network (INET); and continue the availability of Public, Education and Government (PEG) cable access.

Statutory reference: Chapter 440G, HRS.

**2. Program Performance Results:**

- a. **Table 6: Program Performance Results.**

Please see the attached spreadsheet.

- b. **Discuss how this Program ID's Measures of Effectiveness relate to the department's mission and program objectives.**

The program helps to promote and protect the interests of Hawaii's consumers, making sure there is fairness in the marketplace. By monitoring the reliability of the cable operators' systems, the program fosters the development of reliable cable television communications services for the people of Hawaii. By reviewing the cable operators' rate filings, the program regulates basic service rates and ensures compliance

*- no complaints filed for contracts*  
*- RFP (is not low bid)*  
*(DCCA makes selection)*  
*(Scoring criteria)*  
*(# of contracts - 0)*

with applicable state and federal law. The program's efforts to obtain INET connections to public facilities have resulted in expansion of the INET now throughout the whole state. The program continues to support PEG programming.

**c. Discuss how results of measures of effectiveness affect program activities.**

The program's efforts and resources are focused on its objectives of franchising (new, renewals and transfers), consumer protection, PEG (public, governmental and educational) programming, and enhancement of the Institutional Network (INET). The program is always focused on the best interests of Hawaii's residents.

**d. Identify any modifications to your program's performance measures and discuss the rationale for these modifications.**

None.

**Capital Improvement Program (CIP) Budget**

None.



Table 6  
 Prog ID: CCA 102  
 Program Performance Results

#	<u>Measures of Effectiveness</u>	<u>Direction of Success (increase/decrease)</u>	<u>FY07 Result</u>	<u>FY08 Result</u>	<u>FY09 Plan</u>	<u>FY10 Plan</u>
1	PERCENT OF HOMES FOR WHICH CABLE TELEVISION IS AVAILABLE IN THE STATE.	increase	99	99	99	99
2	PERCENT OF COMPLIANCE BY CABLE TELEVISION COMMUNICATIONS SYSTEMS WITH STATE STATUTORY AND REGULATORY REPORTING REQUIREMENTS.	increase	99	99	99	99
3	PERCENT OF COMPLAINTS ADDRESSED WITHIN 30 DAYS.	increase	99	99	99	99

PRESENTATION  
OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
BIENNIUM BUDGET REQUEST FOR FISCAL BIENNIUM 2009-2011

TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION

JANUARY 26, 2009

*- most under staffed  
division*

TO THE HONORABLE ROBERT N. HERKES, CHAIR  
AND MEMBERS OF THE COMMITTEE

**Operational Budget**

**1. Introduction:**

- a. **Title of Program ID:** CCA 103 – Consumer Advocate for Communications, Utilities and Transportation Services
- b. **Summary of program objectives.**

Through advocacy, education, and long range planning, to ensure sustainable, reliable, safe, and quality communications, utility and transportation services at fair cost for Hawaii's consumers for the short and long term.

Statutory reference: Section 269-51, HRS.

**2. Program Performance Results:**

- a. **Table 6: Program Performance Results.**  
  
Please see the attached spreadsheet for a summary of results.
- b. **Discuss how this Program ID's Measures of Effectiveness relate to the department's mission and program objectives.**

The mission of the Department of Commerce and Consumer Affairs is "to uphold fairness and public confidence in the marketplace, promote sound consumer practices, and increase knowledge, opportunity, and justice in our community." The analysis performed by the Consumer Advocate's analysts in matters before the regulatory bodies (e.g., PUC) furthers the mission of

the Department by ensuring:

- Fairness in the rates charged to all consumers of a utility service;
- The maintenance of acceptable service standards;
- The provision of safe and reliable utility service to improve the quality of life for Hawaii's utility customers; and
- Promotion of the State's energy policy without compromising service quality.

These goals are also consistent with the Consumer Advocate's program objectives.

The Consumer Advocate's analysis of rate applications and tariff transmittals ensured that the rates charged for utility services were non-discriminatory and reflected reasonable costs of providing the services to all consumers.

The analysis of integrated resource planning, demand-side management and capital improvement applications ensured that utilities had the infrastructure and facilities needed to provide safe and reliable service to its customers, thereby fostering a high quality of life and the promotion of the State's economy. For example, electric service is essential to customers and their everyday existence, whether it be an individual resident or a large business. Consumers' heavy reliance on computer technology to perform many of our daily functions creates a greater need for reliable electric service. In addition, the Consumer Advocate's analysis in these matters helped to achieve the State's energy policy of reducing the State's dependence on fossil fuel without compromising service quality by supporting the use of renewable energy, where appropriate.

The analysis of certification applications ensured that affordable, safe and reliable utility service was provided to all consumers in a designated service area. This analysis is crucial to quality of life since utility services, by their nature, are essential services that may not be available to the consumer in a particular service area, but for the service offered by the applicant seeking certification from the PUC.

**b. Discuss how results of measures of effectiveness affect program activities.**

The various measures of effectiveness may vary significantly from year to year, depending on the types and numbers of applications filed by utilities with the PUC. Some results have little affect on the program activities,

given that the results differ depending on events outside the Consumer Advocate's control. Furthermore, some achievements of the Consumer Advocate to protect consumers cannot easily be measured. While it is difficult to quantify all money saved for consumers by actions taken by the office, the Consumer Advocate estimates that the total amount of consumer savings for the fiscal year 2008 was in excess of \$37 million. This amount is calculated by summing the suggested downward adjustments that are recommended by Consumer Advocate and are adopted by the PUC. In large part, these savings are found in rate case proceedings.

Other measures of effectiveness – for example, the number of customers contacted through outreach events or newsletter distributed have significant impact on the decisions the Consumer Advocate's office makes in terms of what events to attend and how to distribute such newsletters.

- d. Identify any modifications to your program's performance measures and discuss the rationale for these modifications.**

None.

**Capital Improvement Program (CIP) Budget**

None.

