



**TESTIMONY OF MARION M. HIGA, STATE AUDITOR, ON HOUSE BILL NO. 827, MAKING  
APPROPRIATIONS TO PROVIDE FOR THE EXPENSES OF THE LEGISLATURE, THE  
AUDITOR, THE LEGISLATIVE REFERENCE BUREAU, THE OMBUDSMAN, AND THE  
ETHICS COMMISSION**

**House Committee on Finance**

**February 11, 2011**

Chair Oshiro and Members of the Committee:

Thank you for this opportunity to testify in support of this bill that would, among other purposes, appropriate funds for my office for FY2011-12.

In summary, our budget request of \$2,513,849 in general funds for operations represents a restoration of 4.4% of the current budget, which is 18.08% less than it was two years ago. With these funds, we expect to be able to shore up our thin in-house audit staff ranks and hire from among some promising applicants. Our general funds request for our Audit Revolving Fund, from which we pay for the financial statement audits, remains flat at \$2,550,828. Our expenditure ceiling request for the revolving fund also remains flat, at \$6,000,000.

More specifically, Exhibit 1 presents our proposed budget by program and compares amounts with the current year's budget. Exhibit 2 presents the budget request by objects of expenditure. Exhibit 3 presents our current budget and estimated expenditures.

I am pleased to report to you that again this past year, the financial statements for my office, the Legislative Reference Bureau, the Ombudsman, and the Ethics Commission (which is administratively attached to my office) have earned clean opinions from a contracted CPA firm.

Also, in June 2010 we underwent our seventh triennial peer review, or "audit of the auditor," and received a clean opinion. A team of audit professionals from Washington State, Utah, Florida, and Pennsylvania deemed us in conformance with generally accepted government auditing standards. The report has been posted on our website.

And we have again won an Impact Award from the National Legislative Program Evaluation Society (NLPES), a staff section of the National Conference of State Legislatures (NCSL). This award was for our 2009 *Management and Financial Audit of Hawai'i Tourism Authority's Major Contracts*. The award was presented at the NCSL Legislative Summit in Louisville.

We remain active in our profession, serving as training conference speakers and legislative staff leaders. Deputy Auditor/General Counsel Jan Yamane won election to the NCSL Executive Committee. Senior Analyst Tricia Oftana was elected to the NLPES Executive Committee. Jan, Tricia and I made presentations at the annual NLPES Fall Training Conference in Baton Rouge. Administrative Deputy Auditor Calvin Hangai, Assistant Auditor Jennifer Ueki, and Tricia have served as officers of the Hawai'i Chapter of the Association of Government Accountants. Jennifer will continue as an officer in the coming chapter year.

Exhibit 4 lists our reports to the 2010 and 2011 Legislatures in chronological order and Exhibit 5 presents the same information by categories of work. I'd like to note that two major management reports were submitted a day ahead of their deadline, a fact we're proud of, considering the amount of work each has entailed. I'd like to thank the audit teams, managers, and support staff who made this possible. I'd also like to point out a new, crisper summary that replaces our Overview. We hope this new product will enable readers to grasp the key nuggets of information in each report.

I would note, however, that we are operating with the smallest staff complement in years. The combination of trying to keep our staff salaries market-competitive and our recruitment highly selective has meant that there are fewer of us to do the same or greater amount of work. Contracting out some of the workload has been limited by the budget reductions, and I am hopeful that the restoration of at least a portion of the cuts will be possible in the budget bill before you.

