



**TESTIMONY OF MARION M. HIGA, STATE AUDITOR, ON HOUSE BILL NO. 2162,  
MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES OF THE LEGISLATURE,  
THE AUDITOR, THE LEGISLATIVE REFERENCE BUREAU, AND THE OMBUDSMAN**

**House Committee on Finance**

**January 26, 2010**

Chair Oshiro and Members of the Committee:

Thank you for the opportunity to testify in support of this bill. Sections 6, 7, and 8 will provide funding for my office for the coming fiscal year. I will address the sections separately.

Section 6, subsection (1), reflects the same appropriation as the current year for our operating expenses excluding financial statement audits. We have been asked by legislative leadership to cut next year's budget request by 8.08 percent. For my office, that means a reduction of \$211,670, to a new budget for FY10-11 of \$2,408,014. Exhibits 1 and 2 reflect this reduction across the board. If this new figure becomes law, I expect to apply the reduction through a combination of a shift in the personnel complement, adjustments in compensation to reflect performance, a smaller contract services budget, and a reduced array of operating expenses. Because my current appropriation is already 10 percent less than last year's, my FY10-11 budget would represent an 18.08 percent reduction in two years. Unlike last year, I cannot give you an assurance of "no warm body effect." The effects of a total two-year reduction of 18.08 percent have already started, with both a halt to the replacement of retired personnel and a reduction in audit quantity and timeliness. For the current year, I took a significant portion out of the contracts budget—a budget that has funded such work as the DOE procurement audits, the impending audit of B&F, the audit of IT governance in the executive branch, the OHA IT audit, and a portion of the OHA investment review. For next year, the contract reduction would be proportional. Exhibit 3 presents our budget and estimated expenditures for the current fiscal year.

Sections 7 and 8 provide for what we informally call "Act 4 audits," or the financial statement audits made possible by the enactment of the Audit Revolving Fund by Act 4, SLH 2003 and subsequent annual appropriations in the legislative appropriations acts. Except for audits of the financial statements of the

University of Hawai'i and the Hawai'i Health Systems Corporation, we administer 29 contract audits, including the audit of the Comprehensive Annual Financial Report, or CAFR, which is the State's overall financial statement. HB 2162 reflects last year's appropriation for both the general fund portion of the Audit Revolving Fund, in Section 7, and the authorization ceiling for the revolving fund, which includes the other funding sources as well as the general fund, in Section 8.

However, these numbers will have to increase, if the actions taken by the state comptroller since last summer are to prevail. The comptroller unilaterally announced that the executive branch will no longer require, and therefore fund, the financial statement preparation of the executive branch departments under its control. Despite our repeated requests for a rationale (other than "cost savings"), an explanation of how the executive agencies could compile their fund financial statements and year-end accounting adjustments, an explanation of how the already-stressed FAMIS accounting system could generate the necessary reports, and an explanation of how the comptroller will compile the various departments' financial information and adjustments, we have received no explanations. The executive department personnel have asked my staff and my contractor's staff for help, which we cannot give without jeopardizing our professional independence and ability to assert adherence to accepted accounting principles. Most importantly, it appears that the comptroller's actions are short-sighted, for there cannot be a savings to the extent that he believes will occur. Rather, because of the groundwork that must precede an attestation by my contractor as to the validity and soundness of the State's CAFR, the comptroller's actions would (1) represent a cost shift to the Audit Revolving Fund, assuming that my contractor, or any contractor in this state, can take on such an expanded CAFR assignment, and (2), for the immediate CAFR at hand, a possible disclaimer by the firm. Such a disclaimer of the CAFR would have enormous consequences for the State, such as in our bonding capacity and bond rating. In any case, the CAFR is bound to be late, again. For FY 07-08, the CAFR was not completed until May 2009; it was due Dec. 31, 2008. The major sticking point was the \$114 million writedown in the State's holdings in student loan-backed auction rate securities and the apportionment of that \$114 million among the executive agencies' financial statements. There was a protracted dispute between B&F and DAGS over that writedown. And not to be forgotten is that, without departmental financial statement audits, such large departments as DOE, DOH, and DHS would go unaudited. Accountability for spending would cease or greatly decrease, for there would be none of the assessment of internal controls or an affirmation of the moneys spent.

The actions of the comptroller are the latest in a string of conflicts ever since Act 4 was enacted. On the one hand, the comptroller and his department have deflected executive agency requests for assistance and

directed them inappropriately to my office—ordinary assistance that should be internal to the executive branch that is supposed to be accounting for its own spending. As post-auditors, my contractors and my office are not supposed to do the agencies' work in basic preparation of their records for audit, even if that might have happened in pre-Act 4 days. Independence requirements on external auditors have become increasingly stringent, and my office and my firms will not jeopardize our professional standards. It has become our impression that the executive branch is embarked on a cost-shifting attempt as well as an attempt to shift work and responsibility, under the guise that "the auditor has Act 4 money."

In sum, I am not in a position to suggest any new numbers for Sections 7 and 8, because I do not know what the comptroller has in mind or the cost of his intended actions. If any cost shifting occurs, then the general fund portion in Sections 7 and 8 will have to increase, which should be accompanied by a concomitant decrease in the executive budget. More importantly, however, a cost shift would mean a greater burden on the general fund, because the special, federal, and other funds could no longer be tapped; these represent about 50 percent of some audit expenditures.

#### **Report on activities of past year**

Again this past year, the financial statements for my office, the Legislative Revenue Bureau, the Ombudsman, and the Ethics Commission (which is administratively attached to my office) have been given clean opinions by a contracted CPA firm. The cost for these audits is contained in my office's budget.

We have once again won an Impact Award from the National Legislative Program Evaluation Society (NLPES), a staff section of the National Conference of State Legislatures. This award was for our Superferry Phase II audit. The NLPES training conference that we had finally secured for October 2009 unfortunately had to be canceled as states wrestled with their economic downturns. We were at least able to salvage our participation in the training conference sponsored by the Hawai'i chapters of the Association of Government Accountants and the American Society of Military Comptrollers. We taped several sessions and placed them on the NLPES website.

Our good news is that despite the NLPES conference setback, Deputy Auditor Jan Yamane was elected to the NCSL Executive Committee, recapturing a Hawai'i staff seat. She also serves as the immediate past chair of the NLPES Executive Committee.

In addition to speaking at sessions of the AGA-ASMC conference here, I have presented training in Guam and on Maui for Pacific Island fiscal officials. Also, as part of our overall commitment to improving the auditing profession, I was a member of a peer review team to Nevada and served out my four-year term on the U.S. Comptroller General's Advisory Council on Auditing Standards.

Even as we participate in professional organizations, we have continued to focus on our primary mission, to conduct post audits and other work. Exhibit 4 presents our work to date in chronological order and what is due the 2010 Legislature, and Exhibit 5 presents the same information by categories of work. Our website and our annual reports provide you with further details.

In the next three weeks, you may be contacted by my staff as we analyze bills that propose to create new special, trust, or revolving funds. Our practice is to complete those analyses well before the statutory deadline so that all committees of referral will have a chance to see them. Thank you in advance for responding to our questions as expeditiously as possible.

In these hard times, we will "share in the pain" of continuing to do our jobs despite a shrunken appropriation. The reward for making do with less will continue to be the expressions of appreciation that come our way from strangers as we try to help hold public officials accountable for their action or inaction. We ask for your favorable consideration of House Bill 2162.



**OFFICE OF THE AUDITOR**  
**Budget for FY2010-11**  
**(With Comparative Amounts for FY2009-10)**

Exhibit 1

<b>AUDIT</b>	<b>2009-10</b>		<b>2010-11</b>	
Personal services				
Staff	1,030,160	(18)	1,003,628	(18)
Contract	133,592		134,942	
Other expenses	74,617		73,014	
Total audit	1,238,369		1,211,584	
 <b>PROGRAM EVALUATION AND SPECIAL STUDIES</b>				
Personal services				
Staff	457,849	(8)	446,057	(8)
Contract	78,459		59,974	
Other expenses	30,369		32,451	
Total program evaluation and special studies	566,677		538,482	
 <b>LEGISLATIVE SERVICES</b>				
Personal services - staff	251,368	(4)	223,029	(4)
Other expenses	19,920		16,225	
Total legislative services	271,288		239,254	
 <b>SUNSET EVALUATIONS AND SUNRISE ANALYSES</b>				
Personal services - staff	67,331	(1)	55,757	(1)
Other expenses	9,960		4,056	
Total sunset evaluation and sunrise analyses	77,291		59,813	
 <b>FOLLOW-UP</b>				
Personal services - staff	195,259	(3)	167,271	(3)
Other expenses	9,960		12,169	
Total follow-up	205,219		179,440	
 <b>GENERAL SUPPORT</b>				
Personal services - staff	242,391	(3)	167,271	(3)
Other expenses	18,450		12,169	
Total general support	260,841		179,440	
 <b>TOTAL OPERATING BUDGET</b>				
	2,619,684	(37)	2,408,014	(37)
 <b>AUDIT REVOLVING FUND</b>				
	2,550,828		2,550,828	

**OFFICE OF THE AUDITOR**  
**Statement Showing Budget for Office Operations**  
**By Object of Expenditure for FY2010-11**

Exhibit 2

**Operating Budget**

Personal services:

Staff salaries	\$2,063,014
Contractual services	<u>\$194,916</u>
Total personal services	<u>\$2,257,930</u>

Other expenses:

Office Expenses	36,028
Intrastate transportation and travel	13,857
Out-of-state travel	34,470
Training	24,019
Printing	12,009
Rental and maintenance of equipment	13,996
Books	1,848
Equipment	<u>13,857</u>
Total other expenses	<u>150,084</u>

Total operating budget \$2,408,014

**Audit Revolving Fund**

*Expenditure Ceiling*

\$2,550,828

*\$6,300,000*

**OFFICE OF THE AUDITOR**  
**Statement Showing Budget and Estimated Expenditures**  
**By Object of Expenditure for FY2009-10**

Exhibit 3

	<u>Budget</u>	<u>Estimated</u>	<u>Variance</u>
Personal services:			
Staff salaries	\$ 2,244,358	\$ 2,059,320	\$ 185,038
Contractual services	212,050	212,050	-
Total personal services	\$ 2,456,408	\$ 2,271,370	\$ 185,038
Other expenses:			
Office expenses	39,195	39,195	-
Intrastate transportation and travel	15,075	15,075	-
Out-of-state travel	37,500	37,500	-
Training	26,130	26,130	-
Printing	13,065	13,065	-
Rental and maintenance of equipment	15,226	15,226	-
Books	2,010	2,010	-
Equipment	15,075	15,075	-
Total other expenses	\$ 163,276	\$ 163,276	\$ -
TOTAL	\$ 2,619,684	\$ 2,434,646	\$ 185,038
Special Studies Appropriation (Act 1, SLH 2009)	\$ 150,000	\$ -	\$ 150,000
Audit Revolving Fund Appropriation (Act 1, SLH 2009)	\$ 6,300,000	\$ 6,300,000	\$ -