Table 6  
 Prog ID: CCA 103  
 Program Performance Results

#	Measures of Effectiveness	Direction of Success (increase/decrease)	FY07 Result	FY08 Result	FY09 Plan	FY10 Plan
1	AVERAGE PERCENT TO WHICH DECISIONS ON UTILITY AND TRANSPORTATION MATTER (INCLUDING BUT NOT LIMITED TO REQUEST FOR RATE ADJUSTMENT AND SERVICE OFFERINGS, TO PROCEED WITH LONG-TERM PLANS THAT COMPLY WITH STATE POLICIES ON ENERGY AND TELECOMMUNICATION MATTERS, TO AMEND RULES AND REGULATIONS, TO COMMIT MONIES FOR CAPITAL IMPROVEMENT PROJECTS, TO RECEIVE AUTHORIZATION TO PROVIDE REGULATED SERVICES, TO ENTER INTO LONG-TERM FINANCING ARRANGEMENTS, TO MERGE OR ACQUIRE STOCK OF A UTILITY COMPANY, ETC.) AGREE WITH DIVISION RECOMMENDATIONS.	Increase	80	80	80	80
2	SAVINGS TO CONSUMERS DUE TO THE DIVISION'S PARTICIPATION IN PUBLIC UTILITIES COMMISSION (PUC) AND OTHER REGULATORY AGENCIES' PROCEEDINGS ON UTILITY COMPANIES' REQUESTS FOR RATE INCREASES, AND MERGER OR ACQUISITION PROCEEDINGS. (000'S)	Increase	52134	37167	623	10000
3	SAVINGS TO CONSUMERS DUE TO THE DIVISION'S PARTICIPATION IN PUC AND OTHER REGULATORY AGENCIES' PROCEEDINGS ON MOTOR CARRIER TRANSPORTATION COMPANIES' REQUESTS FOR RATE INCREASES. (000'S)	Increase				
4	SAVINGS TO CONSUMERS DUE TO THE DIVISION'S PARTICIPATION IN PUC AND OTHER REGULATORY AGENCIES' PROCEEDINGS ON WATER CARRIER COMPANIES' REQUESTS FOR RATE INCREASES. (000'S)	Increase				100
5	PERCENTAGE OF PROCEDURAL SCHEDULE DEADLINES MET (SET ON A CASE-BY-CASE BASIS THAT IS DETERMINED BY PUC). A NORMAL PROCEDURAL SCHEDULE HAS ANYWHERE FROM 3 TO 30 DEADLINES RANGING FROM 3 MONTHS TO YEARS.	Increase	100	100	100	100
6	NUMBER OF PEOPLE REACHED THROUGH EDUCATION/OUTREACH EVENTS.	Increase	300	3000	3000	2500
7	NUMBER OF NEWSLETTERS/PUBLICATIONS DISTRIBUTED.	Increase	300	2000	2000	500
8	NUMBER OF COMPLAINTS RESPONDED TO WITHIN 24 HOURS OF RECEIVING AN INQUIRY.	Increase	22	24	24	24
9	PERCENTAGE OF ALTERNATIVE ENERGY SOURCES USED BY ELECTRIC UTILITIES.	Increase	14	14	16	15

PRESENTATION  
OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
BIENNIUM BUDGET REQUEST FOR FISCAL BIENNIUM 2009-2011

TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION

JANUARY 26, 2009

TO THE HONORABLE ROBERT N. HERKES, CHAIR  
AND MEMBERS OF THE COMMITTEE

**Operational Budget**

**1. Introduction:**

- a. **Title of Program ID:** CCA 104 - Financial Institution Services
- b. **Summary of program objectives.**

To ensure the safety and soundness of state-chartered and state-licensed financial institutions by fairly administering applicable statutes and rules in order to protect the rights and funds of depositors, borrowers, consumers, and other members of the community, and to supervise escrow depositories and money transmitters.

Statutory reference: Chapters 412, 449, and 489D, HRS.

**2. Program Performance Results:**

- a. **Table 6: Program Performance Results.**  
  
Please see attached spreadsheet.
- b. **Discuss how this Program ID's Measures of Effectiveness relate to the department's mission and program objectives.**

The mission of the DCCA includes upholding "fairness and public confidence in the marketplace". The mission of the Division of Financial Institutions ("DFI") is to ensure the safety and soundness of Hawaii state-chartered and state-licensed financial institutions and to maintain public confidence in such institutions, and to supervise escrow depositories and money transmitters.

DFI's on-site examination program is the primary means by which DFI

ensures that financial institutions are in a safe and sound condition and that financial institutions, escrow depositories, and money transmitters are in compliance with state and applicable federal laws such as those relating to privacy, money laundering and bank secrecy. The review and processing of applications, the off-site review of audited financial statements and other reports; the renewal of licenses, and the processing of consumer complaints are also critical elements in DFI's on-going assessment of the institutions' financial condition; compliance with state and federal laws, rules and regulations; and changing business plans, strategies, and operating results.

**c. Discuss how results of measures of effectiveness affect program activities.**

In FY 07 and FY 08, performance results were satisfactory in the areas of examinations, application processing, license renewals, and responding to written inquiries. DFI was able to maintain its satisfactory performance in these areas in FY 08 despite a tremendous increase in workload due to the complexity of applications, complaints and inquiries it receives; the changing nature of the examinations it conducts to deal with new laws and regulations and the evolving nature of the financial services industry; and the new requirement to license money transmitters. In addition, the national mortgage crisis that began in 2007 and evolved into a full-scale financial crisis in 2008 with unprecedented economic disruptions and numerous federal initiatives to restore liquidity and stability to the financial system impacted DFI's activities. While Hawaii-chartered banks remain well-capitalized and are prepared to make credit available to qualified borrowers, DFI has had to monitor the impact of the disruptions and the numerous federal initiatives on the overall industry and on individual institutions.

Although the review of audited financial statements within 30 days of receipt remained at 79% in FY 08, DFI was able to maintain this performance level without increased staffing despite the 173% increase in the number of audited financial statements received in FY 08 due to the implementation of Act 153, 2006 SLH which required money transmitters to be licensed by DFI and to submit audited financial statements when applying for licensure and annually thereafter.

In response to the enactment of Act 153, 2006 SLH, DFI requested and received additional funding and three new positions to implement the money transmitters program beginning in FY 09. However, due to the delayed effective date of Act 195, 2008 SLH, which was intended to provide the necessary revenues for the program, DFI has had to delay the hiring of the additional examiners until late in FY 10 and has only been able to partially implement the money transmitter program using existing staff as and if available.

In dealing with the continually evolving and increasing workload and the complexity of issues involved, DFI has had to prioritize its work; submit legislation to change and enhance conflicting or inconsistent State laws; adopt supervisory protocols and agreements with other state and federal banking agencies for the cooperation and coordination of regulatory activities; increase coordination and cooperation with other federal and state agencies that serve as the functional regulators of certain financial institution activities; implement new examination procedures and enhance other program activities to ensure the safety and soundness of the institutions DFI regulates and their compliance with applicable laws and regulations.

The development and maintenance of a highly skilled and efficient work force continues to be a critical factor in DFI's ability to effectively supervise and regulate the financial services industry. Accordingly, continuous training of staff and the increased use of technology remain key DFI priorities.

- d. Identify any modifications to your program's performance measures and discuss the rationale for these modifications.**

None.

**Capital Improvement Program (CIP) Budget**

None.