Exhibit 6 encapsulates our financial statement audit picture. Our Audit Revolving Fund may end this year with a slightly larger balance than we had budgeted due to the previous comptroller's unilateral decision to replace departmental audits with a single statewide federal audit except where federal requirements mandated departmental audits. He asserted that the State would save approximately \$700,000 but could not identify which departments were not to be audited. Then the major departments, one by one, decided that that was an unacceptable risk and asked that we continue to engage audit firms

for their respective audits. For FY2010, the following departments are not being separately audited: Accounting and General Services; Agriculture; Business, Economic Development and Tourism; Defense; Labor and Industrial Relations; Land and Natural Resources; and Public Safety. This means there will be no stand-alone opinions on their internal controls or their accounts. However, contrary to the former comptroller's view, the reality is that the firm engaged to opine on the State's Comprehensive Annual Financial Report, or CAFR, is still having to audit the "no-audit" departments, and at higher thresholds. For this increased workload, we have had to expand the CAFR contract, so the former comptroller's claimed savings have resulted in (1) a more realistic \$200,000 in savings and (2) a heightened risk.

Perhaps more importantly, a carryover issue for the new administration and my office is the severe delay in the issuance of the financial statement audits. The FY2009 CAFR was very late again this past year. With an issue date of October 20, 2010, it might have been the last in the nation. One cause of the delay was the difficulty in completing the financial statement audit of the Hawai'i Public Housing Authority. Another cause of the delay again was the need to incorporate writedowns from devalued student loan auction rate securities (SLARS) into the financial statements of the component funds. You might recall that the writedowns that Hawai'i has taken on the \$1.1 billion investment in these now-largely frozen securities totaled a quarter billion dollars in the first two years, as we reported to you about a year ago. Then last November, the former attorney general announced the State's settlement with Citigroup, the seller of the securities. Citigroup will have until 2015 to buy back any SLARS the State has not sold by then. This settlement will need to be incorporated into the FY2010 financial statement audits. That incorporation, plus the additional challenges to the State's accounting system presented by the American Recovery and Reinvestment Act funds, regrettably will cause another delay in the completion of the 2010 financial statement audits. Additionally, the statewide single audit of federal expenditures, which is due on March 31<sup>st</sup>, is anticipated to be at least four months late. This delay is driven by the lateness of the State's CAFR, as well as logistical problems in preparing the necessary schedules that were not anticipated by the comptroller at the time of his decision to move toward a consolidated single audit. As a result, the departments listed above that are a part of the consolidated single audit may be adversely affected.

I said earlier that we are administering all of the financial statement audits that the prior administration selected. I need to qualify that; the Hawai'i Health Systems Corporation and University of Hawai'i financial statement audits have remained outside administration by my office. But perhaps that needs to change, especially in the case of HHSC. With the severe fiscal constraints facing the hospital system, and

given the difficulties we encountered the last time we tried to conduct a financial review of it, I offer the idea of bringing the HHSC audit contract under our Audit Revolving Fund. This would entail raising the revolving fund ceiling by \$850,000 and shifting the appropriation of that amount in general funds to the fund, with a parallel reduction in HHSC's budget as the session proceeds.

Lastly, since the start of session, those legislators who have introduced bills that propose to create new special, trust, or revolving funds have been contacted by my staff. One of our statutorily mandated tasks, as noted in Exhibits 4 and 5, is to analyze these bills and submit our analyses by a statutory deadline. Our practice is to submit them by mid-February so that all committees of referral will have a chance to see the analyses. Almost half of the analyses were submitted two days ago and the remainder will be delivered next week. Thank you to you and your staff for your expeditious responses to our questions.

Thank you also to the entire Legislature for its enduring support of our constitutional and statutory responsibilities. We ask for your favorable consideration of this budget request. I welcome your questions.