**Office of the Auditor**

**Reports Submitted to Date to 2009 Legislature and Work to the 2010 Legislature**

**In Chronological Order**

- 09-01: Review of Revolving Funds, Trust Funds, and Trust Accounts for the Departments of Accounting and General Services, Agriculture, Budget and Finance, and Land and Natural Resources
- 09-02: Management and Financial Audit of Hawai'i Tourism Authority's Major Contracts
- 09-03: Procurement Audit of the Department of Education: Part 1
- 09-04: Procurement Audit of the Department of Education: Part 2
- 09-05: Study on the Appropriate Accountability Structure for the Hawai'i Teacher Standards Board
- 09-06: Audit of the Status of the Information Technology Governance Within the State of Hawai'i
- 09-07: Investigation of the Procurement and Expenditure Practices of the Department of Business, Economic Development & Tourism and Selected Attached Agencies
- 09-08: Management Audit of Information Technology Within the Office of Hawaiian Affairs
- 09-09: Study of the Social and Financial Impacts of Mandatory Health Insurance Coverage for the Diagnosis and Treatment of Autism Spectrum Disorders
- 09-10: Financial and Investment Portfolio Review of the Office of Hawaiian Affairs
- : Letter to Senate President and House Speaker regarding Act 5, SSLH 2008 (VEBA)
- 09-11: Review of Revolving Funds, Trust Funds, and Trust Accounts for the Departments of the Attorney General and Business, Economic Development & Tourism, and the University of Hawai'i
- : Letter to Senate President and House Speaker Regarding Senate Concurrent Resolution No. 84, Requesting a Financial Statement Audit of Waters of Life Public Charter School
- 10-\_\_: Investigation of the Department of Business, Economic Development & Tourism
- 10-\_\_: Financial Audit of the Department of Budget and Finance
- 10-\_\_: Study of the Social and Financial Impacts of Mandatory Health Insurance Coverage for Colonoscopy Colorectal Cancer Screening

- 10-\_\_ : Investigation of the Stadium Authority's Swap Meet Operations
- 10-\_\_ : Management Audit of the Department of Public Safety, Sheriff Division
- 10-\_\_ : Audit of the Aloha Tower Development Corporation (HCR245)
- 10-\_\_ : 2009 Report of Audit Recommendations More Than A Year Old That Have Not Been Implemented
- 10-\_\_ : 2010 Report of Audit Recommendations More Than A Year Old That Have Not Been Implemented
- 10-\_\_ : Program, Performance, and Financial Audit of the Natural Energy Laboratory of Hawai'i Authority
- 10-\_\_ : Audit of the Deposit Beverage Container Program (FY2005-06)
- 10-\_\_ : Audit of the Deposit Beverage Container Program (FY2007-08)
- 10-\_\_ : Management Audit of the Hawai'i Public Housing Authority
- : 2009 Annual Report
- 10-\_\_ : Department of Transportation Financial Audit
- 10-\_\_ : 2050 Branding Report

**Pending Work**

- Study on Removing Amateur Boxing from the Boxing Commission (HCR 171; 2009)
- Audit of Contract With Saguaro Correctional Center (HCR 199; 2009)
- Sunrise Analysis of Respiratory Care Practitioners (HCR 97, HD1, SD1; 2009)
- Sunrise Analysis of Real Estate Appraisal Management Companies (SCR 53, SD1; 2009)
- Sunrise Analysis of Professional Employer Organizations (SCR 45, SD1; 2009)
- Healthcare Summit Membership, Report, and Strategic Plan 2010 and 2011 (SCR 170, SD2; 2009)

In addition, there is a handful of requests from the 2008 session.

**Act 4 Financial Statement Audits—FY2008**

- State of Hawaii, Comprehensive Annual Financial Report--Deloitte & Touche LLP
- Department of Education, Financial Statements and Single Audit Report--Grant Thornton LLP
- Department of Health, Financial and Compliance Audit Report, Water Pollution Control Revolving Fund Financial Statements, and Drinking Water Treatment Revolving Loan Fund Financial Statements--Accuity LLP

- Department of Human Services, Financial Statements and Single Audit Report--N&K CPAs, Inc.
- Department of Transportation Administration, Financial and Compliance Audit Report--Egami & Ichikawa, CPA's Inc.
- Department of Transportation Airports, Financial Statements, Single Audit Report, and Passenger Facility Charge Report--KPMG LLP
- Department of Transportation Harbors, Financial Statements and Government Auditing Standards Report--Ernst & Young LLP
- Department of Transportation Highways, Financial Statements and Single Audit Report--KMH LLP
- Oahu Metropolitan Planning Office, Financial Statements and Single Audit Report--Akamine, Oyadomari & Kosaki CPAs, Inc.

#### **Act 4 Financial Statement Audits—FY2009**

- State of Hawaii, Comprehensive Annual Financial Report--Deloitte & Touche LLP
- Department of Accounting and General Services--Akamine, Oyadomari & Kosaki CPAs, Inc.
  - Stadium Authority--KPMG LLP
  - State Parking Control/State Motor Pool Revolving Funds--Egami & Ichikawa CPAs, Inc.
- Department of Agriculture--Accuity LLP
- Department of the Attorney General--G. Ushijima CPA LLC
- Department of Budget & Finance/Hawai'i Employer Union Health Benefits Trust Fund--Grant Thornton LLP
- Department of Business, Economic Development, & Tourism--N&K CPAs, Inc.
  - Hawai'i Housing, Finance, & Development Corporation--KMH LLP
  - Kekuilani Gardens--Endo & Company
  - Hawai'i Community Development Authority--Darrell Lim & Company, Inc.
  - Hawai'i Tourism Authority & Hawai'i Convention Center--KPMG LLP
- Department of Defense--Choo Osada & Lee, CPAs, Inc.
- Department of Education--Grant Thornton LLP
- Department of Hawaiian Home Lands--Accuity LLP
- Department of Health, Financial and Compliance Audit Report, Water Pollution Control Revolving Fund Financial Statements, and Drinking Water Treatment Revolving Loan Fund Financial Statements--Accuity LLP
- Department of Human Services--N&K CPAs, Inc.
  - Hawai'i Public Housing Authority--KMH LLP
- Department of Labor & Industrial Relations--KPMG LLP
  - Workers' Compensation Special Compensation Fund Financial Statements & Forecast--Ohata Chun & Yuen LLP
- Department of Land & Natural Resources--Ohata Chun & Yuen LLP
- Department of Public Safety--KMH LLP
- Department of Transportation Administration--Egami & Ichikawa, CPA's Inc.

- Department of Transportation Airports, Financial Statements, Single Audit Report, and Passenger Facility Charge Report--KPMG LLP
- Department of Transportation Harbors--Ernst & Young LLP
- Department of Transportation Highways--KMH LLP
- Oahu Metropolitan Planning Office--Akamine, Oyadomari & Kosaki CPAs, Inc.

**Other Reports**

- Hawai'i Broadband Task Force Final Report, December 2008 (unnumbered report)

**Proposed Funds Review**

- We expect to perform up to 90 reviews of proposed special and revolving funds during the 2010 legislative session.

**Office of the Auditor**  
**Work to the 2009 and 2010 Legislatures**  
**By Categories of Work**

**Performance Audits and Special Studies**

- Management and Financial Audit of Hawai'i Tourism Authority's Major Contracts (Report No. 09-02)
- Study on the Appropriate Accountability Structure for the Hawai'i Teacher Standards Board (Report No. 09-05)
- Audit of the Status of the Information Technology Governance Within the State of Hawai'i (Report No. 09-06)
- Investigation of the Procurement and Expenditure Practices of the Department of Business, Economic Development & Tourism and Selected Attached Agencies (Report No. 09-07)
- Management Audit of Information Technology Within the Office of Hawaiian Affairs (Report No. 09-08)
- Study of the Social and Financial Impacts of Mandatory Health Insurance Coverage for the Diagnosis and Treatment of Autism Spectrum Disorders (Report No. 09-09)
- Financial and Investment Portfolio Review of the Office of Hawaiian Affairs (Report No. 09-10)
- Letter to Senate President and House Speaker regarding Act 5, SSLH 2008 (VEBA) (unnumbered letter)
- Review of Revolving Funds, Trust Funds, and Trust Accounts for the Departments of the Attorney General and Business, Economic Development & Tourism, and the University of Hawai'i (Report No. 09-11)
- Letter to Senate President and House Speaker Regarding Senate Concurrent Resolution No. 84, Requesting a Financial Statement Audit of Waters of Life Public Charter School (unnumbered letter)
- Management Audit of the Department of Public Safety, Sheriff Division
- Investigation of the Stadium Authority's Swap Meet Operations
- Program, Performance, and Financial Audit of the Natural Energy Laboratory of Hawai'i Authority
- Investigation of the Department of Business, Economic Development & Tourism
- Audit of the Deposit Beverage Container Program (FY2005-06)
- Audit of the Deposit Beverage Container Program (FY2007-08)
- Audit of the Aloha Tower Development Corporation (HCR245)
- Study of the Social and Financial Impacts of Mandatory Health Insurance Coverage for Colonoscopy Colorectal Cancer Screening
- Management Audit of the Hawai'i Public Housing Authority
- 2009 Annual Report
- Department of Transportation Financial Audit
- 2050 Branding Report



- 2009 Report on Audit Recommendations More Than A Year Old That Have Not Been Implemented
- 2010 Report on Audit Recommendations More Than A Year Old That Have Not Been Implemented

### **Financial Audits**

- Procurement Audit of the Department of Education: Part 1 (Report No. 09-03)
- Procurement Audit of the Department of Education: Part 2 (Report No. 09-04)
- Financial Audit of the Department of Budget and Finance

### **Existing Fund Reviews**

- Review of Revolving Funds, Trust Funds, and Trust Accounts for the Departments of Accounting and General Services, Agriculture, Budget and Finance, and Land and Natural Resources (Report No. 09-01)
- Review of Revolving Funds, Trust Funds, and Trust Accounts for the Departments of the Attorney General and Business, Economic Development & Tourism, and the University of Hawai'i (Report No. 09-11)

### **Act 4 Financial Statement Audits**

- State of Hawaii, Comprehensive Annual Financial Report--Deloitte & Touche LLP
- Department of Accounting and General Services--Akamine, Oyadomari & Kosaki CPAs, Inc.
  - Stadium Authority--KPMG LLP
  - State Parking Control/State Motor Pool Revolving Funds--Egami & Ichikawa CPAs, Inc.
- Department of Agriculture--Accuity LLP
- Department of the Attorney General--G. Ushijima CPA LLC
- Department of Budget & Finance/Hawai'i Employer Union Health Benefits Trust Fund--Grant Thornton LLP
- Department of Business, Economic Development, & Tourism--N&K CPAs, Inc.
  - Hawai'i Housing, Finance, & Development Corporation--KMH LLP
  - Kekuilani Gardens--Endo & Company
  - Hawai'i Community Development Authority--Darrell Lim & Company, Inc.
  - Hawai'i Tourism Authority & Hawai'i Convention Center--KPMG LLP
- Department of Defense--Choo Osada & Lee, CPAs, Inc.
- Department of Education--Grant Thornton LLP
- Department of Hawaiian Home Lands--Accuity LLP

- Department of Health, Financial and Compliance Audit Report, Water Pollution Control Revolving Fund Financial Statements, and Drinking Water Treatment Revolving Loan Fund Financial Statements--Accuity LLP
- Department of Human Services--N&K CPAs, Inc.
  - Hawai'i Public Housing Authority--KMH LLP
- Department of Labor & Industrial Relations--KPMG LLP
  - Workers' Compensation Special Compensation Fund Financial Statements & Forecast--Ohata Chun & Yuen LLP
- Department of Land & Natural Resources--Ohata Chun & Yuen LLP
- Department of Public Safety--KMH LLP
- Department of Transportation Administration--Egami & Ichikawa, CPA's Inc.
- Department of Transportation Airports, Financial Statements, Single Audit Report, and Passenger Facility Charge Report--KPMG LLP
- Department of Transportation Harbors--Ernst & Young LLP
- Department of Transportation Highways--KMH LLP
- Oahu Metropolitan Planning Office--Akamine, Oyadomari & Kosaki CPAs, Inc.

#### **Other Reports**

- Hawai'i Broadband Task Force Final Report, December 2008 (unnumbered report)

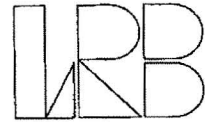
#### **Proposed Funds Review**

- We expect to perform up to 90 reviews of proposed special and revolving funds during the 2010 legislative session.