Table 6  
 Prog ID: CCA 104  
 Program Performance Results

#	<u>Measures of Effectiveness</u>	<u>Direction of Success (increase/decrease)</u>	<u>FY07 Result</u>	<u>FY08 Result</u>	<u>FY09 Plan</u>	<u>FY10 Plan</u>
1	PERCENT OF FINANCIAL INSTITUTIONS, BRANCHES AND OTHER OFFICES EXAMINED IN A TIMELY MANNER PURSUANT TO STATUTE AND RULE.	Increase	88	90	92	95
2	PERCENT OF COMPLETED FINANCIAL INSTITUTION APPLICATIONS REVIEWED AND PROCESSED IN A TIMELY MANNER PURSUANT TO STATUTE AND INTERNAL GUIDELINES, WHICH RANGE FROM 30 - 90 DAYS FROM RECEIPT.	Increase	89	91	95	90
3	PERCENT OF WRITTEN INQUIRIES REVIEWED AND PROCESSED WITHIN 30 DAYS.	Increase	96	90	90	90
4	PERCENT OF LICENSE RENEWALS REVIEWED AND PROCESSED IN A TIMELY MANNER PURSUANT TO INTERNAL STANDARDS, WHICH RANGE FROM 30 - 60 DAYS.	Increase	100	94	90	90
5	PERCENT OF AUDITED FINANCIAL STATEMENTS REVIEWED WITHIN 30 DAYS OF RECEIPT.	Increase	79	79	90	90

PRESENTATION  
OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
BIENNIUM BUDGET REQUEST FOR FISCAL BIENNIUM 2009-2011

TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION

JANUARY 26, 2009

*79.7% online  
renewals (FY09)*

TO THE HONORABLE ROBERT N. HERKES, CHAIR  
AND MEMBERS OF THE COMMITTEE

**Operational Budget**

**1. Introduction:**

- a. **Title of Program ID:** CCA 105 - Professional and Vocational Licensing
- b. **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, 440E, 441, 442, 443B, 444, 447, 448, 448E, 448F, 448H, 451A, 451D, 451J, 452, 453, 453D, 454, 455, 457, 457A, 457B, 457G, 458, 459, 460, 460J, 461, 461J, 462A, 463, 463E, 464, 465, 466, 466K, 467, 467E, 468E, 468K, 468L, 468M, 471, 481E, 484, 514A, and 514E, HRS. .

**2. Program Performance Results:**

- a. **Table 6: Program Performance Results.**

Please see attached spreadsheet.

- b. **Discuss how this Program ID's Measures of Effectiveness relate to the department's mission and program objectives.**

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

- c. **Discuss how results of measures of effectiveness affect program**

**activities.**

Evaluates program benchmarks/standards of performance.

**d. Identify any modifications to your program's performance measures and discuss the rationale for these modifications**

Modified program target group item 3. "Pers/Bus seeking licenses from PVL" to "Pers/Bus licensed by PVL (curr and act)" as the prior performance measure target group and numbers were duplicative to the numbers reflected in the program activities item 1. "# of prof. & voc. Applications received."

**Capital Improvement Program (CIP) Budget**

None.

Table 6  
 Prog ID: CCA 105  
 Program Performance Results

#	Measures of Effectiveness	Direction of Success (increase/decrease)	FY07 Result	FY08 Result	FY09 Plan	FY10 Plan
1	PERCENT OF NEW LICENSES ISSUED WITHIN 10 - 12 BUSINESS DAYS.	increase	93	92	95	95
2	PERCENT OF LICENSEES RENEWED WITHIN 10 - 12 BUSINESS DAYS.	increase	90	98	97	97
3	PERCENT OF PROFESSIONAL AND VOCATIONAL LICENSING (PVL) PROPOSED LEGISLATIVE MEASURES ENACTED.	increase	90	60	0	90

PRESENTATION  
OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
BIENNIUM BUDGET REQUEST FOR FISCAL BIENNIUM 2009-2011

TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION

JANUARY 26, 2009

*- STO 41 (Council does not support)*

TO THE HONORABLE ROBERT N. HERKES, CHAIR  
AND MEMBERS OF THE COMMITTEE

**Operational Budget**

**1. Introduction:**

- a. **Title of Program ID: CCA-106 – Insurance Regulatory Services**
- b. **Summary of program objectives.**

To ensure that consumers are provided with insurance services meeting acceptable standards of quality, equity, and dependability at fair rates by establishing and enforcing appropriate service standards and fairly administering the Insurance Code.

Statutory Reference: Chapter 287, 386, 386A, 392, 393, 431, 431E, 431K, 431L, 431M, 431N, 431P, 432, 432C, 432D, 432E, 435C, 435E, 448D, 481R, 481X and 488, HRS.

**2. Program Performance Results:**

- a. **Table 6: Program Performance Results.**  
  
Please see attached spreadsheet.
- b. **Discuss how this Program ID's Measures of Effectiveness relate to the department's mission and program objectives.**

The Division's objectives and the performance goals are measures to ensure that consumers are provided with insurance services meeting acceptable quality and standards. The results relate directly to the Department's objective of consumer protection.

- c. **Discuss how results of measures of effectiveness affect program activities.**

If the measure of effectiveness declines, then the Division reevaluates the available resources and determines the appropriate steps needed for improvement.

- d. **Identify any modifications to your program's performance measures and discuss the rationale for these modifications.**

None.

**Capital Improvement Program (CIP) Budget**

None.

Table 6  
 Prog ID: CCA 106  
 Program Performance Results

#	Measures of Effectiveness	Direction of Success (increase/decrease)	FY07 Result	FY08 Result	FY09 Plan	FY10 Plan
1	PERCENT OF COMPLAINTS RESOLVED WITHIN 90 DAYS.	Increase	99	95	95	95
2	PERCENT OF INSURER'S EXAMINATION WORKLOAD COMPLETED AT LEAST ONCE EVERY 5 YEARS.	Increase	100	100	100	100
3	PERCENT OF CAPTIVE INSURER EXAMINATION WORKLOAD COMPLETED EVERY THREE YEARS OR WITHIN FIVE YEARS UPON APPLICATION TO AND APPROVAL OF THE COMMISSIONER.	Increase	60	59	70	70
4	PERCENT OF RATE AND POLICY FILINGS REVIEWED WITHIN STATUTORY TIME REQUIREMENTS.	Increase	90	95	95	95
5	PERCENT OF MOTOR VEHICLE INSURANCE FRAUD CASES INDICTED BY THE STATE.	Increase	100	100	100	100
6	PERCENT OF CHANGE FROM PRIOR YEAR IN NUMBER CAPTIVE LICENSEES.	Increase	1.9	1.0	4.0	3.0

PRESENTATION  
OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
BIENNIUM BUDGET REQUEST FOR FISCAL BIENNIUM 2009-2011

TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION

JANUARY 26, 2009

TO THE HONORABLE ROBERT N. HERKES, CHAIR  
AND MEMBERS OF THE COMMITTEE

**Operational Budget**

**1. Introduction:**

**a. Title of Program ID.**

CCA 110 - Office of Consumer Protection

**b. Summary of program objectives.**

To protect the public interest by investigating alleged violations of consumer protection laws, taking legal action to stop unfair or deceptive trade practices in the marketplace, and assisting in educating the public and businesses concerning their respective legal rights and obligations in the marketplace.