**OFFICE OF THE AUDITOR**  
**Budget for FY2011-12**  
**(With Comparative Amounts for FY2010-11)**

Exhibit 1

<b>AUDIT</b>	<b>2010-11</b>		<b>2011-2012</b>	
Personal services				
Staff	1,003,628	(18)	1,109,464	(18)
Contract	134,942		134,942	
Other expenses	73,013		73,014	
Total audit	1,211,584		1,317,420	
 <b>PROGRAM EVALUATION AND SPECIAL STUDIES</b>				
Personal services				
Staff	446,057	(8)	446,057	(8)
Contract	59,974		59,974	
Other expenses	32,450		32,451	
Total program evaluation and special studies	538,482		538,482	
 <b>LEGISLATIVE SERVICES</b>				
Personal services - staff	223,029	(4)	223,029	(4)
Other expenses	16,225		16,225	
Total legislative services	239,254		239,254	
 <b>SUNSET EVALUATIONS AND SUNRISE ANALYSES</b>				
Personal services - staff	55,757	(1)	55,757	(1)
Other expenses	4,056		4,056	
Total sunset evaluation and sunrise analyses	59,813		59,813	
 <b>FOLLOW-UP</b>				
Personal services - staff	167,271	(3)	167,271	(3)
Other expenses	12,169		12,169	
Total follow-up	179,440		179,440	
 <b>GENERAL SUPPORT</b>				
Personal services - staff	167,271	(3)	167,271	(3)
Other expenses	12,169		12,169	
Total general support	179,440		179,440	
 <b>TOTAL OPERATING BUDGET</b>				
	2,408,013	(37)	2,513,849	(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 FY2011-12**

Exhibit 2

**Operating Budget**

Personal services:

Staff salaries	\$2,168,849
Contractual services	<u>\$194,916</u>
Total personal services	<u>\$2,363,765</u>

Other expenses:

Office Expenses	45,500
Intrastate transportation and travel	4,800
Out-of-state travel	42,000
Training	12,000
Printing	7,000
Rental and maintenance of equipment	20,000
Books	500
Equipment	16,284
Miscellaneous	<u>2,000</u>
Total other expenses	<u>150,084</u>

Total operating budget \$2,513,849

**Audit Revolving Fund**

*Expenditure Ceiling*

\$2,550,828

\$6,000,000

**OFFICE OF THE AUDITOR**  
**Statement Showing Budget and Estimated Expenditures**  
**By Object of Expenditure for FY2010-11**

Exhibit 3

	<u>Budget</u>	<u>Estimated</u>	<u>Variance</u>
<b>Personal services:</b>			
Staff salaries	\$ 2,063,013	\$ 2,063,013	\$ -
Contractual services	194,916	194,916	-
Total personal services	\$ 2,257,929	\$ 2,257,929	\$ -
<b>Other expenses:</b>			
Office expenses	36,028	36,028	-
Intrastate transportation and travel	13,857	13,857	-
Out-of-state travel	34,470	35,670	(1,200)
Training	24,019	24,019	-
Printing	12,009	12,009	-
Rental and maintenance of equipment	13,996	13,996	-
Books	1,848	648	1,200
Equipment	13,857	13,857	-
Total other expenses	\$ 150,084	\$ 150,084	\$ -
<b>TOTAL</b>	<b>\$ 2,408,013</b>	<b>\$ 2,408,013</b>	<b>\$ -</b>
Special Studies Appropriation (Act 1, SLH 2010)	\$ 150,000	\$ 150,000	\$ -
Audit Revolving Fund Appropriation (Act 1, SLH 2010)	\$ 2,550,828	\$ 2,550,828	\$ -

**Office of the Auditor**

**Reports Submitted to Date to 2010 Legislature and Work to the 2011 Legislature**

**In Chronological Order**

- : Letter to the Senate President and the House Speaker Regarding Senate Concurrent Resolution No. 84, Requesting a Financial Statement Audit of the Waters of Life Public Charter School
- 10-01: Investigation of Specific Issues of the Department of Business, Economic Development & Tourism
- 10-02: Study of Proposed Mandatory Health Insurance Coverage for Colorectal Cancer Screening
- 10-03: Financial Examination of the Department of Budget and Finance
- 10-04: Management Audit of the Aloha Tower Development Corporation
- : 2009 Annual Report
- 10:05: Program and Management Audit of the State's Purchasing Card Program
- 10-06: Audit of the Department of Public Safety, Sheriff Division
- 10-07: Sunrise Analysis: Real Estate Appraisal Management Companies
- 10-08: Sunrise Analysis: Athletic Trainers
- 10-09: Review of Revolving Funds, Trust Funds, and Trust Accounts of the Judiciary and the Departments of Commerce and Consumer Affairs, Hawaiian Home Lands, Health, and Human Services
- 10-10: Management Audit of the Department of Public Safety's Contracting for Prison Beds and Services
- 10-11: Management and Financial Audit of Department of Taxation Contracts
- : Letter to the Senate President and the House Speaker Regarding an Analysis of the Effects of the Provisions Contained in Act 227 (SLH 2008)
- \*\*\*\*\*
- 11-\_\_ : Department of Transportation Procurement Audit
- 11-\_\_ : Audit of the Administration of the Child Protective Services Program