Ken H. Takayama  
Director

Charlotte A. Carter-Yamauchi  
First Assistant

Research (808) 587-0666  
Revisor (808) 587-0670  
Fax (808) 587-0681



LEGISLATIVE REFERENCE BUREAU  
State of Hawaii  
State Capitol  
415 S. Beretania Street, Room 446  
Honolulu, Hawaii 96813

## **HB2162**

### **MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES OF THE LEGISLATURE, THE AUDITOR, THE LEGISLATIVE REFERENCE BUREAU, AND THE OMBUDSMAN**

By Ken H. Takayama, Director

Presented to the House Committee on Finance

Tuesday, January 26, 2010, 1:00 p.m.  
Conference Room 308

Chair Oshiro and Members of the Committee:

I am Ken H. Takayama, Director of the Legislative Reference Bureau (LRB). Thank you for this opportunity to appear before you to present the Bureau's budget request for fiscal year 2010-2011.

The LRB provides comprehensive, impartial research and reference services on legislative matters. The LRB provides a wide range of nonpartisan services primarily for the Legislature but also for other governmental agencies and for the general public.

The Bureau's major functions include:

Research, including bill drafting at the request of the Legislature, legislative committees and individual legislators. We prepare studies and reports and issue memoranda on various issues. We strive to maintain a standard of being objective, impartial, nonpartisan, and fair in all of our research.

Statutory revision, including the publication of the Session Laws of Hawaii and the Hawaii Revised Statutes and all supplements thereto. We also establish the format for, and compile and publish a table indicating administrative agency rules that implement or interpret state laws.

We maintain a reference library as an information resource primarily for the Legislature and legislative staff but also for all other government agencies and the general public. Our library provides outstanding services, including online information services, and maintains the Bureau's website designed to assist legislative research by providing links to other important websites.

We maintain a legislative systems office which provides information and research on the subject matter and status of all legislation on a continuous basis during legislative sessions for legislators, state and county offices, and other government agencies.

We maintain the Public Access Room, which is provided to ensure public participation in the legislative process. Our Public Access Room staff has been working with librarians on the neighbor islands to expand the availability of information, materials, and services beyond Oahu. Our Public Access Room staff separately coordinates the Legislative Broadcasting Project for the House of Representatives and the Senate.

The proposed 2010-2011 budget for the Bureau is \$2,783,453. Of this, the following amounts are budgeted for the respective functions: \$1,245,624 for bill drafting, research and general support functions; \$369,395 for library operations; \$577,095 for statute revision; \$456,032 for systems office operations; and \$135,307 for the public access room. These figures do not include appropriations for the CSG dues (\$85,000 in Act 1, Session Laws of Hawaii 2009) which have been added to the Bureau's budget during the past several years to pay on behalf of the Legislature.

The proposed 2010-2011 budget represents a reduction of 8.08 percent from the \$3,028,126 appropriated to the Bureau last year by Act 1, Session Laws of Hawaii 2009, which itself represented a 10 percent reduction from fiscal year 2008-2009.

The overall reductions reduce our flexibility if we need to transfer what to the Bureau could be large amounts of cash in the wake of personnel transfers or retirements--although this issue is probably present throughout the legislative branch. On a day-to-day basis, however we do not anticipate any severe impingement upon the Bureau's ability to provide its services.

Our permanent staff presently totals 38 full-time positions, divided as follows: 17.5 in the research division and general support, 6 in the library, 6.5 in the revisor's division, 6 in the systems office, and 2 in the Public Access Room. We also have student help in the library and session staffers for the systems office and the Public Access Room.

The budget reductions will necessitate: salary reductions for all permanent staff, leaving vacancies unfilled or only partially filled, printing fewer copies of the Hawaii Revised Statutes Supplements and other publications, reducing subscriptions by our library, deferring equipment purchases, and eliminating interstate travel unless paid by other sources. This will be more than just the usual "belt tightening".

We have attached a series of exhibits which provide more detailed information on Bureau operations.

- Exhibit A     Details of the systems office budget
- Exhibit B     Details of the library budget
- Exhibit C     Details of the Public Access Room budget

- Exhibit D     Details of the statute revision budget
- Exhibit E     Comparative statistics on research division workload for fiscal years 2007-2008 and 2008-2009
- Exhibit F     Comparative statistics of the systems office's requests for fiscal years 2007-2008 and 2008-2009
- Exhibit G     Comparative statistics of the LRB library workload for fiscal years 2007-2008 and 2008-2009
- Exhibit H     Comparative statistics of the Public Access Room for fiscal years 2007-2008 and 2008-2009

Thank you.

LEGISLATIVE REFERENCE BUREAU  
BUDGET REQUEST FOR FY 2010-2011

	<u>2009-2010</u> <u>APPROPRIATION</u>	<u>2010-2011</u> <u>BUDGET REQUEST</u>
<u>BILL DRAFTING &amp; RESEARCH</u>		
Personal Services:		
Staff	\$ 888,079 (12)	\$ 848,633 (12)
TOTAL BILL DRAFTING & RESEARCH	\$ 888,079	\$ 848,633
<u>SYSTEMS OFFICE</u>		
Personal Services:		
Staff	334,548 (6)	321,166 (6)
Session Staff	78,465	70,000
Other Current Expenses	<u>81,083</u>	<u>64,866</u>
TOTAL SYSTEMS OFFICE	494,096	456,032
<u>LIBRARY</u>		
Personal Services:		
Staff	326,736 (6)	313,667 (6)
Other Current Expenses	<u>69,660</u>	<u>55,728</u>
TOTAL LIBRARY	396,396	369,395
<u>PUBLIC ACCESS ROOM</u>		
Personal Services:		
Staff	95,928 (2)	92,091 (2)
Session Staff	38,908	25,000
Other Current Expenses	<u>22,770</u>	<u>18,216</u>
TOTAL PUBLIC ACCESS ROOM	157,606	135,307
<u>GENERAL SUPPORT</u>		
Personal Services:		
Staff	289,560 (5.5)	277,977 (5.5)
Student Staff	38,532	30,000
Overtime	20,000	20,000
Other Current Expenses	<u>94,955</u>	<u>69,014</u>
TOTAL GENERAL SUPPORT	443,047	396,991
<u>REVISOR OF STATUTES</u>		
Personal Services:		
Staff	393,592 (6.5)	372,847 (6.5)
Other Current Expenses	<u>255,310</u>	<u>204,248</u>
TOTAL REVISOR OF STATUTES	648,902	577,095
TOTAL LRB	\$3,028,126	\$2,783,453*
CSG Dues	85,000	

\*Amount does not include CSG Dues

EXHIBIT A

SYSTEMS OFFICE  
BUDGET REQUEST FOR FISCAL YEAR 2010-2011

OTHER CURRENT EXPENSES

	<u>2009-2010</u> <u>APPROPRIATION</u>	<u>2010-2011</u> <u>BUDGET REQUEST</u>
Software/Hardware Maintenance	\$26,222	\$20,978
Acquisition of Software/Hardware	20,033	16,026
Equipment Rental	5,400	4,320
Data Communication	3,150	2,520
Telephone	1,800	1,440
General Supplies	5,128	4,102
Staff Training Programs, etc.	10,800	8,640
Publication, Training Manuals, etc.	2,250	1,800
Services on Fee	1,800	1,440
Other Current Expenses	<u>4,500</u>	<u>3,600</u>
Total	\$81,083	\$64,866

EXHIBIT B

LIBRARY DIVISION  
 BUDGET REQUEST FOR FISCAL YEAR 2010-2011

OTHER CURRENT EXPENSES

	<u>2009-2010</u> <u>APPROPRIATION</u>	<u>2010-2011</u> <u>BUDGET REQUEST</u>
Books	20,405	15,585
Online Information Services		
Westlaw	20,000	19,000
Print Subscriptions and Dues	16,150	13,243
Web Catalog		
Maintenance	3,000	3,000
Upgrades	2,500	700
Computer Hardware, Software, Maintenance and Supplies	1,125	500
Copier Maintenance and Supplies	3,000	3,000
Office and Library Supplies	480	400
Staff Development and Training	3000	300
Other Current Expenses	<u>00</u>	<u>0</u>
TOTAL	\$69,660	\$55,728



EXHIBIT C

PUBLIC ACCESS ROOM  
BUDGET REQUEST FOR FISCAL YEAR 2010-2011

OTHER CURRENT EXPENSES

	<u>2009-2010</u> <u>APPROPRIATION</u>	<u>2010-2011</u> <u>BUDGET REQUEST</u>
Office supplies	\$ 1,000	\$ 800
Equipment maintenance	11,335	9,068
Subscriptions	300	240
Neighbor island workshops	8,100	6,480
Postage	100	80
Staff development and training	1,800	1,440
Other	<u>135</u>	<u>108</u>
TOTAL:	\$22,770	\$18,216

EXHIBIT D

REVISOR OF STATUTES DIVISION  
 BUDGET REQUEST FOR FISCAL YEAR 2010-2011

The requested appropriation by the Division includes \$203,096 in 2010-2011 for the production and printing of the Session Laws and the Hawaii Revised Statutes Supplement.

2010 Session Laws.....	\$ 27,360
2,500 volumes; 1,200 pages each volume.	
2010 HRS Supplement.....	\$175,736
2,850 sets; 5,000 pages each set.	
	<u>\$203,096</u>

OTHER CURRENT EXPENSES

	<u>2009-2010</u> <u>APPROPRIATION</u>	<u>2010-2011</u> <u>BUDGET REQUEST</u>
Office Supplies	\$ 450	\$ 360
Postage	900	720
Notices, Publication of	90	72
Printing	<u>253,870</u>	<u>203,096</u>
Total	\$255,310	\$204,248

**Exhibit E**  
**MASTER STATISTICS FOR HAWAII STATE LEGISLATIVE REQUESTS, NON-LEGISLATIVE/  
INFORMATIONAL REQUESTS COMPLETED BY THE LEGISLATIVE REFERENCE BUREAU**  
**For Fiscal Year Ending June 30, 2008**

Type of Request	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
<b>I. LEGISLATIVE REQUESTS</b>													
Senate Bills	3	1	5	30	15	34	485	206	38	57	--	2	876
House Bills	22	21	25	69	43	93	840	63	26	38	1	10	1251
<b>Total Bills</b>	<b>25</b>	<b>22</b>	<b>30</b>	<b>99</b>	<b>58</b>	<b>127</b>	<b>1325</b>	<b>269</b>	<b>64</b>	<b>95</b>	<b>1</b>	<b>12</b>	<b>2127</b>
Senate Resolutions	--	--	4	17	--	6	38	57	110	6	--	--	238
House Resolutions	--	--	12	19	9	16	70	100	266	8	--	4	504
<b>Total Resolutions</b>	<b>--</b>	<b>--</b>	<b>16</b>	<b>36</b>	<b>9</b>	<b>22</b>	<b>108</b>	<b>157</b>	<b>376</b>	<b>14</b>	<b>0</b>	<b>4</b>	<b>742</b>
Senate Certificates	--	--	--	--	2	--	--	--	1	1	--	--	4
House Certificates	1	--	--	1	1	2	--	2	3	19	2	1	32
<b>Total Certificates</b>	<b>1</b>	<b>--</b>	<b>--</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>--</b>	<b>2</b>	<b>4</b>	<b>20</b>	<b>2</b>	<b>1</b>	<b>36</b>
Caucus Digest	--	--	--	--	--	--	--	127	--	79	--	--	206
Committee Reports	--	--	--	11	--	--	7	321	86	94	2	--	521
Floor Amendments	--	--	--	--	--	--	--	--	--	1	--	--	1
Language	--	--	--	--	--	--	--	--	--	--	--	--	--
Contracts/RFPs	--	1	2	2	2	--	--	--	--	--	--	--	7
Letters/Memos	11	6	8	32	8	28	91	629	323	28	2	6	1172
Published Reports	--	--	--	--	--	--	1	--	1	--	--	--	2
<b>Total Others</b>	<b>11</b>	<b>7</b>	<b>10</b>	<b>45</b>	<b>10</b>	<b>28</b>	<b>99</b>	<b>1077</b>	<b>410</b>	<b>202</b>	<b>4</b>	<b>6</b>	<b>1909</b>
<b>TOTAL LEGISLATIVE REQUESTS</b>	<b>37</b>	<b>29</b>	<b>56</b>	<b>181</b>	<b>80</b>	<b>179</b>	<b>1532</b>	<b>1505</b>	<b>854</b>	<b>331</b>	<b>7</b>	<b>23</b>	<b>4814</b>
<b>II. NON-LEGISLATIVE REQUESTS FOR ASSISTANCE</b>													
Hawaii State Government	--	--	--	--	--	--	--	--	--	--	--	--	--
Other Governments*	--	--	--	--	--	--	--	--	--	--	--	--	--
Private	--	--	--	--	--	--	--	--	--	--	--	2	2
Materials Sent	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>TOTAL NON-LEGISLATIVE REQUESTS</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2</b>	<b>2</b>
<b>TOTAL REQUESTS BY MONTH</b>	<b>37</b>	<b>29</b>	<b>56</b>	<b>181</b>	<b>80</b>	<b>179</b>	<b>1532</b>	<b>1505</b>	<b>854</b>	<b>331</b>	<b>7</b>	<b>25</b>	<b>4816</b>

\*Includes counties, other states, federal and foreign governments.

