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IN REPLY REFER TO:

STATE OF HAWAII
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March 17, 2010

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

HOUSE TRANSPORTATION

HOUSE CONCURRENT RESOLUTION NO. 196
HOUSE RESOLUTION NO. 129

REQUESTING A STUDY TO DETERMINE IF SAVINGS MAY BE ACHIEVED BY
HAVING THE HIGHWAYS, HARBORS, AND AIRPORTS DIVISIONS SHARE
CERTAIN COMMON FUNCTIONS.

The Department of Transportation **opposes** this resolution.

The DOT is structured and operates as a line-staff organization. The line segments are the Airports, Harbors, and Highways divisions. The staff segments are the departmental staff offices.

The three line divisions are very decentralized. They operate and maintain their respective facilities and infrastructure separately and autonomously from the other divisions.

In contrast, the departmental staff offices are centralized and grouped by administrative functions. They provide general advice, guidance, and support to the line divisions. To this extent, the line divisions are already sharing common functions.

In addition, the divisions operate under the oversight of their respective federal counterparts: the Federal Aviation Administration for Airports, the Maritime Administration for Harbors, and the Federal Highways Administration for Highways. As a result, the divisions are governed by different federal statutes, different federal regulations, different federal policies, different federal procedures, and different federal requirements. The division's functions (including divisional administrative functions) are therefore not interchangeable

among each other. Consequently, their respective staff cannot perform the specialized functions needed by the other divisions.

Furthermore, if this resolution's proposed consolidation of common functions is implemented, there will be no cost savings generated. The same amount of personnel will be required to perform the specialized work that they are presently performing. In short, we do not believe that this proposal will generate any real savings.

We believe the present decentralized organization of our divisions is working well. The forced consolidation of common functions proposed by this resolution will disrupt our Department in the following ways:

1. It will impose an incompatible centralized component on the decentralized organization of the divisions.
2. It will undermine the authority of the division heads by removing key functions from their control.
3. It will create another unnecessary layer of bureaucracy which will inevitably constrain quick and decisive action.

Our organization is not static. We are constantly making organizational adjustments to meet the demands of changing circumstances. In the past two years, we have undergone twelve reorganizations including three major ones. Moreover, we have abolished scores of vacant positions during the same period of time. As one can see, the Department has already undergone major efforts to save money and to operate more efficiently.

For these reasons, we believe that it would not be the most optimal use of the department's time and energy to conduct the study being requested by this resolution.

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Written Testimony

HCR196

REQUESTING A STUDY TO DETERMINE IF SAVINGS MAY BE ACHIEVED BY HAVING THE HIGHWAYS, HARBORS, AND AIRPORTS DIVISIONS SHARE CERTAIN COMMON FUNCTIONS

Testimony by the Legislative Reference Bureau
Ken H. Takayama, Director

Presented to the House Committee on Transportation

Wednesday, March 17, 2010, 9:00 a.m.
Conference Room 309

Chair Souki and Members of the Committee:

Thank you very much for this opportunity to testify on House Concurrent Resolution No. 196, which directs the Legislative Reference Bureau (Bureau) to study the sharing of common functions among different divisions in the Department of Transportation.

The Bureau takes **no position** either for or against the measure, but submits the following comments and concerns:

1. As always, if the Legislature wants us to do this study, we will do it to the best of our ability with the resources we have.
2. Among other things, the study requests determinations of whether certain staff functions can be consolidated, whether there are excessive numbers of staff at certain levels, and whether various positions are obsolete.
3. The focus of the study requested is not one of policy, but rather the staffing requirements of a particular department, in this case, the Department of Transportation. Practically speaking, the Bureau, for the most part, will be simply reporting on information that will need to be obtained from the Department of Transportation.
4. For the foregoing reasons, directing the Department of Transportation to report to the Legislature on the contents of this resolution would appear to be a simpler, more straightforward, and no less effective approach to getting the information desired.

Thank you very much for this opportunity to testify.