- 11-\_\_ : Management Audit of the Hawai'i Public Housing Authority
- 11-\_\_ : Investigation of the Stadium Authority's Swap Meet Operations
- 11-\_\_ : 2009 Report of Audit Recommendations More Than A Year Old That Have Not Been Implemented
- 11-\_\_ : 2010 Report of Audit Recommendations More Than A Year Old That Have Not Been Implemented
- 11-\_\_ : Audit of the Deposit Beverage Container Program (FY2005-06)
- 11-\_\_ : Audit of the Deposit Beverage Container Program (FY2007-08)
- 11-\_\_ : 2050 Branding Report
- : 2010 Annual Report

**Pending Work**

- Program, Performance, and Financial Audit of the Natural Energy Laboratory of Hawai'i Authority (SCR96, SD1; 2008)
- Study on Removing Amateur Boxing from the State Boxing Commission (HCR171; 2009)
- Sunrise Analysis of Professional Employer Organizations (SCR45, SD1; 2009)
- Healthcare Summit Membership, Report, and Strategic Plan 2010 and 2011 (SCR170, SD2; 2009)
- Nursing Joint Advisory Committee (SCR167, SD2; HR98, HD1; 2010)
- Joint Senate-House Investigative Committee to Investigate the Department of Budget and Finance's Handling of the State's Investment in Student Loan Auction Rate Securities ("SLARS") (SCR18, SD1, HD1; 2010)

**Act 4 Financial Statement Audits—FY2009**

- State of Hawaii, Comprehensive Annual Financial Report
- Department of Accounting and General Services
  - Stadium Authority
  - State Parking Control/State Motor Pool Revolving Funds
- Department of Agriculture
- Department of the Attorney General
- Department of Budget & Finance/Hawai'i Employer Union Health Benefits Trust Fund
- Department of Business, Economic Development, & Tourism
  - Hawai'i Housing Finance & Development Corporation
  - Kekuilani Gardens
  - Hawai'i Community Development Authority

- Hawai'i Tourism Authority & Hawai'i Convention Center
- Department of Education
- Department of Hawaiian Home Lands
- Department of Health, Financial and Compliance Audit Report, Water Pollution Control Revolving Fund Financial Statements, and Drinking Water Treatment Revolving Loan Fund Financial Statements
- Department of Human Services
  - Hawai'i Public Housing Authority
- Department of Labor & Industrial Relations
  - Workers' Compensation Special Compensation Fund Financial Statements & Forecast
- Department of Land & Natural Resources
- Department of Public Safety
- Department of Transportation Administration
- Department of Transportation Airports, Financial Statements, Single Audit Report, and Passenger Facility Charge Report
- Department of Transportation Harbors
- Department of Transportation Highways
- Oahu Metropolitan Planning Organization