**Exhibit E**  
**MASTER STATISTICS FOR HAWAII STATE LEGISLATIVE REQUESTS, NON-LEGISLATIVE/  
INFORMATIONAL REQUESTS COMPLETED BY THE LEGISLATIVE REFERENCE BUREAU**  
**For Fiscal Year Ending June 30, 2009**

Type of Request	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
<b>I. LEGISLATIVE REQUESTS</b>													
Senate Bills	14	14	20	20	30	86	820	14	177	126	11	2	1334
House Bills	32	42	42	59	75	157	1244	64	45	32	4	6	1802
<b>Total Bills</b>	<b>46</b>	<b>56</b>	<b>62</b>	<b>79</b>	<b>105</b>	<b>243</b>	<b>2064</b>	<b>78</b>	<b>222</b>	<b>158</b>	<b>15</b>	<b>8</b>	<b>3136</b>
Senate Resolutions	--	1	2	6	5	4	36	29	113	--	--	--	196
House Resolutions	2	1	8	7	14	15	21	67	259	--	--	--	394
<b>Total Resolutions</b>	<b>2</b>	<b>2</b>	<b>10</b>	<b>13</b>	<b>19</b>	<b>19</b>	<b>57</b>	<b>96</b>	<b>372</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>590</b>
Senate Certificates	--	--	--	--	--	--	--	5	--	--	--	--	5
House Certificates	--	--	--	14	--	1	2	1	--	2	2	12	34
<b>Total Certificates</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>14</b>	<b>--</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>--</b>	<b>2</b>	<b>2</b>	<b>12</b>	<b>39</b>
Caucus Digest	--	--	--	--	--	--	--	--	101	18	--	--	119
Committee Reports	--	--	--	--	--	--	1	66	249	130	4	--	450
Floor Amendments	--	--	--	--	--	--	--	--	--	1	1	--	2
Language	--	--	--	--	--	--	--	2	2	--	--	--	4
Letters/Memos	3	8	16	18	21	38	100	480	359	166	2	8	1219
Published Reports	--	--	1	--	--	1	1	--	--	--	--	--	3
<b>Total Others</b>	<b>3</b>	<b>8</b>	<b>17</b>	<b>18</b>	<b>21</b>	<b>39</b>	<b>102</b>	<b>548</b>	<b>711</b>	<b>315</b>	<b>7</b>	<b>8</b>	<b>1797</b>
<b>TOTAL LEGISLATIVE     REQUESTS<sup>561</sup></b>	<b>51</b>	<b>66</b>	<b>89</b>	<b>124</b>	<b>145</b>	<b>302</b>	<b>2225</b>	<b>728</b>	<b>1305</b>	<b>475</b>	<b>24</b>	<b>28</b>	<b>5562</b>
<b>II. NON-LEGISLATIVE REQUESTS FOR ASSISTANCE</b>													
Hawaii State Government	--	--	--	--	--	--	--	--	--	--	--	--	--
Other Governments*	--	--	--	--	--	--	--	--	--	--	--	--	--
Private	--	--	--	--	--	--	--	--	--	--	--	--	--
Materials Sent	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>TOTAL NON-LEGISLATIVE     REQUESTS</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL REQUESTS BY MONTH</b>	<b>51</b>	<b>66</b>	<b>89</b>	<b>124</b>	<b>145</b>	<b>302</b>	<b>2225</b>	<b>728</b>	<b>1305</b>	<b>475</b>	<b>24</b>	<b>28</b>	<b>5562</b>

\*Includes counties, other states, federal and foreign governments.

**EXHIBIT F**

**REQUESTS FOR SERVICE  
FOR THE LEGISLATIVE REFERENCE BUREAU SYSTEMS OFFICE  
FOR FISCAL YEAR 2008-2009**

<b>Request for:</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Total</b>
<b>Information from computer</b>	36	33	9	20	12	10	36	43	30	34	37	29	329
<b>Technical Assistance</b>	55	61	86	73	59	56	46	25	41	55	8	37	602
<b>Printouts</b>	22	24	28	23	22	17	14	16	8	17	20	9	220
<b>General Information</b>	8	12	4	20	7	8	20	21	21	8	14	15	158
<b>Training</b>	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Copying services</b>	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	121	130	127	136	100	91	116	105	100	114	79	90	1309

**REQUESTS FOR SERVICE  
FOR THE LEGISLATIVE REFERENCE BUREAU SYSTEMS OFFICE  
FOR FISCAL YEAR 2007-2008**

<b>Request for:</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Total</b>
<b>Information from computer</b>	43	23	34	24	16	16	44	51	46	35	27	30	389
<b>Technical Assistance</b>	57	59	22	48	67	82	118	87	68	69	51	54	782
<b>Printouts</b>	4	6	10	9	10	16	30	20	22	17	23	21	188
<b>General Information</b>	13	10	12	9	9	11	14	7	11	13	9	6	124
<b>Training</b>	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Copying services</b>	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	117	98	78	90	102	125	206	165	147	134	110	111	1483

**Exhibit G**

**Requests for Service  
For Legislative Reference Bureau Library  
For Fiscal Year 2008-09**

Requests for:	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Reference/Research	129	109	136	136	111	73	156	188	170	173	138	136	1,655
Online database searches	3	4	8	1	5	3	5	12	6	4	5	4	60
Orientation/Training	2	0	2	16	0	10	7	3	10	0	0	0	50
Publications distributed/sold	33	36	41	64	64	68	75	13	54	710	110	19	1,287
Documents borrowed	<u>30</u>	<u>40</u>	<u>11</u>	<u>19</u>	<u>15</u>	<u>23</u>	<u>20</u>	<u>52</u>	<u>38</u>	<u>69</u>	<u>34</u>	<u>36</u>	<u>387</u>
<b>Total</b>	<b>197</b>	<b>189</b>	<b>198</b>	<b>236</b>	<b>195</b>	<b>177</b>	<b>263</b>	<b>268</b>	<b>278</b>	<b>956</b>	<b>287</b>	<b>195</b>	<b>3,439</b>
Photocopying (pages)	171	190	208	81	115	11	268	405	797	633	332	1,379	4,590
Computer printouts (pages)	<u>0</u>	<u>2</u>	<u>0</u>	<u>8</u>	<u>53</u>	<u>0</u>	<u>11</u>	<u>2</u>	<u>2</u>	<u>71</u>	<u>10</u>	<u>14</u>	<u>173</u>
<b>Total</b>	<b>171</b>	<b>192</b>	<b>208</b>	<b>89</b>	<b>168</b>	<b>11</b>	<b>279</b>	<b>407</b>	<b>799</b>	<b>704</b>	<b>342</b>	<b>1,393</b>	<b>4,763</b>

**Requests for Service  
For Legislative Reference Bureau Library  
For Fiscal Year 2007-08**

Requests for:	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Reference/Research	123	148	94	147	131	90	160	181	136	181	118	96	1,605
Online database searches	11	10	13	15	9	10	10	7	10	8	5	5	113
Orientation/Training	1	0	1	2	3	5	7	3	2	0	0	0	24
Publications distributed/sold	71	60	50	121	31	60	71	128	601	290	64	49	1,596
Documents borrowed	<u>9</u>	<u>25</u>	<u>68</u>	<u>28</u>	<u>24</u>	<u>31</u>	<u>9</u>	<u>29</u>	<u>20</u>	<u>50</u>	<u>57</u>	<u>23</u>	<u>373</u>
<b>Total</b>	<b>215</b>	<b>243</b>	<b>226</b>	<b>313</b>	<b>198</b>	<b>196</b>	<b>257</b>	<b>348</b>	<b>769</b>	<b>529</b>	<b>244</b>	<b>173</b>	<b>3,711</b>
Photocopying (pages)	209	250	160	231	300	92	239	666	310	1,104	338	1,116	5,015
Computer printouts (pages)	<u>17</u>	<u>0</u>	<u>9</u>	<u>21</u>	<u>8</u>	<u>9</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>20</u>	<u>2</u>	<u>0</u>	<u>90</u>
<b>Total</b>	<b>226</b>	<b>250</b>	<b>169</b>	<b>252</b>	<b>308</b>	<b>101</b>	<b>239</b>	<b>670</b>	<b>310</b>	<b>1,124</b>	<b>340</b>	<b>1,116</b>	<b>5,105</b>

**EXHIBIT H**  
**REQUESTS FOR SERVICE**  
**FOR PUBLIC ACCESS ROOM**  
**FOR FISCAL YEAR 2008-2009**

Request for:	July	Aug	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
Photocopying (pages) <sup>1</sup>	23,490	--	8,031	--	--	32,995	6,726	--	78,248	1,853	--	15,865	167,208
Email inquiries	36	22	24	44	47	62	148	126	105	76	127	81	898
Email testimony Received	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Workshop participants	0	10	510	26	30	104	194	112	131	25	0	19	1,161

**REQUESTS FOR SERVICE**  
**FOR PUBLIC ACCESS ROOM**  
**FOR FISCAL YEAR 2007-2008**

Request for:	July	Aug	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
Photocopying (pages) <sup>1</sup>	--	--	10,663	4,325	--	--	40,662	--	58,499	--	--	17,617	131,766
Email inquiries	42	44	23	71	38	49	89	59	75	81	36	60	667
Email testimony Received	0	0	0	5,015	77	--	1,415 <sup>2</sup>	1,334 <sup>3</sup>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	7,841
Workshop participants	1	25	55	0	132	0	239	95	21	107	32	0	707

(Compiled 1/8/10)

<sup>1</sup> Figures compiled when requested by Xerox.

<sup>2</sup> Beginning January 2008, only Senate testimony was being processed.

<sup>3</sup> Senate testimony was processed through February 5, 2008, then turned over to Senate Sergeant-at-Arms.