Statutory reference: Chapters 209, 290, 436M, 437, 437D, 446, 446E, 457G, 467B, 476, 477, 477E, 480, 480D, 481A, 481B, 481C, 481D, 481F, 481H, 481L, 481K, 481M, 481P, 486N, 487, 487A, 487H, 487J, 487N, 487R, and 521, HRS.

**2. Program Performance Results:**

**a. Table 6: Program Performance Results.**

See attached spreadsheet.

The number of consumers affected by OCP's actions continues to grow while the number of staff remains constant. The office has been able to fulfill its mission through selective investigation of cases, increased consumer outreach, and targeted consumer education. During the past few years OCP has become increasingly active in multi-state enforcement actions which have provided several million dollars to the state in the form



of fines assessed or costs imposed.

- b. Discuss how this Program ID's Measures of Effectiveness relate to the department's mission and program objectives.**

The measures were designed to reflect the program's ability to impact large groups of consumers and businesses. In this regard, the measures reflect that the program's impact continues to grow.

- c. Discuss how results of measures of effectiveness affect program activities.**

Effectiveness is measured by four criteria: consumers affected by office action, businesses affected by investigations, amount of fines assessed in judgments, and the number of disputes handled through alternative dispute resolution. The number of known affected consumers and businesses remains high. During the past year thousands of businesses and consumers received valuable information about consumer protection through various sources, including OCP's website, press releases, and speaking engagements. It is expected that public use and demand for services through the Internet will continue to grow as more information is posted on the website.

Although OCP has been able to effectively prosecute every significant case that has fallen within its jurisdiction, there are a number of small, isolated cases that, due to finite resources, are not being investigated by the office. In addressing this challenge, OCP works with the RICO Consumer Resource Center, to facilitate referrals to mediation, self-help, consumer education, and the like.

- d. Identify any modifications to your program's performance measures and discuss the rationale for these modifications.**

None.

#### **Capital Improvement Program (CIP) Budget**

None.

Table 6  
 Prog ID: CCA 110  
 Program Performance Results

#	Measures of Effectiveness	Direction of Success (increase/decrease)	FY07 Result	FY08 Result	FY09 Plan	FY10 Plan
1	NUMBER OF CONSUMERS DIRECTLY AFFECTED BY OFFICE ACTION (THOUSANDS).	Increase	24	28	28	30
2	NUMBER OF BUSINESSES DIRECTLY AFFECTED BY OFFICE INVESTIGATIONS.	Increase	1802	1000	1000	1000
3	DOLLAR AMOUNT OF FINES ASSESSED OR COSTS IMPOSED (THOUSANDS).	Increase	78	1673	1673	300
4	NUMBER OF DISPUTES HANDLED THROUGH ALTERNATIVE DISPUTE RESOLUTION.	Increase	104	105	105	100

PRESENTATION  
OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
BIENNIUM BUDGET REQUEST FOR FISCAL BIENNIUM 2009-2011

TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION

JANUARY 26, 2009

*Expedited  
2/3/09*

TO THE HONORABLE ROBERT N. HERKES, CHAIR  
AND MEMBERS OF THE COMMITTEE

**Operational Budget**

**1. Introduction:**

- a. **Title of Program ID:** CCA 111 - Business Registration and Securities Regulation
- b. **Summary of program objectives.**

To ensure that business registration information is accurately maintained for corporations, partnerships, limited liability companies, trade names, trademarks, and service marks, to run Business Centers to provide personalized assistance to small and startup businesses and to ensure compliance with and enforcement of securities and franchise laws.

Statutory reference: Chapters 414, 414D, 415A, 417E, 419, 421, 421C, 421I, 423, 424, 425, 425E, 428, 474, 482, 482E, 485A, and 519, HRS.

**2. Program Performance Results:**

- a. **Table 6: Program Performance Results.**  
Please see attached spreadsheet.
- b. **Discuss how this Program ID's Measures of Effectiveness relate to the department's mission and program objectives.**

The objective of the business registry is to become one of the fastest, most efficient, customer-oriented business registries in the country. The average days to process corporation, partnership, trade name and other business documents provides an indication of processing timeliness. Currently, documents filed for expedited handling are taking 1 business day to process; documents filed for regular handling are taking approximately 3

business days to process. In addition, the business registry online services remain popular with online adoption rates expected to increase.

The objective of the Business Action Center (BAC) is to be a responsive, accessible and helpful point-of-service business center for business registration and licensing and to assist as many businesses as possible. The measure of customers served indicates the reach of the BAC to serve those who wish to conduct business in the State. The BAC has served about 4300 requests per quarter, with a total of over 17,000 served for the fiscal year. The expansion of the offices to the neighbor islands makes the BAC accessible to more people in Hawaii.

The objectives of the Division's securities industry regulatory program is to be more effective and efficient in regulating the securities industry through (1) consistent review of applications, (2) on-sight inspection of the books and records of licensed broker dealers and investment advisers in Hawaii, (3) training to ensure that the professional staff is current with the increasingly complex securities products, (4) aggressive action towards securities violators, (5) active monitoring and appropriate participation in statutory and rule making relevant to securities matters, (6) more efficient investigations and enforcement actions, (7) efficient outreach to the community to help protect the public against investor fraud and to educate them as to financial matters and where to report investor fraud.

The average days to process applications for broker dealers and their sales agents, investment firms and their representatives provides an indication of the timeliness within which these applications are reviewed and approved. Securities compliance continues to process registration applications with a short backlog and responds to applications within 15 to 30 days.

The average age of cases in investigation and pending legal action indicates the timeliness of resolving cases once the Division receives complaints. The average age of cases pending in investigation increased from 432 days in FY07 to 459 days in FY08 and the average age of cases pending in the legal section increased from 527 days in FY07 to 595 in FY08 due to action taken in several large and complex cases. A more detailed review of the caseload indicates that more perpetrators of investment fraud are using multiple accounts and depositories through which illegally obtained funds must be traced in order to build effective enforcement cases. The resolution of cases is directly related to the goals of the Division to effectively take action against violators.

**c. Discuss how results of measures of effectiveness affect program activities.**

Maintaining low processing times for business registration filings reflect the

effectiveness and customer service of the Division's Business Registration Branch.