#### **Act 4 Financial Statement Audits—FY2010**

- State of Hawaii, Comprehensive Annual Financial Report and Statewide Single Audit
- Department of Accounting and General Services:
  - Stadium Authority
  - State Parking Control/State Motor Pool Revolving Funds
- Department of the Attorney General
- Department of Budget & Finance:
  - Employees' Retirement System, Comprehensive Annual Financial Report
  - Hawai'i Employer Union Health Benefits Trust Fund
- Department of Business, Economic Development, & Tourism:
  - Hawai'i Housing Finance & Development Corporation
  - Hawai'i Community Development Authority
  - Hawai'i Tourism Authority & Hawai'i Convention Center
- Department of Education
- Department of Hawaiian Home Lands
- Department of Health, Financial and Compliance Audit Report, Water Pollution Control Revolving Fund Financial Statements, and Drinking Water Treatment Revolving Loan Fund Financial Statements
- Department of Human Services
  - Hawai'i Public Housing Authority
- Department of Labor & Industrial Relations:
  - Workers' Compensation Special Compensation Fund Financial Statements & Forecast
- Department of Transportation Administration

- Department of Transportation Airports, Financial Statements, Single Audit Report, and Passenger Facility Charge Report
- Department of Transportation Harbors
- Department of Transportation Highways
- Oahu Metropolitan Planning Organization

**Other Reports - None**

**Proposed Funds Review**

- We performed 67 reviews of proposed special and revolving funds during the 2011 legislative session. Over the past three years, we have performed over 160 reviews:
  - 2010: 47 reviews
  - 2009: 52 reviews
  - 2008: 63 reviews

**Office of the Auditor**

**Work to the 2010 and 2011 Legislatures**

**By Categories of Work**

**Performance Audits and Special Studies**

- Letter to the Senate President and the House Speaker Regarding Senate Concurrent Resolution No. 84, Requesting a Financial Statement Audit of the Waters of Life Public Charter School
- Investigation of Specific Issues of the Department of Business, Economic Development & Tourism (Report No. 10-01)
- Study of Proposed Mandatory Health Insurance Coverage for Colorectal Cancer Screening (Report No. 10-02)
- Management Audit of the Aloha Tower Development Corporation (Report No. 10-04)
- 2009 Annual Report
- Program and Management Audit of the State's Purchasing Card Program (Report No. 10-05)
- Audit of the Department of Public Safety, Sheriff Division (Report No. 10-06)
- Sunrise Analysis: Real Estate Appraisal Management Companies (Report No. 10-07)
- Sunrise Analysis: Athletic Trainers (Report No. 10-08)
- Management Audit of the Department of Public Safety's Contracting for Prison Beds and Services (Report No. 10-10)
- Management and Financial Audit of the Department of Taxation Contracts (Report No. 10-11)
- Letter to the Senate President and the House Speaker Regarding an Analysis of the Effects of the Provisions Contained in Act 227 (SLH 2008)

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- Audit of the Administration of the Child Protective Services Program
- Management Audit of the Hawai'i Public Housing Authority
- 2010 Annual Report
- 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
- Investigation of the Stadium Authority's Swap Meet Operations
- Program, Performance, and Financial Audit of the Natural Energy Laboratory of Hawai'i Authority
- Audit of the Deposit Beverage Container Program (FY2005-06)
- Audit of the Deposit Beverage Container Program (FY2007-08)

**Financial Audits**

- Financial Examination of the Department of Budget and Finance (Report No. 10-03)
- Department of Transportation Procurement Audit

## **Existing Fund Reviews**

- Review of Revolving Funds, Trust Funds, and Trust Accounts of the Judiciary and the Departments of Commerce and Consumer Affairs, Hawaiian Home Lands, Health, and Human Services (Report No. 10-09)

## **Act 4 Financial Statement Audits**

- State of Hawaii, Comprehensive Annual Financial Report and Statewide Single Audit
- Department of Accounting and General Services:
  - Stadium Authority
  - State Parking Control/State Motor Pool Revolving Funds
- Department of the Attorney General
- Department of Budget & Finance:
  - Employees' Retirement System, Comprehensive Annual Financial Report
  - Hawai'i Employer Union Health Benefits Trust Fund
- Department of Business, Economic Development, & Tourism:
  - Hawai'i Housing Finance & Development Corporation
  - Hawai'i Community Development Authority
  - Hawai'i Tourism Authority & Hawai'i Convention Center
- Department of Education
- Department of Hawaiian Home Lands
- Department of Health, Financial and Compliance Audit Report, Water Pollution Control Revolving Fund Financial Statements, and Drinking Water Treatment Revolving Loan Fund Financial Statements
- Department of Human Services
  - Hawai'i Public Housing Authority
- Department of Labor & Industrial Relations:
  - Workers' Compensation Special Compensation Fund Financial Statements & Forecast
- Department of Transportation Administration
- Department of Transportation Airports, Financial Statements, Single Audit Report, and Passenger Facility Charge Report
- Department of Transportation Harbors
- Department of Transportation Highways
- Oahu Metropolitan Planning Organization