Robin K. Matsunaga  
Ombudsman

David T. Tomatani  
First Assistant

**OFFICE OF THE OMBUDSMAN**  
**STATE OF HAWAII**  
465 South King Street, 4<sup>th</sup> Floor  
Honolulu, Hawaii 96813  
Tel: 808-587-0770 Fax: 808-587-0773 TTY: 808-587-0774  
complaints@ombudsman.hawaii.gov

**TESTIMONY OF ROBIN K. MATSUNAGA, OMBUDSMAN,  
ON H.B. NO. 2162, A BILL FOR AN ACT  
MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES  
OF THE LEGISLATURE, THE AUDITOR, THE LEGISLATIVE  
REFERENCE BUREAU, AND THE OMBUDSMAN**

**HOUSE COMMITTEE ON FINANCE  
JANUARY 26, 2010**

Chair Oshiro and Members of the Committee:

Thank you for the opportunity to present testimony on H.B. No. 2162. The purpose of this bill is to provide appropriations for the legislative branch, including the Office of the Ombudsman. Section 10 of this bill appropriates \$1,060,728 for the operations of the Office of the Ombudsman for FY 2010-2011.

My testimony is based on the request to reduce my office's budget by 8.08 percent, or \$85,707, to achieve a targeted budget of \$975,021 for FY 2010-2011.

Before I explain how my office would deal with an 8.08 percent budget reduction, please allow me to briefly explain our current fiscal year budget. Of the total \$1,060,728 budgeted for the current fiscal year, \$46,800 is budgeted for current expenses and \$200 is budgeted for equipment, furnishings, and books. The balance of \$1,013,728 is for personal services to pay the salaries of the 15 employees of the office.

In order to operate with a budget of \$975,021 in FY 2010-2011, the FY 2009-2010 budget will need to be reduced by \$85,707. In order to achieve these savings, the following measures will be required:

1. Staff salaries will be reduced by 5 percent, which will generate \$50,686. This reduction in salary will not be accompanied by any furlough or administrative leave days as the office will continue to remain open from 7:45 a.m. to 4:30 p.m., Monday through Friday, except for state holidays. This reduction in staff salaries of 5 percent



would be equivalent to the reduction that I understand is being taken by all year-round staff of the House of Representatives.

2. From the Current Expense budget, while I feel that ongoing training of our professional staff is critical to ensuring that the public receives the highest possible level of services from our office, the entire budget for out-of-state travel will be eliminated, which will generate \$3,500.
3. Similarly, the budget for training, subscriptions and dues will be reduced from \$2,800 to \$800, to generate \$2,000.
4. The budget for printing and advertising will be reduced from \$4,550 to \$2,550 to generate \$2,000. I do not feel the printing budget should be eliminated because if we discontinue printing of our annual report and issue it only in electronic format, access to our report will be limited to only those persons who have access to the Internet.
5. The budget for equipment maintenance will be reduced from \$5,500 to \$2,500, to generate \$3,000.
6. The budget for equipment rental will be reduced from \$4,950 to \$3,950 to generate \$1,000.
7. The budget for Books will be eliminated to generate \$200.

The adjustments identified above result in a total reduction of \$62,386 (see Attachment #1). There is little flexibility to further cut spending in the remaining current expense cost categories. Therefore, the balance that needs to be reduced, \$23,321, will need to be taken from the Personal Services budget (see Attachment #2). This amount represents an additional 2.30 percent of the salaries budget, over and above the 5 percent reduction that is being taken in item #1.

I hope that you will agree that it would be unfair and inequitable for the staff of my office to be subjected to a 7.30 percent salary cut, and still be required to work each day as usual, when their colleagues in the House of Representatives and at least 2 of the other 3 legislative agencies are subjected to only a 5 percent salary cut. The alternatives to assessing a 7.30 percent across-the-board salary cut, while minimizing the reduction in the quality and level of services our office provides the public, would be to convert 2 of the 4 intake/administrative

support staff from full-time status to part-time status, or to lay off 1 of the 4 intake/administrative support staff.

I assure you that I fully understand that the State is facing a revenue shortfall and that no agency or office should be exempt from consideration of receiving budget reductions. However, I believe that in times of budget reductions, when public employees are asked to provide continued levels of services with fewer resources, the likelihood of errors in decision-making and conduct by these employees increases, leading to greater numbers of citizens seeking the services of the ombudsman. This belief is supported by our current year case numbers, which are up 10 percent over the same period last year. My office has been able to correct errors in many of these complaints and has helped those whose complaints are not substantiated to better understand why the agency acted in the manner it did. In these ways, my office is able to alleviate at least some of the impact and stress the poor economy is causing Hawaii's citizens, and at the same time help to maintain or restore their confidence in government.

Therefore, I respectfully request that you consider limiting the reduction of my office budget to \$62,386, which would reflect a 5 percent salary reduction for all staff and as lean a current expense budget as I believe is possible. The resulting appropriation of \$998,342, while \$23,321 more than the target budget of \$975,021, would represent a 5.88 percent reduction of my office's FY 2009-2010 budget.

Thank you for your consideration of this testimony. Your favorable consideration of the requested budget for the Office of the Ombudsman would be appreciated. If you have any questions, I would be happy to answer them.

## Attachment #1

OFFICE OF THE OMBUDSMAN  
OPERATING BUDGET -- FY 2010-2011 vs. FY 2009-2010

Scenario limiting Budget reduction to:  
5% salary cut for all employees + \$11,700 cut in B & C budget

	<u>FY 2010-2011</u>	Act 1, SLH 2009 <u>FY 2009-2010</u>
<b>A. PERSONAL SERVICES</b>		
Ombudsman	\$ 108,973 (1)	\$ 114,708 (1)
First Assistant	100,252 (1)	105,528 (1)
Analysts	508,843 (8)	535,624 (8)
Intake/Administrative Services	<u>244,974 (5)</u>	<u>257,868 (5)</u>
 SUBTOTAL PERSONAL SERVICES	 963,042 (15)	 1,013,728 (15)
 <b>B. OTHER CURRENT EXPENSES</b>		
Office Supplies & Postage	3,600	3,600
Telephone	5,500	5,500
Intra-state Transportation & Subsistence	500	500
Out-of-state Transportation & Subsistence	0	3,500
Printing, Advertising & Publications	2,550	4,550
Maintenance - Office Equipment	2,500	5,500
Equipment Rental	3,950	4,950
Training/Subscriptions/Dues	800	2,800
Other Miscellaneous Current Expense	1,000	1,000
Computer Services	14,900	14,900
Risk Management	<u>(included w/Other)</u>	<u>(included w/Other)</u>
 SUBTOTAL OTHER CURRENT EXPENSES	 35,300	 46,800
 <b>C. EQUIPMENT, FURNISHINGS, &amp; BOOKS</b>		
Equipment	0	0
Furnishings	0	0
Books	<u>0</u>	<u>200</u>
 SUBTOTAL EQUIP, FURNISHINGS, BOOKS	 -	 200
 <b>TOTAL OPERATING BUDGET</b>	 <u><u>998,342</u></u>	 <u><u>1,060,728</u></u>
 <b>Total \$ reduction from FY 2009-2010</b>	 <b>(62,386)</b>	
<b>Total % reduction from FY 2009-2010</b>	<b>-5.88%</b>	

## Attachment #2

**OFFICE OF THE OMBUDSMAN  
OPERATING BUDGET -- FY 2010-2011 vs. FY 2009-2010**

Scenario to accommodate an 8.08% budget reduction:  
5% salary cut for all employees + \$11,700 cut in B & C + add'l \$23,321 A cost cuts

	<u>FY 2010-2011</u>	Act 1, SLH 2009 <u>FY 2009-2010</u>
<b>A. PERSONAL SERVICES</b>		
Ombudsman	\$ 108,973 (1)	\$ 114,708 (1)
First Assistant	100,252 (1)	105,528 (1)
Analysts	508,843 (8)	535,624 (8)
Intake/Administrative Services	<u>244,974 (5)</u>	<u>257,868 (5)</u>
<b>SUBTOTAL PERSONAL SERVICES</b>	<b>963,042 (15)</b>	<b>1,013,728 (15)</b>
Less additional cut to achieve 8.08%	<b>(23,321)</b>	
Adjusted Subtotal Personal Services	<b>939,721</b>	
<b>B. OTHER CURRENT EXPENSES</b>		
Office Supplies & Postage	3,600	3,600
Telephone	5,500	5,500
Intra-state Transportation & Subsistence	500	500
Out-of-state Transportation & Subsistence	0	3,500
Printing, Advertising & Publications	2,550	4,550
Maintenance - Office Equipment	2,500	5,500
Equipment Rental	3,950	4,950
Training/Subscriptions/Dues	800	2,800
Other Miscellaneous Current Expense	1,000	1,000
Computer Services	14,900	14,900
Risk Management	<u>(included w/Other)</u>	<u>(included w/Other)</u>
<b>SUBTOTAL OTHER CURRENT EXPENSES</b>	<b>35,300</b>	<b>46,800</b>
<b>C. EQUIPMENT, FURNISHINGS, &amp; BOOKS</b>		
Equipment	0	0
Furnishings	0	0
Books	<u>0</u>	<u>200</u>
<b>SUBTOTAL EQUIP, FURNISHINGS, BOOKS</b>	<b>-</b>	<b>200</b>
<b>TOTAL OPERATING BUDGET</b>	<b><u>975,021</u></b>	<b><u>1,060,728</u></b>
<b>Total \$ reduction from FY 2009-2010</b>	<b>(85,707)</b>	
<b>Total % reduction from FY 2009-2010</b>	<b>-8.08%</b>	



# HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

## HAWAII STATE ETHICS COMMISSION BUDGET REQUEST FOR FY 2010-2011

TO: The Honorable Marcus R. Oshiro, Chair  
The Honorable Marilyn B. Lee, Vice Chair  
House Committee on Finance  
State Capitol, Room 306  
415 South Beretania Street  
Honolulu, Hawaii 96813

FROM: Hawaii State Ethics Commission

TESTIFYING: Maria J. Sullivan, Chairperson  
Hawaii State Ethics Commission

EXHIBITS: Nos. 1 - 5

VIA: Ms. Marion Higa, Legislative Auditor

DATE: Tuesday, January 26, 2010

TIME: 1:00 p.m.

ROOM: Conference Room 308

The Honorable Marcus R. Oshiro, Chair; the Honorable Marilyn B. Lee, Vice Chair;  
and Honorable Members of the House Committee on Finance:

Thank you for this opportunity to present the Hawaii State Ethics Commission's  
Budget Request for Fiscal Year 2010-11.

The Hawaii State Ethics Commission is comprised of five commission members.  
The current members of the Hawaii State Ethics Commission are: Maria J. Sullivan  
(Chairperson), Jerrold A. Fuller (Vice Chairperson), Mark E. Brasher, Ph.D., David J.  
Randell, M.D., and William H. Montgomery, M.D. The Hawaii State Ethics Commission's  
staff consists of nine full-time employees: Five attorneys (including the executive and  
associate directors), and four support staff comprised of a computer specialist, two  
secretaries, and a clerk-typist.

### **DUTIES OF THE HAWAII STATE ETHICS COMMISSION**

The Hawaii State Ethics Commission was the first "state" ethics commission  
created in the United States. The people of the State of Hawaii can rightfully be proud of  
Hawaii's role in being part of the initial efforts in our country to establish and enforce high  
ethical standards for state officials and state employees.

The Honorable Marcus R. Oshiro  
The Honorable Marilyn B. Lee  
January 26, 2010  
Page 2

The Legislature created the Hawaii State Ethics Commission in 1967 (H.B. 6; Act 263), to begin its operations on January 1, 1968. Later in 1968, the Code of Ethics was established by Article XIV, Section 5, of the Constitution of the State of Hawaii. The Hawaii State Ethics Commission itself was established as a constitutional entity in 1978 by **Article XIV of the Constitution of the State of Hawaii**. Article XIV of the Constitution of the State of Hawaii mandates the establishment of a state ethics commission for state officials and employees, as well as a separate ethics commission for each of the four counties in Hawaii, for county officials and employees. Article XIV also mandates that the state Legislature and county councils adopt laws covering governmental ethics and lobbying for their respective jurisdictions, to be administered by the various ethics commissions.