Maintaining low processing times for applications for investment advisers, their representatives, broker dealers and their sales agents reflect the responsiveness of the Securities Compliance Branch in its efforts to thoroughly but rapidly review applications.

Working on lowering the average age of cases in investigation, legal and the overall branch helps the Securities Enforcement Branch assess and stay focused on working through old cases in a timely manner while balancing the need to be responsive and thorough with new cases.

- d. **Identify any modifications to your program's performance measures and discuss the rationale for these modifications.**
- a. **Program Activities Item 7** "# of preliminary orders and settlements completed." This item measures the work completed in the Securities Enforcement Branch. Settlements and orders are a significant part of enforcement work.
  - b. **Program Activities Item 8** "# of suspensions or bars imposed" was added to measure the impact of the Securities Enforcement Branch's work in suspending and barring securities violators from the industry.
  - c. **Program Activities Item 9** "# of persons reached through investor education activity" was added to measure the number of people our investor education program reaches. The investor education program has become a more critical part of securities regulation work and this measure helps us keep track of our level of success..

#### **Capital Improvement Program (CIP) Budget**

None.

Table 6  
 Prog ID: CCA 111  
 Program Performance Results

#	Measures of Effectiveness	Direction of Success (increase/decrease)	FY07 Result	FY08 Result	FY09 Plan	FY10 Plan
1	AVERAGE NUMBER OF DAYS TO PROCESS CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY, TRADE NAME OR OTHER DOCUMENTS UNDER EXPEDITED HANDLING (BENCHMARK: 1 DAY).	decrease	1	1	1	1
2	AVERAGE NUMBER OF DAYS TO PROCESS CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY, TRADE NAME, AND OTHER DOCUMENTS UNDER REGULAR HANDLING (BENCHMARK: 3 DAYS).	decrease	3	3	3	3
3	AVERAGE NUMBER OF DAYS TO PROCESS APPLICATIONS FOR BROKERS/DEALERS AND INVESTMENT ADVISORS (BENCHMARK: 30 DAYS).	decrease	25	25	25	25
4	AVERAGE NUMBER OF DAYS TO PROCESS APPLICATIONS FOR SALESPERONS (BENCHMARK: 15 DAYS).	decrease	15	15	15	15
5	AVERAGE NUMBER OF DAYS TO PROCESS APPLICATIONS FOR INVESTMENT ADVISER REPRESENTATIVES (BENCHMARK: 15 DAYS).	decrease	15	15	15	15
6	AVERAGE AGE OF CASES PENDING IN INVESTIGATIONS SECTION (BENCHMARK: 640 DAYS).	decrease	432	459	450	450
7	AVERAGE AGE OF CASES PENDING IN LEGAL SECTION (BENCHMARK: 365 DAYS).	decrease	527	595	550	550
8	AVERAGE AGE OF ALL CASES PENDING IN ENFORCEMENT (BENCHMARK: 365 DAYS).	decrease	479	527	500	500
9	TOTAL DOLLAR AMOUNT OF PENALTIES IMPOSED.	increase	415165	81500	1250000	100000

PRESENTATION  
OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
BIENNIUM BUDGET REQUEST FOR FISCAL BIENNIUM 2009-2011

TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION

JANUARY 26, 2009

TO THE HONORABLE ROBERT N. HERKES, CHAIR  
AND MEMBERS OF THE COMMITTEE

**Operational Budget**

**1. Introduction:**

- a. **Title of Program ID:** CCA 112 - Regulated Industries Complaints Office
- b. **Summary of program objectives.**

To assist the general public by providing consumer education outreach activities, investigating complaints from the public and enforcing the licensing laws.

Statutory reference: Section 26-9(h), HRS.

**2. Program Performance Results:**

- a. **Table 6: Program Performance Results.**  
  
Please see attached spreadsheet.
- b. **Discuss how this Program ID's Measures of Effectiveness relate to the department's mission and program objectives.**

The primary objectives of the program are (1) to provide information to consumers and businesses to help them make appropriate marketplace choices; (2) to assist consumers and businesses in resolving their complaints where appropriate; and (3) to investigate and enforce the state's licensing laws. The numbers provided in response to question 2a. reflect the number of customers who received assistance from the division through education, complaints information, investigation or enforcement and the number of businesses that were investigated, as well as the amount of fines

assessed in successful enforcement actions.

- c. Discuss how results of measures of effectiveness affect program activities.**

There is usually a correlation between the amount of fines assessed by a particular board, commission or program, and the seriousness of the violation that was committed, so the amount of fines assessed provides a good indication that the division has been actively enforcing legal actions of a serious nature and of a sufficient amount to deter future violations of the law.

- d. Identify any modifications to your program's performance measures and discuss the rationale for these modifications.**

None.

#### **Capital Improvement Program (CIP) Budget**

None.



Table 6  
 Prog ID: CCA 112  
 Program Performance Results

#	Measures of Effectiveness	Direction of Success (increase/decrease)	FY07 Result	FY08 Result	FY09 Plan	FY10 Plan
1	NUMBER OF CONSUMERS DIRECTLY AFFECTED BY REGULATED INDUSTRIES COMPLAINT OFFICE (RICO) ACTIONS (THOUSANDS).	Goal is to measure extent of consumer outreach and assistance efforts, success in preventing complaints, and to shift consumers to online access where feasible to decrease public dependence on telephone assistance from RICO.	113	98	100	100
2	NUMBER OF BUSINESSES DIRECTLY AFFECTED BY INVESTIGATIONS.	At present, efforts have been focused on decreasing volume of cases assigned to investigation (ie, resolving at the intake stage) so that investigative resources can be devoted to proactive investigations and more complex and/or critical investigations.	3098	2619	2000	2000
3	DOLLAR AMOUNT OF FINES ASSESSED.	increase	1452418	1543000	1000000	1000000

PRESENTATION  
OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
BIENNIUM BUDGET REQUEST FOR FISCAL BIENNIUM 2009-2011

TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION

JANUARY 26, 2009

TO THE HONORABLE ROBERT N. HERKES, CHAIR  
AND MEMBERS OF THE COMMITTEE

**Operational Budget**

**1. Introduction:**

- a. **Title of Program ID:** CCA-191 - General Support
- b. **Summary of program objectives.**

To uphold fairness and public confidence in the marketplace, promote sound consumer practices, and increase knowledge, opportunity, and justice in our community by enhancing program effectiveness and efficiency.

Statutory reference: Section 26-9, HRS.