## **Other Reports - None**

## **Proposed Funds Review**

- We performed 67 reviews of proposed special and revolving funds during the 2011 legislative session.

OFFICE OF THE AUDITOR  
AUDIT REVOLVING FUND  
FY2012 - BUDGET REQUEST

Exhibit 6

# of Contracts	Department	Expenditure Ceiling Request (FY2012 Fees)	FY10 Funding Source Breakdown			General Fund Request (General Fund portion of fees)
			General Fund	Non-GF (Reimbursement)		
	Department of Accounting and General Services					
1	CAFR	\$ 1,445,000	100.0%	0.0%		\$ 1,445,000
	ICSD - SAS 70					
2	DAGS - Stadium Authority (& agreed upon procedures) Schedule of gross receipts & percentage rent reported and paid by the Concessionaire Agreed-upon proc: Reserve acct of Concessionaire & F&B operations of the Concessionaire Schedule of gross receipts & percentage commission paid by the Swap Meet Mgt Co.	\$ 80,000	0.0%	100.0%	Special	\$ -
3	DAGS - State Parking Revolving Fund	\$ 48,000	0.0%	100.0%	Special	\$ -
	DAGS - State Motor Pool Revolving Fund					\$ -
4	Department of the Attorney General	\$ 98,000	51,000	42,000	Federal	\$ 53,742
	Department of Budget and Finance					
5	Hawaii Employer - Union Health Benefits Trust Fund	\$ 125,000	0.0%	100.0%	Trust	\$ -
6	ERS	\$ 145,350	0.0%	100.0%	Other Non-GF	\$ -
	Department of Business, Economic Development & Tour.					
7	Hawaii Housing Finance & Development Corporation	\$ 239,000	0.0%	100.0%	Special	\$ -
8	HTA - Hawaii Tourism Authority		0.0%	100.0%	Special	\$ -
	Hawaii Convention Center - Special Purpose F/S					\$ -
9	Hawaii Community Development Authority	\$ 38,000	0.0%	100.0%		\$ -
10	Department of Education	\$ 365,000	90.0%	10.0%	Federal	\$ 328,500
11	Department of Hawaiian Home Lands	\$ 152,000	0.0%	100.0%	Trust	\$ -
12	Department of Health	\$ 360,000	70.0%	30.0%	Federal	\$ 252,000
	Water Pollution Control Revolving Fund					
	Drinking Water Treatment Revolving Loan Fund					
	Deposit Beverage Container Program	\$ 50,000				\$ -
13	Department of Human Services	\$ 405,000	48.0%	52.0%	Federal	\$ 194,400
14	Hawaii Public Housing Authority	\$ 320,000	28.0%	72.0%	27%Fed/ 43%Spec/ 2%Trust	\$ 89,600
	Wilikina Apartments		0.0%	100.0%	Federal	
	Banyan St. Manor		0.0%	100.0%	Federal	
	Department of Transportation					
15	Administration	\$ 34,000	0.0%	100.0%	Special	\$ -
16	Airports	\$ 422,000	0.0%	100.0%	Special	\$ -
17	Harbors	\$ 181,000	0.0%	100.0%	Special	\$ -
18	Highways	\$ 289,000	0.0%	100.0%	Special	\$ -
19	Oahu Metropolitan Planning Organization	\$ 19,000	0.0%	100.0%	Special	\$ -
TOTAL Managed: 19 Contracts		\$ 4,815,350				\$ 2,363,242
Reserve for Estimated Adjustments/Overages:		\$ 1,184,650				\$ 187,586
TOTAL Requested Budget Amounts:		\$ 6,000,000				\$ 2,550,828