The Hawaii State Ethics Commission is by law responsible for the **administration and enforcement** of Chapters 84 and 97 of the Hawaii Revised Statutes. Chapter 84, HRS, contains (1) the "State Ethics Code" -- a code of governmental ethics laws for state officials and employees; (2) a financial interests disclosure law for state officials, state employees, and candidates for state elective office; and (3) a gifts disclosure law for state officials and employees. Chapter 97 is the State's "Lobbyists" law, which requires lobbyists to register with the Hawaii State Ethics Commission, and requires lobbyists and their clients to file three reports each year disclosing their lobbying expenditures. Chapter 97 pertains to those who lobby at the State level.

The number of individuals subject to the jurisdiction of the Hawaii State Ethics Commission is approximately **70,000**, which includes state officials and state employees, state board and commission members, and lobbyists and their clients. This number also includes former state officials, employees, and board members subject to the post-employment laws found in the State Ethics Code.

The State Ethics Code, which the Hawaii State Ethics Commission administers and enforces, is a code of conduct for state officials, state employees, and state board and commission members. The State Ethics Code contains restrictions pertaining to gifts, confidential information, conflicts of interests, misuse of official position, supplemental compensation, misuse of state resources, representation of clients before state and county agencies, restrictions regarding state contracts, and post-employment restrictions.

With respect to both Chapters 84 and 97, the Hawaii State Ethics Commission is responsible for issuing advisory opinions and informal advice in order to assist individuals in understanding and abiding by these laws. The Commission received approximately **1,193** requests for advice during the prior fiscal year. Many of these requests can be handled in a short amount of time, while others may take days, weeks, or months of researching factual and legal issues.

The Honorable Marcus R. Oshiro  
The Honorable Marilyn B. Lee  
January 26, 2010  
Page 3

The Hawaii State Ethics Commission is also responsible for enforcing Chapters 84 and 97. In enforcing Chapters 84 and 97, the Hawaii State Ethics Commission initiates investigations, issues charges, receives charges from the public, issues subpoenas, and can hold formal, contested-case hearings in accordance with Chapter 91, HRS, Hawaii's Administrative Procedure Act. The Commission received approximately **197** complaints during the prior fiscal year.

The Hawaii State Ethics Commission also received approximately **1,833** financial interests disclosure statements during the prior fiscal year. Approximately **285** lobbyists, representing approximately **327** clients, were registered with the Hawaii State Ethics Commission during the prior year. Lobbyists must file a lobbyist's registration statement with the Hawaii State Ethics Commission. On odd-numbered years, lobbyists are required to renew their lobbyist's registration statements. The Hawaii State Ethics Commission received approximately **1,886** lobbying expenditures reports from lobbyists and their clients in the prior year. The Hawaii State Ethics Commission also received in the prior year approximately **161** gifts disclosure statements. Thus, the Hawaii State Ethics Commission received approximately **4,463** filings for review, in addition to its other duties of rendering legal advice, issuing advisory opinions, initiating enforcement actions, and conducting numerous educational presentations on ethics and lobbying. The last exhibit attached to this testimony gives more **specific statistical data** relating to the Commission's workload during the prior fiscal year.

**During the current fiscal year, which is half over, the workload of the Commission continues to increase.**

#### **BUDGET PROPOSAL FOR FY 2010-11**

Our budget **approved by the Legislature for the current fiscal year (2009-10) is \$885,292.** Section 6(2) of House Bill 2162 provides for this same amount (\$885,292) for fiscal year 2010-11. Because our budget is and has been small given the work that we have been asked to do, and more than 10% of our budget is for private sector office space rent, we support the amount of \$885,292 for our budget for the next fiscal year.

If absolutely necessary, we can reduce our budget by 8.08%, to the amount of \$813,170, and the attachments to our testimony herein reflect the 8.08% reduction.

We would like to sincerely thank the House Committee on Finance for your support in the past, and for this opportunity to present our budget requirements for the upcoming fiscal year. We would be happy at this time to respond to any questions Committee Members may have.

**HAWAII STATE ETHICS COMMISSION BUDGET FOR FY 2009-10**  
**Statement Showing Budget and Estimated Expenditures**  
**By Object of Expenditure for FY 2009-10**

---

	2009-2010 Approved <u>Budget</u>	2009-2010 Estimated <u>Expenditures</u>	<u>Variance</u>
<b>PERSONAL SERVICES:</b>			
Staff salaries	\$714,900.00	\$714,900.00	\$0.00
Contractual services	6,800.00	6,800.00	0.00
Total Personal Services	721,700.00	721,700.00	0.00
<b>OTHER EXPENSES:</b>			
Office expenses	21,109.00	21,109.00	0.00
Out-of-state travel	0.00	0.00	0.00
Intrastate travel	5,000.00	5,000.00	0.00
Printing	9,700.00	9,700.00	0.00
Equipment rental and maintenance	13,128.00	13,128.00	0.00
Dues, registrations, Books and subscriptions	9,555.00	9,555.00	0.00
Newspaper advertisements	1,600.00	1,600.00	0.00
Commission meetings and hearings	14,500.00	14,500.00	0.00
Office furniture and equipment	5,000.00	5,000.00	0.00
Office rent	84,000.00	84,000.00	0.00
	<hr/>	<hr/>	<hr/>
Total Other Expenses	163,592.00	163,592.00	0.00
GRAND TOTAL	<u>\$885,292.00</u>	<u>\$885,292.00</u>	<u>\$0.00</u>



**HAWAII STATE ETHICS COMMISSION BUDGET REQUEST FOR FY 2010-11**  
**Statement Showing Budget and Estimated Expenditures**  
**By Object of Expenditure for FY 2010-11**

---

Personal Services:	
Staff salary	\$642,780.00
Contractual services	<u>6,800.00</u>
Total Personal Services	649,580.00
Other Expenses:	
Office expenses	21,950.00
Intrastate transportation and travel	4,500.00
Printing	7,300.00
Rental and maintenance of equipment	11,485.00
Dues, subscriptions, training	8,755.00
Newspaper advertisements	1,600.00
Commission meetings and hearings	15,000.00
Office furniture and equipment	3,000.00
Office rent	<u>90,000.00</u>
Total Other Expenses	163,590.00
<b>TOTAL</b>	<b>\$813,170.00</b>

# Hawaii State Ethics Commission Major Functions

I STATE'S ETHICS LAW	II STATE'S LOBBYISTS LAW	III FINANCIAL DISCLOSURE LAW	IV GIFTS DISCLOSURE LAW	V CANDIDATES FINANCIAL DISCLOSURE LAW	VI EDUCATION RE: LAWS	VII LEGISLATION	VIII WEBSITE
Duties: • Administration • Legal Opinions • Enforcement • Rules	Duties: • Administration • Legal Opinions • Enforcement • Filings Per Year • Auditing • Rules	Duties: • Administration • Legal Opinions • Enforcement • Filings Per Year • Auditing • Rules	Duties: • Administration • Legal Opinions • Enforcement • Filings Per Year • Auditing • Rules	Duties: • Administration • Legal Opinions • Enforcement • Filings Per Election • Auditing • Rules	Duties: • Mandatory Sessions • Sessions Developed by Office • Publications	Duties: • State Ethics Code • State Lobbying Law • Financial Disclosure Law • Gifts Disclosure Law • Candidates Financial Disclosure Law	Duties: • Development • Updating • Maintenance • Technology

IX DISCLOSURE FILINGS	Disclosure Filing Date	Approximate Number of Disclosures
Annual Financial Interests Disclosures Statements	May 31	1,800
Candidates Financial Interests Disclosures Statements	20 days before primary*	200
Gifts Disclosure Statements	June 30	100
Lobbyist Registration Statements	January**	250
Lobbying Organizations Expenditure Reports	March 31	250
Lobbying Organizations Expenditure Reports	May 31	250
Lobbying Organizations Expenditure Reports	January 31	250
Lobbyists Expenditure Reports	March 31	250
Lobbyists Expenditure Reports	May 31	250
Lobbyists Expenditure Reports	January 31	250
Other Filings	January 1 - December 31	50

X ADMINISTRATION
Duties: • Management • Supervision • Fiscal • Personnel • Procurement • Technology • Planning

**Note:** State's Ethics Laws: Chapter 84, Hawaii Revised Statutes  
State's Lobbyists Law: Chapter 97, Hawaii Revised Statutes

**ANNUAL TOTAL (even-numbered years) 4,000**  
**ANNUAL TOTAL (odd-numbered years) 3,700\*\*\***

\* Filed every even-numbered year only. OHA candidates file 20 days before the general election.  
\*\* Renewed every odd-numbered year for registered lobbyists.  
\*\*\* Candidate's Financial Interests Disclosure Statements not filed in odd-numbered years.

**FULL-TIME STAFF: 9 Individuals**

## HAWAII STATE ETHICS COMMISSION DUTIES

## A. PRINCIPAL DUTIES

1. Administration and Enforcement of State Ethics Laws (Chapter 84, Hawaii Revised Statutes)
2. Administration and Enforcement of Financial Interests Disclosure Law (Chapter 84, Hawaii Revised Statutes)
3. Administration and Enforcement of Gifts Disclosure Law (Chapter 84, Hawaii Revised Statutes)
4. Administration and Enforcement of the Lobbyists Law (Chapter 97, Hawaii Revised Statutes)
5. Issuance of Advisory Opinions Pursuant to HRS §11-192.5
6. Mandatory Ethics Training (Act 198, SLH 2004)
7. Other Educational Programs With Respect to Laws Administered and Enforced
8. Office Administration

## B. SPECIFIC DUTIES REGARDING PERFORMANCE OF PRINCIPAL DUTIES

1. Legal Advisory Duties

- (1.1) Attorney oral legal advice (no written office memorandum)
- (1.2) Attorney oral legal advice (written office memorandum)
- (1.3) Attorney legal opinion letters
- (1.4) Confidential Commission advisory opinions
- (1.5) Public format Commission advisory opinions
- (1.6) Declaratory orders
- (1.7) Legal research

2. Legal Enforcement

- (2.1) Drafting resolutions
- (2.2) Drafting subpoenas
- (2.3) Interviews
- (2.4) Investigation
- (2.5) Writing letters requesting information
- (2.6) Involvement in informal hearings
- (2.7) Prosecutorial role in formal hearings
- (2.8) Counsel to the HSEC in formal hearings
- (2.9) Drafting charges
- (2.10) Reviewing charges filed with the HSEC
- (2.11) Review of requests to investigate
- (2.12) Handling court appeals
- (2.13) Review of information to determine if investigation is warranted
- (2.14) Writing decisions
- (2.15) Writing Findings of Fact and Conclusions of Law
- (2.16) Writing Commission Informal Advisory Opinions

- (2.17) Writing public formatted Commission Informal Advisory Opinions
- (2.18) Legal research

3. Education Program

- (3.1) Mandatory Ethics Training
- (3.2) New employee orientations
- (3.3) Post-employment law orientations
- (3.4) Ethics laws workshops
- (3.5) Ethics laws presentations
- (3.6) Presentations on the lobbying law
- (3.7) Presentations on the financial interests disclosure law
- (3.8) Writing educational brochures and flyers
- (3.9) Television and radio presentations
- (3.10) Advisory memoranda
- (3.11) Preparation of speeches
- (3.12) Preparation of educational materials
- (3.13) Board member orientation speech
- (3.14) Workshop flyers & registration
- (3.15) Parking permit requisition

4. Legislation

- (4.1) Proposing new legislation
- (4.2) Drafting proposed legislation
- (4.3) Amending current laws
- (4.4) Drafting testimony
- (4.5) Testifying at legislative hearings
- (4.6) Monitoring all bills for those affecting our laws
- (4.7) Legal research involving legislation
- (4.8) Bill tracking
- (4.9) Reviewing hearing agendas, standing committee reports, Senate and House journals, order of the day.