**2. Program Performance Results:**

- a. **Table 6: Program Performance Results.**  
  
Please see attached spreadsheet.
- b. **Discuss how this Program ID's Measures of Effectiveness relate to the department's mission and program objectives.**

The performance results are reflective of the flexible and innovative manner in which this program and the entire department responds to the needs of its constituents and to changes in its operating environment. Reducing program fees demonstrates increased program efficiency and increases public confidence in the marketplace. Advancing e-commerce initiatives enhances program effectiveness and efficiency by increasing knowledge and opportunity to consumers. The Department's handling of due process cases and challenges to the procurement process upholds fairness and

public confidence, as the cases are heard by professional hearings officers. As a result, justice is increased in the community and program effectiveness and efficiency are enhanced.

**c. Discuss how results of measures of effectiveness affect program activities.**

In addition to the program planning and budgeting (PPB) measures, the effectiveness of this program should be measured by how well and how openly the department functions and responds to issues and problems related to consumer protection and to the needs of the business community. As a special funded Department, the program should be judged on its ability to align department revenues and expenses to ensure that the Department's customers receive value for the fees charged.

**d. Identify any modifications to your program's performance measures and discuss the rationale for these modifications.**

None.

**Capital Improvement Program (CIP) Budget**

None.

Table 6  
 Prog ID: CCA 191  
 Program Performance Results

#	Measures of Effectiveness	Direction of Success (increase/decrease)	FY07 Result	FY08 Result	FY09 Plan	FY10 Plan
1	PERCENTAGE OF CASES COMPLETED WITHIN THE DESIGNATED TIME FRAMES FOR COMPLETING CONTESTED CASE HEARINGS.	Increase	94	79	85	85
2	PERCENTAGE OF HEARINGS OFFICERS' RECOMMENDED ORDERS ADOPTED BY THE FINAL ADMINISTRATIVE AUTHORITIES.	Increase	89	93	90	90
3	PERCENTAGE OF HEARINGS OFFICERS' RECOMMENDED ORDERS ADOPTED BY FINAL ADMINISTRATIVE AUTHORITIES AND SUSTAINED ON APPEAL.	Increase	87	86	90	90
4	PERCENTAGE OF CASES RESOLVED BY HEARINGS OFFICERS PRIOR TO THE COMPLETION OF THE CONTESTED CASE HEARINGS PROCESS.	Increase	32	37	35	35
5	PERCENT OF COMPLAINTS/INQUIRIES ADDRESSED IN A TIMELY MANNER.	Increase	80	99	95	95
6	PERCENTAGE OF DEPARTMENT-RELATED LEGISLATIVE HEARINGS TO WHICH TIMELY WRITTEN TESTIMONY IS SUBMITTED.	Increase	95	95	95	95
7	PERCENT OF REQUESTS FOR SYSTEMS ADDITIONS OR ENHANCEMENTS FULFILLED.	Increase	52	60	60	70
8	PERCENT OF INFORMATION SYSTEMS WORK REQUESTS COMPLETED IN THE REQUIRED TIME.	Increase	86	85	86	86

Attachment 1  
Department-Wide Summary Information (by MOF)

Fiscal Year (FY) 2009					
Act 158/08 Appropriation (a)		Restriction (b)	Emergency Request (c)	Total FY09 (a)+(b)+(c)	MOF
44,378,485				44,378,485	B
2,288,618				2,288,618	T
				-	
				-	
46,667,103		-	-	46,667,103	Total

Fiscal Year (FY) 2010					
Act 158/08 Appropriation (d)	Collective Bargaining (e)	Reduction (f)	Additions (g)	Total FY10 (d)+(e)+(f)+(g)	MOF
44,378,485	2,093,378	(371,095)	743,752	46,844,520	B
2,288,618	47,013		56,205	2,391,836	T
				-	
				-	
46,667,103	2,140,391	(371,095)	799,957	49,236,356	Total

Fiscal Year (FY) 2011					
Act 158/08 Appropriation (h)	Collective Bargaining (i)	Reduction (j)	Additions (k)	Total FY11 (h)+(i)+(j)+(k)	MOF
44,378,485	2,093,378	(371,095)	743,752	46,844,520	B
2,288,618	47,013		36,205	2,371,836	T
				-	
				-	
46,667,103	2,140,391	(371,095)	779,957	49,216,356	Total

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

Attachment 2  
FY09 Proposed Emergency Requests

<u>Program ID</u>	<u>Description of Emergency Request</u>	<u>FTE</u>	<u>\$\$\$</u>	<u>MOF</u>
	None.			

Attachment 3  
Program ID Totals

<u>Prog ID</u>	<u>Title</u>	<u>Pos 10*</u>	<u>\$\$\$ 10</u>	<u>Pos 11*</u>	<u>\$\$\$ 11</u>	<u>MOF</u>
CCA 102	Cable Television	4.00	1,286,537	4.00	1,286,537	B
CCA 103	Consumer Advocate for Communications, Utilities, & Transportation Services	23.00	2,773,450	23.00	2,773,450	B
CCA 104	Financial Institution Services	32.00	3,138,648	32.00	3,138,648	B
CCA 105	Professional and Vocational Licensing	57.00	5,601,065	57.00	5,601,065	B
CCA 105	Professional and Vocational Licensing	8.00	2,141,155	8.00	2,141,155	T
CCA 106	Insurance Regulatory Services	81.00	13,877,058	81.00	13,877,058	B
CCA 106	Insurance Regulatory Services	-	200,000	-	200,000	T
CCA 110	Office of Consumer Protection	16.00	1,747,750	16.00	1,747,750	B
CCA 110	Office of Consumer Protection	-	50,681	-	50,681	T
CCA 111	Business Registration and Securities Regulation	74.00	6,875,735	74.00	6,875,735	B
CCA 112	Regulated Industries Complaints Office	66.00	5,659,616	66.00	5,659,616	B
CCA 191	General Support	45.00	5,884,661	45.00	5,884,661	B
	Totals by MOF:	398.00	46,844,520	398.00	46,844,520	B
		8.00	2,391,836	8.00	2,391,836	T
	* Reflects permanent position counts only.					