Charlotte A. Carter-Yamauchi  
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LEGISLATIVE REFERENCE BUREAU  
State of Hawaii  
State Capitol  
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## **HB827**

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

Testimony by the Legislative Reference Bureau  
Charlotte A. Carter-Yamauchi, Acting Director

Presented to the House Committee on Finance

Friday, February 11, 2011, 1:30 p.m.  
Conference Room 308

Chair Oshiro and Members of the Committee:

I am Charlotte Carter-Yamauchi, Acting 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 2011-2012.

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, other entities, and the general public.

The Bureau's major functions include:

Research, including drafting bills and other legislative documents 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 administrative agency rules and compile and publish a table indicating those 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 facilitate legislative research by providing links to other important websites.

We maintain a legislative systems office that 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 was established to ensure public participation in the legislative process. Our Public Access Room staff, working with librarians and others on the neighbor islands, have expanded the availability of legislative information, materials, and services far beyond Oahu. Although separate from any Bureau functions, we note that our Public Access Room staff also coordinates the Legislative Broadcasting Project for the House of Representatives and the Senate.

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.

We note that budget cuts for the last two prior fiscal years have resulted in a 10 percent and 8.08 percent reduction, respectively, for a total budget reduction of 18.08 percent.

These budget reductions necessitated: salary reductions for all permanent staff, 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.

The proposed 2011-2012 budget for the Bureau is \$2,905,790. This represents a restoration of 4.04 percent from the \$3,028,126 appropriated to the Bureau by Act 1, Session Laws of Hawaii 2009, for fiscal year 2009-2010. Of the total 2011-2012 budget, the following amounts are allocated for the respective functions: \$1,325,017 for drafting, research, and general support functions; \$376,620 for library operations; \$595,784 for statute revision; \$469,225 for systems office operations; and \$139,144 for the public access room. These figures do not include the appropriation for the CSG dues (\$128,180) that is typically added to the Bureau's budget to pay on behalf of the Legislature.

We anticipate that the amount restored to our budget will allow us to restore a part of the 5 percent across-the-board pay cut sustained by Bureau staff during fiscal year 2010-2011. We expect all other budgeted categories to generally remain the same.



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 2008-2009 and 2009-2010
- Exhibit F Comparative statistics of the systems office's requests for fiscal years 2008-2009 and 2009-2010
- Exhibit G Comparative statistics of the LRB library workload for fiscal years 2008-2009 and 2009-2010
- Exhibit H Comparative statistics of the Public Access Room for fiscal years 2008-2009 and 2009-2010

Thank you.

LEGISLATIVE REFERENCE BUREAU  
BUDGET REQUEST FOR FY 2011-2012

	<u>2010-2011</u> <u>APPROPRIATION</u>	<u>2011-2012</u> <u>BUDGET REQUEST</u>
<u>BILL DRAFTING &amp; RESEARCH</u>		
Personal Services:		
Staff	\$ 848,633 (12)	\$ 907,965 (12)
TOTAL BILL DRAFTING & RESEARCH	\$ 848,633	\$ 907,965
<u>SYSTEMS OFFICE</u>		
Personal Services:		
Staff	321,166 (6)	334,359 (6)
Session Staff	70,000	70,000
Other Current Expenses	<u>64,866</u>	<u>64,866</u>
TOTAL SYSTEMS OFFICE	456,032	469,225
<u>LIBRARY</u>		
Personal Services:		
Staff	313,667 (6)	320,892 (6)
Other Current Expenses	<u>55,728</u>	<u>55,728</u>
TOTAL LIBRARY	369,395	376,620
<u>PUBLIC ACCESS ROOM</u>		
Personal Services:		
Staff	92,091 (2)	95,928 (2)
Session Staff	25,000	25,000
Other Current Expenses	<u>18,216</u>	<u>18,216</u>
TOTAL PUBLIC ACCESS ROOM	135,307	139,144
<u>GENERAL SUPPORT</u>		
Personal Services:		
Staff	277,977 (5.5)	292,644 (5.5)
Student Staff	30,000	30,000
Overtime	20,000	20,000
Other Current Expenses	<u>69,014</u>	<u>74,408</u>
TOTAL GENERAL SUPPORT	396,991	417,052
<u>REVISOR OF STATUTES</u>		
Personal Services:		
Staff	372,847 (6.5)	391,536 (6.5)
Other Current Expenses	<u>204,248</u>	<u>204,248</u>
TOTAL REVISOR OF STATUTES	577,095	595,784
TOTAL LRB	\$2,783,453*	\$2,905,790*
CSG Dues	78,180	128,180