5. Commission Meeting Preparation

- (5.1) Preparation and organization of meeting folder
- (5.2) Drafting of "for actions"
- (5.3) Preparation of oral presentations at Commission Meetings

6. Contact With Commissioners

7. Audit/Review of Filings; Lobbyist List

- (7.1) Annual legislator and state employee disclosure of financial interests statements (1,800/yr.)
- (7.2) Lobbying expenditures reports (800/yr.)
- (7.3) Lobbyist registration (234 currently registered)
- (7.4) Preparation and dissemination of list of lobbyists and organizations they represent.

- (7.5) Candidates' disclosure of financial interests statements (300 every other year)
  - (7.6) Signing lobbyists' registration cards
  - (7.7) Acknowledgment letters for financial disclosure filers (state employees/candidates)
  - (7.8) Reminder letters for financial disclosure filers (state employees/candidates)
  - (7.9) Reminder letters to filers for lobbying expenditure reports
8. Forms Drafting and Revision
- (8.1) Financial interests disclosure form and instructions for state officials and candidates
  - (8.2) Amendatory financial interests disclosure form for state officials and employees
  - (8.3) Lobbyist registration form
  - (8.4) Lobbying expenditures report form
  - (8.5) Telcon form
9. Rules
- (9.1) Proposing new rules
  - (9.2) Modifying existing rules
  - (9.3) Repealing existing rules
  - (9.4) Handling petitions for rule changes
  - (9.5) Drafting rules
  - (9.6) Legal research
10. Media
- (10.1) Media inquiries and interviews
  - (10.2) Drafting press releases
11. Conferences
- (11.1) Conference attendance
  - (11.2) Conference participation as speakers, panelists
12. Assisting Other Jurisdictions
- (12.1) Assistance by written correspondence
  - (12.2) Assistance by oral consultations
  - (12.3) Responding to requests for information
13. Purchasing
- (13.1) Summary Warrant Voucher form review and signature
  - (13.2) Journal vouchers
  - (13.3) Purchasing forms
  - (13.4) Petty cash vouchers
  - (13.5) Requisition and Purchase Order form review

14. Travel

- (14.1) Purchasing tickets
- (14.2) Setting itinerary
- (14.3) Statement of Completed Travel form review

15. Other Administrative Functions

- (15.1) Daily office management
- (15.2) Budget preparation
- (15.3) Budget testimony
- (15.4) Daily budget management
- (15.5) Payroll management
- (15.6) Personnel hiring (advertising, resume review, writing sample review, interviews, reference checks)
- (15.7) Personnel matters
- (15.8) Personnel evaluations
- (15.9) Short-term planning
- (15.10) Long-range planning
- (15.11) Vacation leave, sick leave, other leave approval
- (15.12) Office space and leasing matters
- (15.13) Compliance with directives from other state agencies
- (15.14) Compilation of statistics
- (15.15) Office Security
- (15.16) Office equipment acquisition
- (15.17) Office equipment integration into office work
- (15.18) Development of appropriate job descriptions
- (15.19) Dealing with leasor re office matters
- (15.20) Incoming mail review
- (15.21) Transfer of Property forms
- (15.22) Inventory forms
- (15.23) Writing letters of reference or recommendation
- (15.24) Payroll Change Schedule form review
- (15.25) Compliance with Procurement Laws
- (15.26) Disaster Recovery Plan
- (15.27) Building Floor Fire Marshall Duties

16. Supervising Functions

- (16.1) Supervision of work performed by staff
- (16.2) Delegation of work
- (16.3) Development of staff's knowledge of our laws and office procedures (staff training)

17. Elections

- (17.1) Campaign guidelines distribution

18. Publications
  - (18.1) Preparing annual advisory opinion and decisions packet
19. Gifts Disclosure Law
  - (19.1) Drafting of forms and instructions
  - (19.2) Drafting of commonly asked questions
  - (19.3) Mailing out gifts packets each year
  - (19.4) Logging in filed gifts disclosure forms
  - (19.5) Auditing gifts disclosure statements
20. Audits of Financial Interests Disclosure Forms
  - (20.1) Selection of forms to audit
  - (20.2) Audit of Financial Interests Disclosure Forms
  - (20.3) Contact and Resolution with audited filer
21. Fines
  - (21.1) Assessment of fines for late filers of candidates' financial disclosure statements
  - (21.2) Assessment of fines for late filers of financial interests disclosure statements
  - (21.3) Review of requests to waive fines
  - (21.4) Development of procedures to collect fines
  - (21.5) Development of form letters for collecting fines
  - (21.6) Collecting fines
  - (21.7) Deposit of fines into General Fund
  - (21.8) Assessment of fines for violations of the Lobbyists Law
  - (21.9) Collection of Lobbying fines
22. State contracts subject to HRS §84-15(a)
  - (22.1) Receipt of notices of intent to award contract
  - (22.2) Placing notices in public files
  - (22.3) Acknowledging receipt of notices
23. Implementation of New Legislation
  - (23.1) Re-typing handouts each year of amended chapters 84 and 97
  - (23.2) Printing of handouts of amended chapters 84 and 97
24. Computers
  - (24.1) Computer technology
  - (24.2) Working with computer consultant
  - (24.3) Enhancing office computers and technology
  - (24.4) Internet
  - (24.5) Website

- (24.6) E-mail
  - (24.7) Determining work to be done by computer
  - (24.8) Staff training with computers
  - (24.9) Keeping abreast of computer trends and issues
- 
- 25. Coordination with State Procurement Officer
  - 26. Consideration of Claims of the Filing of False Charges
  - 27. Consideration of Claims of the Filing of Frivolous Charges
  - 28. Implementation of Court Decisions
  - 29. Reviewing and Signing Form Letters
  - 30. COGEL Projects
  - 31. Submission to Office of Elections Campaign Manual
  - 32. Clipping Relevant Newspaper, Magazine, TV Stories
  - 33. Editing and Proofing All Materials
  - 34. Newsletter
  - 35. Judicial Selection Commission Inquiries
  - 36. Preparation of Management's Discussion and Analysis (MD&A) For Yearly Audit
  - 37. Responding to Surveys
  - 38. New Commissioners Search
  - 39. Training Sessions Attendance
  - 40. Keeping Abreast of Trends in Ethics, Financial Disclosure, Lobbying Laws
  - 41. Records Disposal (Disclosures, Expenditures Reports)
  - 42. Honorary Resolutions
  - 43. Aloha United Way Campaign
  - 44. US Savings Bond Campaign
  - 45. COGEL Updates Questionnaire



46. Purchasing relevant books
47. Review of Publications
48. Mailings requesting and acknowledging filings
49. Annual Calendar
50. List of HSEC Duties

(185 items)  
Rev: 12/05

# Hawaii State Ethics Commission

Statistics for Fiscal Year 2008-2009

TABLE 1

<b>HAWAII STATE ETHICS COMMISSION                      NUMBER OF REQUESTS FOR ADVICE AND COMPLAINTS                      RECEIVED BY ATTORNEYS IN FY 2008-2009</b>		
MONTH	REQUESTS FOR ADVICE	COMPLAINTS
July 2008	96	17
August 2008	82	14
September 2008	88	18
October 2008	118	34
November 2008	72	10
December 2008	72	15
January 2009	111	10
February 2009	106	16
March 2009	96	16
April 2009	116	21
May 2009	112	16
June 2009	124	10
<b>TOTAL</b>	<b>1,193</b>	<b>197</b>
<b>Total Number of Requests for Advice and Complaints Received in FY 2008-2009</b>		<b>1,390</b>

TABLE 2

<b>HAWAII STATE ETHICS COMMISSION            ATTORNEY OPINION LETTERS ISSUED IN FY 2008-2009</b>	
MONTH	NUMBER OF LETTERS
July 2008	15
August 2008	3
September 2008	9
October 2008	16
November 2008	7
December 2008	6
January 2009	8
February 2009	9
March 2009	13
April 2009	9
May 2009	4
June 2009	9
<b>TOTAL</b>	<b>108</b>

TABLE 3

<b>HAWAII STATE ETHICS COMMISSION            FORMAL ETHICS CHARGES FILED IN FY 2009</b>		
<b>FILE NO.</b>	<b>SWORN CHARGES FILED            BY INDIVIDUAL            OR ORGANIZATION</b>	<b>CHARGES FILED BY            HAWAII STATE            ETHICS COMMISSION*</b>
09-Cg-1		X
09-Cg-2	X	
<b>TOTAL: 2</b>		

\* Charges filed by the Commission must be signed by a majority of the members of the Commission.

TABLE 4

<b>HAWAII STATE ETHICS COMMISSION            INCOMING TELEPHONE CALLS HANDLED BY ATTORNEYS            AND CLERICAL STAFF IN FY 2008-2009</b>	
MONTH	NUMBER OF TELEPHONE CALLS
July 2008	264
August 2008	225
September 2008	194
October 2008	238
November 2008	142
December 2008	170
January 2009	150
February 2009	172
March 2009	204
April 2009	227
May 2009	192
June 2009	230
<b>TOTAL</b>	<b>2,408</b>

TABLE 5

<b>HAWAII STATE ETHICS COMMISSION FINANCIAL INTERESTS DISCLOSURE STATEMENTS FILED BY LEGISLATORS, EMPLOYEES, AND BOARD AND COMMISSION MEMBERS IN FY 2008-2009</b>	
<b>Month</b>	<b>NUMBER FILED</b>
July 2008	15
August 2008	5
September 2008	6
October 2008	10
November 2008	1
December 2008	1
January 2009	5
February 2009	296
March 2009	411
April 2009	225
May 2009	598
June 2009	260
<b>TOTAL</b>	<b>1,833</b>

TABLE 6

<p style="text-align: center;"><b>HAWAII STATE ETHICS COMMISSION GIFTS DISCLOSURE STATEMENTS FILED IN 2009</b></p>	
STATE POSITION	NUMBER FILED
Governor / Lt. Governor	2
Legislators	51
Employees	83
Board / Commission Members	25
<b>TOTAL</b>	<b>161</b>



TABLE 7

<b>HAWAII STATE ETHICS COMMISSION TOTAL NUMBER OF REGISTERED LOBBYISTS IN 2009 AND NUMBER OF CLIENTS REPRESENTED*</b>		
<b>YEAR</b>	<b>NUMBER OF LOBBYISTS</b>	<b>NUMBER OF CLIENTS REPRESENTED</b>
2009	285	327

\* Some lobbyists represent more than one client. Lobbyists must file a separate registration form for each client represented.

TABLE 8

<b>HAWAII STATE ETHICS COMMISSION                      LOBBYING EXPENDITURES AND CONTRIBUTIONS REPORTS                      FILED IN 2009</b>			
<b>FILERS</b>	<b>REPORTING PERIODS</b>		
	<b>05/01/08-12/31/08</b> (Jan. 31, 2009 Report)	<b>01/01/09-02/28/09</b> (Mar. 31, 2009 Report)	<b>03/01/09-04/30/09</b> (May 31, 2009 Report)
<b>LOBBYISTS</b>	<b>316</b>	<b>274</b>	<b>283</b>
<b>LOBBYISTS'                      CLIENTS *</b>	<b>374</b>	<b>316</b>	<b>323</b>
<b>TOTAL REPORTS                      FILED</b>	<b>690</b>	<b>590</b>	<b>606</b>
<b>GRAND TOTAL</b>	<b>1,886</b>		

\* The number of lobbying reports filed by clients may be greater than the number of reports filed by lobbyists because lobbyists may report expenditures and contributions for multiple clients on a single report form.