Attachment 4  
Budget Decisions

Priority	Prog ID/Org	Description	MOF	Dept FY10			Dept FY11			B&F FY10			B&F FY11			Gov FY10			Gov FY11		
				FTE(P)	FTE(T)	\$\$\$	FTE(P)	FTE(T)	\$\$\$	FTE(P)	FTE(T)	\$\$\$	FTE(P)	FTE(T)	\$\$\$	FTE(P)	FTE(T)	\$\$\$	FTE(P)	FTE(T)	\$\$\$
1	CCA 105/GA	Increase ceiling to cover fringe (CRF S-305)	B			142,340			142,340			142,340			142,340			142,340			142,340
1	CCA 106/EA	Increase ceiling to cover fringe (CIAF S-317)	B			25,648			25,648			25,648			25,648			25,648			25,648
1	CCA 110/DA	Increase ceiling to cover fringe (CRF S-323)	B			53,328			53,328			53,328			53,328			53,328			53,328
1	CCA 111/CA	Increase ceiling to cover fringe (CRF S-306)	B			173,611			173,611			173,611			173,611			173,611			173,611
1	CCA 191/AA	Increase ceiling to cover fringe (CRF S-310)	B			69,783			69,783			69,783			69,783			69,783			69,783
1	CCA 191/AH	Increase ceiling to cover fringe (CRF S-310)	B			31,498			31,498			31,498			31,498			31,498			31,498
1	CCA 191/AI	Increase ceiling to cover fringe (CRF S-310)	B			31,690			31,690			31,690			31,690			31,690			31,690
1	CCA 105/GA	Increase ceiling to cover fringe (T-905)	T			9,894			9,894			9,894			9,894			9,894			9,894
1	CCA 105/GA	Increase ceiling to cover fringe (T-918)	T			26,311			26,311			26,311			26,311			26,311			26,311
1a	CCA 103/HA	Transfer from Others to Pers Svcs to cover fringe (CRF S-303). Trade-off Other Current Expenses.	B			(36,902)			(36,902)			(36,902)			(36,902)			(36,902)			(36,902)
1b	CCA 103/HA	Transfer from Others to Pers Svcs to cover fringe (CRF S-303). Add Personal Services Expenses.	B			36,902			36,902			36,902			36,902			36,902			36,902
1c	CCA 106/EA	Transfer from Others to Pers Svcs to cover fringe (CRF S-313). Trade-off Other Current Expenses.	B			(226,562)			(226,562)			(226,562)			(226,562)			(226,562)			(226,562)
1d	CCA 106/EA	Transfer from Others to Pers Svcs to cover fringe (CRF S-313). Add Personal Services Expenses.	B			226,562			226,562			226,562			226,562			226,562			226,562
1e	CCA 112/AB	Transfer from Others to Pers Svcs to cover fringe (CRF S-312). Trade-off Other Current Expenses.	B			(138,050)			(138,050)			(138,050)			(138,050)			(138,050)			(138,050)
1f	CCA 112/AB	Transfer from Others to Pers Svcs to cover fringe (CRF S-312). Add Personal Services Expenses.	B			138,050			138,050			138,050			138,050			138,050			138,050
2	CCA 191/AA	Increase ceiling to cover building maintenance and utilities (CRF S-310)	B			133,311			279,727			-			-			-			-



Attachment 4  
Budget Decisions

Priority	Prog ID/Org	Description	MOF	Dept FY10			Dept FY11			B&F FY10			B&F FY11			Gov FY10			Gov FY11		
				FTE(P)	FTE(T)	\$\$\$	FTE(P)	FTE(T)	\$\$\$	FTE(P)	FTE(T)	\$\$\$	FTE(P)	FTE(T)	\$\$\$	FTE(P)	FTE(T)	\$\$\$	FTE(P)	FTE(T)	\$\$\$
3	CCA 191/AI	Increase ceiling to cover equipment costs (CRF S-310)	B			199,370			199,370			-			-			-			-
4a	CCA 111/CA	Trade-off: Transfer-out one permanent and one temporary position counts (CRF S-306)	B	(1.00)	(1.00)		(1.00)	(1.00)		(1.00)	(1.00)	(53,424)	(1.00)	(1.00)	(53,424)	(1.00)	(1.00)	(53,424)	(1.00)	(1.00)	(53,424)
4b	CCA 112/AB	Trade-off: Transfer-in one permanent and one temporary position counts (CRF S-312)	B	1.00	1.00		1.00	1.00		1.00	1.00	129,436	1.00	1.00	129,436	1.00	1.00	129,436	1.00	1.00	129,436
4c	CCA 112/AB	Increase ceiling to cover personal services (CRF S-312)	B			129,436			129,436			-			-			-			-
5	CCA 105/GA	Add four temporary positions and funds for MMA (CRF S-305)	B		4.00	228,536		4.00	228,536		2.00	139,842		2.00	139,842		2.00	139,842		2.00	139,842
6a	CCA 106/EA	Vary position and trade-off funds from other current expenses to personal services ( CRF S-313). Trade-off Other Current Expenses.	B			(80,423)			(80,423)			-			-			-			-
6b	CCA 106/EA	Vary position and trade-off funds from other current expenses to personal services ( CRF S-313). Add personal services expenses.	B			80,423			80,423			-			-			-			-
7	CCA 105/GA	Increase ceiling for federal registry fees (T-919)	T			20,000						20,000			-			20,000			-
8	CCA 105/GA	Convert two temporary positions to permanent positions (CRF S-305)	B	2.00	(2.00)	-	2.00	(2.00)	-	2.00	(2.00)	-	2.00	(2.00)	-	2.00	(2.00)	-	2.00	(2.00)	-
9	CCA 105/GA	Convert two temporary positions to permanent positions (REEF T-905)	T	2.00	(2.00)	-	2.00	(2.00)	-	2.00	(2.00)	-	2.00	(2.00)	-	2.00	(2.00)	-	2.00	(2.00)	-
10	CCA 105/GA	Convert one temporary position to permanent positions (CMEF T-918))	T	1.00	(1.00)	-	1.00	(1.00)	-	1.00	(1.00)	-	1.00	(1.00)	-	1.00	(1.00)	-	1.00	(1.00)	-

Attachment 5  
All Positions Vacant as of 12/1/08

<u>Date of Vacancy</u>	<u>Position Title</u>	<u>Position Number</u>	<u>Exempt (Y/N)</u>	<u>Budgeted Amount</u>	<u>Actual Salary Last Paid</u>	<u>MOF</u>	<u>Prog ID</u>	<u>Authority to Hire (Y/N)</u>	
07/18/03	Auditor (PU) IV	2787	N	\$ 42,144.00	\$ 37,464.00	B	CCA 103	Y	
05/10/05	Auditor (PU) VII	2788	N	\$ 57,720.00	\$ 63,048.00	B	CCA 103	Y	
12/31/05	Research Statistician VI	15098	N	\$ 51,312.00	\$ 70,560.00	B	CCA 103	N	
06/09/04	Research Statistician V	21377	N	\$ 47,448.00	\$ 47,436.00	B	CCA 103	N	
11/16/07	Office Assistant IV	21378	N	\$ 28,860.00	\$ 30,012.00	B	CCA 103	Y	
02/16/07	Engineer (PU) IV	28849	N	\$ 47,448.00	\$ 47,448.00	B	CCA 103	Y	
07/21/05	Auditor (PU) IV	28850	N	\$ 42,144.00	\$ 42,576.00	B	CCA 103	N	
08/16/04	Auditor (PU) V	29265	N	\$ 47,448.00	\$ 49,344.00	B	CCA 103	Y	
01/11/06	Economist VI	40834	N	\$ 57,720.00	\$ 55,764.00	B	CCA 103	N	
10/01/04	Fin Inst Examiner IV	117	N	\$ 53,352.00	\$ 67,512.00	B	CCA 104	N	
07/01/06	Fin Inst Specialist	113140	Y	\$ 51,312.00	\$ 65,256.00	B	CCA 104	N	
04/01/06	Secretary II	33	N	\$ 29,976.00	\$ 32,616.00	B	CCA 105	Y	**
07/16/97	Reg Bds/Com Admin Asst III	3769	N	\$ 51,312.00	\$ 57,660.00	B	CCA 105	Y	
02/21/07	Secretary II	22645	N	\$ 37,944.00	\$ 37,944.00	B	CCA 105	N	
08/09/08	Office Assistant IV	22646	N	\$ 27,768.00	\$ 30,012.00	B	CCA 105	N	
03/01/07	Licensing Examiner III	37188	N	\$ 47,448.00	\$ 47,448.00	B	CCA 105	N	
06/16/08	Reg Bds/Com Admin Asst II	42706	N	\$ 49,332.00	\$ 51,300.00	B	CCA 105	Y	
08/30/08	PVL Secretary II	108008	Y	\$ 36,502.00	\$ 32,424.00	B	CCA 105	N	
11/07/07	CRF Program Specialist	110961	Y	\$ 49,332.00	\$ 51,300.00	B	CCA 105	Y	
07/01/04	Condo Program Specialist	111434	Y	\$ 42,144.00	\$ 55,209.00	T	CCA 105	N	
11/30/07	Secretary II, PVL	118828	Y	*	none	B	CCA 105	Y	
10/01/08	Office Assistant III	118939	N	\$ 28,852.00	\$ 31,212.00	T	CCA 105	N	
08/01/08	Office Assistant IV	118944	N	\$ 33,756.00	\$ 37,968.00	T	CCA 105	Y	**
01/19/07	CRF Rate & Policy Analyst IV	110317	Y	\$ 46,575.00	\$ 46,572.00	B	CA 106	Y	**
07/15/08	IRF Investigator IV	110450	Y	\$ 42,750.00	\$ 44,448.00	B	CA 106	Y	
04/01/08	IRF Program Analyst	110705	Y	\$ 51,307.00	\$ 53,364.00	B	CA 106	Y	
05/23/08	ClAF Insurance Examiner II	112456	Y	\$ 58,498.00	\$ 62,400.00	B	CA 106	N	
11/15/08	ClAF Insurance Examiner II	118103	Y	\$ 60,000.00	\$ 66,000.00	B	CA 106	N	
02/26/08	ClAF Insurance Examiner II	118104	Y	\$ 60,000.00	\$ 58,656.00	B	CA 106	N	

Attachment 5  
All Positions Vacant as of 12/1/08

<u>Date of Vacancy</u>	<u>Position Title</u>	<u>Position Number</u>	<u>Exempt (Y/N)</u>	<u>Budgeted Amount</u>	<u>Actual Salary Last Paid</u>	<u>MOF</u>	<u>Prog ID</u>	<u>Authority to Hire (Y/N)</u>	
03/01/05	Office Assistant III	25359	N	\$ 23,736.00	\$ 26,940.00	B	CCA 110	Y	
07/28/06	Office Assistant III	43810	N	\$ 23,736.00	\$ 24,792.00	B	CCA 110	Y	
08/16/04	CRF Staff Attorney IV	102262	Y	\$ 69,000.00	\$ 71,136.00	B	CCA 110	Y	
06/16/03	Securities Examiner IV	14816	N	\$ 42,144.00	\$ 42,180.00	B	CCA 111	Y	
06/01/07	Business Registration Asst	34900	N	\$ 41,064.00	\$ 41,064.00	B	CCA 111	Y	
06/16/06	Business Registration Asst	35708	N	\$ 31,212.00	\$ 39,672.00	B	CCA 111	Y	
10/27/04	Office Assistant III	37454	N	\$ 23,736.00	\$ 21,096.00	B	CCA 111	Y	
08/01/04	Office Assistant V	37710	N	\$ 27,768.00	\$ 30,012.00	B	CCA 111	Y	
05/16/08	Office Assistant III	38510	N	\$ 25,656.00	\$ 24,684.00	B	CCA 111	Y	
07/17/08	Legal Clerk	38869	N	\$ 35,100.00	\$ 37,968.00	B	CCA 111	N	
12/16/06	Office Assistant III	40364	N	\$ 27,768.00	\$ 25,764.00	B	CCA 111	Y	
10/21/00	Securities Examiner IV	54545	N	\$ 42,144.00	\$ 34,308.00	B	CCA 111	Y	
07/08/08	CRF Staff Attorney II	102531	Y	\$ 67,490.00	\$ 70,188.00	B	CCA 111	Y	
08/01/08	CRF Investigator IV	108006	Y	\$ 51,312.00	\$ 53,364.00	B	CCA 111	N	
07/11/08	Business Registration Asst	118109	N	\$ 31,212.00	\$ 36,504.00	B	CCA 111	Y	
09/01/08	Investigator IV	11196	N	\$51,312.00	\$ 53,364.00	B	CCA 112	N	
11/01/07	Staff Attorney I	101307	Y	\$ 60,237.00	\$ 62,652.00	B	CCA 112	N	
04/16/05	Staff Attorney III	101720	Y	\$ 60,000.00	\$ 56,183.40	B	CCA 112	Y	
05/30/08	Legal Clerk	118552	N	\$ 29,976.00	\$ 36,504.00	B	CCA 112	Y	**
09/16/08	RI Investigator IV	119164	Y	\$ 45,576.00	none	B	CCA 112	Y	
11/19/07	Office Services Supervisor	13238	N	\$ 37,944.00	\$ 39,456.00	B	CCA 191	Y	
10/01/08	Office Assistant IV	35158	N	\$ 32,424.00	\$ 35,064.00	B	CCA 191	N	
	* Funds for the position are appropriated in Act 279, SLH 2007.								
	** Acceptance of job offer made; pending selectee reporting to work.								

Attachment 6

Federal Fund Expenditures Exceeding Ceiling for FY08 and FY09 to date

<u>Prog ID</u>	<u>Appropriation Ceiling</u>	<u>Ceiling Increase</u>	<u>Date of Transfer</u>	<u>Reason for Exceeding Ceiling</u>	<u>Recurring (Y/N)</u>	<u>GF Impact (Y/N)</u>
None.						



Attachment 8  
CIP Summary

Priority	Project Title	FY10 \$\$\$	FY11 \$\$\$	MOF
	None.			