TABLE 9

<b>HAWAII STATE ETHICS COMMISSION TOTAL NUMBER OF DISCLOSURE FILINGS</b>	
Financial Interests Disclosure Statements filed by Legislators, Employees, and Board and Commission Members (FY 2008-2009)	1,833
Gifts Disclosure Statements (2009)	161
Lobbying Expenditures and Contributions Reports (2009)	1,886
Lobbyist Registrations (Two-year period 2009-2010)	570
Notice of Intent to Award Contract Pursuant to HRS §84-15(a) (FY 2008-2009)	13
<b>TOTAL</b>	<b>4,463</b>

\* Some lobbyists represent more than one client. A registration form must be filed for each separate client represented by the lobbyist.

TABLE 10

<b>HAWAII STATE ETHICS COMMISSION            2009 EDUCATION PROGRAM            (Ethics Workshops and Presentations)</b>		
DATE	PRESENTATIONS	NO. OF PARTICIPANTS
01/12/09	Ethics in Lobbying - November 12, 2008, Panel Discussion broadcasted on O'lelo Channel 54	public broadcast
01/12/09	Mandatory Ethics Training	6
01/13/09	Ethics in Lobbying - November 12, 2008, Panel Discussion broadcasted on O'lelo Channel 54	public broadcast
01/16/09	Ethics in Lobbying - November 12, 2008, Panel Discussion broadcasted on O'lelo Channel 54	public broadcast
01/19/09	Ethics in Lobbying - November 12, 2008, Panel Discussion broadcasted on O'lelo Channel 54	public broadcast
01/23/09	Mandatory Ethics Training	7
02/04/09	New Employee Orientation	75
03/19/09	Ethics Workshop for University of Hawaii Employees	20
04/24/09	Ethics Workshop for University of Hawaii Employees	36
05/19/09	Ethics Workshop for University of Hawaii Employees	150
05/20/09	Ethics Workshop for University of Hawaii Employees	150
06/03/09	New Employee Orientation	50
06/10/09	New Employee Orientation, Video Conference for Oahu and Neighbor Islands	98
06/24/09	Non-Contributory Pre-Retirement Seminar	116

DATE	PRESENTATIONS	NO. OF PARTICIPANTS
06/25/09	Contributory and Hybrid Pre-Retirement Seminar	205
08/26/09	Paroling Authority	36
09/22/09	Department of Health, Alcohol and Drug Abuse Division, Advisory Commission on Drug Abuse and Controlled Substances	6
09/23/09	Non-Contributory Pre-Retirement Seminar	63
09/24/09	Contributory and Hybrid Pre-Retirement Seminar	65
10/14/09	University of Hawaii Institute of Astronomy	55
<b>TOTAL</b>	<b>20 Presentations</b>	<b>1,138 Participants</b>

TABLE 11

<b>INFORMATION POSTED ON HAWAII STATE ETHICS COMMISSION WEB SITE</b>	
WEB SITE INTERNET URL:	<a href="http://www.hawaii.gov/ethics">http://www.hawaii.gov/ethics</a>
YEAR ESTABLISHED:	1998
<ul style="list-style-type: none"><li>• Search Engine (ENHANCED)</li><li>• News Releases</li><li>• Who We Are and What We Do<ul style="list-style-type: none"><li>○ General Information about the Hawaii State Ethics Commission</li><li>○ Major Functions of the Hawaii State Ethics Commission</li></ul></li><li>• Constitution, Statutes, and Rules<ul style="list-style-type: none"><li>○ Article XIV, Constitution of the State of Hawaii</li><li>○ State Ethics Code, Chapter 84, HRS</li><li>○ State Lobbyists Law, Chapter 97, HRS</li><li>○ Title 21, Administrative Rules of the Hawaii State Ethics Commission</li></ul></li><li>• Advisory Opinions, Informal Advisory Opinions, and Decisions</li><li>• Public Financial Disclosure Filings</li><li>• Gifts Disclosure Filings</li><li>• Lobbying Filings<ul style="list-style-type: none"><li>○ Lobbyist Registration Statements</li><li>○ Lists of Registered Lobbyists</li><li>○ Lists of Organizations Represented by Registered Lobbyists</li><li>○ Organizations' Lobbying Expenditure Statements</li><li>○ Lists of Total Lobbying Expenditures Reported by Organizations</li></ul></li><li>• Contract Notice Filings (Pursuant to HRS §84-15(a))</li></ul> <p style="text-align: center;">(continued)</p>	

TABLE 11 (continued)

- Publications and Guidelines
  - *The High Road* Newsletter
  - Ethics Guide
  - Ethics Checklist
  - Gifts
  - Campaigning
  - Fund Raising
  - Application of the State Ethics Code to DOE Furloughed Teachers (NEW)
  - Post Employment Restrictions
  - For Legislators
  - Lobbying
- Forms and Instructions:
  - Financial Disclosure Forms and Instructions
  - Gifts Disclosure Forms and Instructions
  - Lobbying Forms and Instructions
- Related Links to State, County Ethics, and Federal Ethics Agencies
- News
- Testimony on Legislation Relating to Ethics and Lobbying
- Filing Deadlines
- Hawaii State Ethics Commission Contact Information
  - Office Location
  - Mailing Address
  - Phone/Fax
  - Email Address
  - Online Form for Email (NEW)

TABLE 12

<b>HAWAII STATE ETHICS COMMISSION 2009 LEGISLATIVE SESSION</b>	
Number of Bills Introduced by the Hawaii State Ethics Commission*	<b>5</b>
Number of Letters Sent to Legislators and Others Regarding Legislation:	<b>5</b>
Written Testimony Submitted to the Legislature Regarding Legislation:	
Testimony Submitted to the House	<b>6</b>
Testimony Submitted to the Senate	<b><u>2</u></b>
Total	<b>8</b>
Testimony Presented in Person at Legislative Hearing by Chair, Executive Director, Associate Director, or Staff Attorney	<b>7</b>

\* Includes companion bills in the Senate and House of Representatives. These bills were introduced by the Commission in 2009.



TABLE 13

<b>HAWAII STATE ETHICS COMMISSION TESTIMONY PRESENTED TO LEGISLATORS FOR 2009 LEGISLATIVE SESSION</b>			
Hearing Date	Bill No.	Testified in Person	Written Testimony
01/06/09	Joint Informational Budget Briefing for FY 2009-10 (Joint Senate Committee on Ways and Means, and House Committee on Finance)	X*	X
02/02/09	HB 302, Making Appropriations to Provide for the Expenses of the Legislature, the Auditor, the Legislative Reference Bureau, and the Ombudsman (House Committee on Finance)	X	X
02/06/09	HB 196, Relating to Standards of Conduct (House Committee on Legislative Management)	X	X
02/06/09	HB 853, Relating to Public Disclosure of Financial Interests Statements (House Committee on Legislative Management)	X	X
02/06/09	HB 855, Relating to the Disposition of Financial Interests Disclosure Statements (House Committee on Legislative Management)	X	X
02/06/09	HB 970, Relating to Lobbyists (House Committee on Legislative Management)	X	X
02/10/09	HB 302, HD 1, Making Appropriations to Provide for the Expenses of the Legislature, the Auditor, the Legislative Reference Bureau, and the Ombudsman (Senate Committee on Ways and Means)	X	X

\* Testimony given by Vice Chairperson Jerrold A. Fuller; all other testimonies given by Executive Director Daniel J. Mollway.

TABLE 14

<b>HAWAII STATE ETHICS COMMISSION  RECORDS CHECK OF APPLICANTS FOR JUDICIAL OFFICE PERFORMED  AT THE REQUEST OF THE STATE JUDICIAL SELECTION COMMISSION  IN 2009</b>						
MONTH	NUMBER OF APPLICANTS					
	Supreme Court	First Circuit Court	Second Circuit Court	Third Circuit Court	Fifth Circuit Court	Total Applicants Per Month
January						
February						
March		5				5
April	7					7
May		3				3
June	3					3
July	11				1	12
August		1	1		1	3
September						
October	9					9
November		4	2			6
December						
<b>TOTAL Per Court:</b>	<b>30</b>	<b>13</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>Grand Total 48</b>

TABLE 15

<b>HAWAII STATE ETHICS COMMISSION RECORDS CHECK OF APPLICANTS FOR JUDICIAL OFFICE PERFORMED AT THE REQUEST OF THE FEDERAL JUDICIAL SELECTION COMMISSION IN 2009</b>	
<b>MONTH</b>	<b>NUMBER OF APPLICANTS</b>
	United States District Court, District of Hawaii
September	17

TABLE 16

<b>HAWAII STATE ETHICS COMMISSION DISCLOSURE RECORDS AVAILABLE FOR PUBLIC INSPECTION*</b>	
1	Public Financial Disclosure Statements (Legislators, Other Elected State Officials, Appointed State Officials, and Candidates for State Elective Office)
2	Gifts Disclosure Statements
3	Lists of Registered Lobbyists
4	Lobbyist Registration Statements
5	Lobbying Expenditure Statements of Registered Lobbyists
6	Lists of Organizations Represented by Registered Lobbyists
7	Lobbying Expenditure Statements of Organizations
8	Total Amounts of Lobbying Expenditures Reported by Organizations
9	Notices of Intent to Award Contracts to a Legislator or Employee, or Business in Which a Legislator or Employee Has a Controlling Interest (filed pursuant to HRS Section 84-15(a))

\* Most records also available on the Hawaii State Ethics Commission Web site:  
<http://www.hawaii.gov/ethics>.

TABLE 17

<b>HAWAII STATE ETHICS COMMISSION FORMS AND INSTRUCTIONS ON FILE*</b>	
1	Financial Disclosure Long Form
2	Instructions for Financial Disclosure Long Form
3	Financial Disclosure Short Form
4	Instructions for Financial Disclosure Short Form
5	Candidates Financial Disclosure Form
6	Instructions for Candidates Financial Disclosure Form
7	Gifts Disclosure Form
8	Gifts Disclosure Form Additional Sheet
9	Instructions for Gifts Disclosure Form
10	Lobbyist Registration Form
11	Instructions for Lobbyist Registration Form
12	Lobbyist Expenditures Statement
13	Instructions for Lobbyist Expenditures Statement
14	Organization Lobbying Expenditures Statement
15	Instructions for Organization Lobbying Expenditures Statement

\* Also available on the Hawaii State Ethics Commission Web site:  
<http://www.hawaii.gov/ethics>

TABLE 18

<b>HAWAII STATE ETHICS COMMISSION 2009 PUBLICATIONS ON FILE*</b>	
1	Chapter 84, Hawaii Revised Statutes, Standards of Conduct
2	Hawaii State Ethics Commission Administrative Rules
3	Ethics Guide for State Elected Officials, State Employees, State Board and Commission Members
4	Ethics Checklist
5	Outline of Substantive Areas of the State Ethics Code
6	Article XIV, Hawaii State Constitution
7	Gifts and the State Ethics Code
8	Informational or Educational Trips Solicited or Accepted by Legislators
9	Attendance at "Appreciation" Receptions, Dinners, Meals, or Parties, etc., Offered by Lobbyists
10	Legislative Interns
11	Questions and Answers on the Gifts Disclosure Law
12	Campaign Restrictions for State Officials and State Employees
13	Prohibition on Candidate Campaign Walk-Throughs in State Agencies
14	Use of State E-Mail for Campaign Purposes
15	Fundraising in State Offices
16	Ethics Guidelines for AUW Fund Raiser Activities Conducted by State Agencies
17	The Application of the State Ethics Code to Furloughed Teachers
18	Post Employment Restrictions
19	<i>The High Road</i> Newsletter
20	Chapter 97, Hawaii Revised Statutes, Lobbyists
21	Lobbying Registration and Reporting Manual
22	Informational or Educational Trips as Lobbying Expenditures
23	"Goodwill" Lobbying as Lobbying Expenditure
24	Accrued or Incurred Lobbying Expenditures; Company Employee Lobbying Expenditures

\* Also available on the Hawaii State Ethics Commission web site: [www.hawaii.gov/ethics](http://www.hawaii.gov/ethics)