\*Amount does not include CSG Dues

EXHIBIT A

SYSTEMS OFFICE  
BUDGET REQUEST FOR FISCAL YEAR 2011-2012

OTHER CURRENT EXPENSES

	<u>2010-2011</u> <u>APPROPRIATION</u>	<u>2011-2012</u> <u>BUDGET REQUEST</u>
Software/Hardware Maintenance	\$20,978	\$20,978
Acquisition of Software/Hardware	16,026	16,026
Equipment Rental	4,320	4,320
Data Communication	2,520	2,520
Telephone	1,440	1,440
General Supplies	4,102	4,102
Staff Training Programs, etc.	8,640	8,640
Publication, Training Manuals, etc.	1,800	1,800
Services on Fee	1,440	1,440
Other Current Expenses	<u>3,600</u>	<u>3,600</u>
 Total	 \$64,866	 \$64,866

EXHIBIT B

LIBRARY DIVISION  
BUDGET REQUEST FOR FISCAL YEAR 2011-2012

OTHER CURRENT EXPENSES

	<u>2010-2011</u> <u>APPROPRIATION</u>	<u>2011-2012</u> <u>BUDGET REQUEST</u>
Books	15,585	17,585
Online Information Services		
Westlaw	19,000	19,000
Print Subscriptions and Dues	13,243	11,243
Web Catalog		
Maintenance	3,000	3,000
Upgrades	700	700
Computer Hardware, Software, Maintenance and Supplies	500	500
Copier Maintenance and Supplies	3,000	3,000
Office and Library Supplies	400	400
Staff Development and Training	300	300
TOTAL	\$55,728	\$55,728

EXHIBIT C

PUBLIC ACCESS ROOM  
BUDGET REQUEST FOR FISCAL YEAR 2011-2012

The fiscal year 2011-2012 Public Access Room budget request reflects no change in expenses from the figures for fiscal year 2010-2011.

OTHER CURRENT EXPENSES

	<u>2010-2011</u> <u>APPROPRIATION</u>	<u>2011-2012</u> <u>BUDGET REQUEST</u>
Office supplies	\$ 800	\$ 800
Equipment maintenance	9,068	9,068
Subscriptions	240	240
Neighbor island workshops	6,480	6,480
Postage	80	80
Staff development and training	1,440	1,440
Other	<u>108</u>	<u>108</u>
TOTAL:	\$18,216	\$18,216

EXHIBIT D

REVISOR OF STATUTES DIVISION  
BUDGET REQUEST FOR FISCAL YEAR 2011-2012

The requested appropriation by the Division includes \$203,096 in 2011-2012 for the production and printing of the Session Laws and the Hawaii Revised Statutes Supplement.

2011 Session Laws.....	\$ 30,000
2,500 volumes; 1,200 pages each volume.	
2011 HRS Supplement.....	\$173,096
2,404 sets; 5,000 pages each set.	
	<u>\$203,096</u>

OTHER CURRENT EXPENSES

	<u>2010-2011</u> <u>APPROPRIATION</u>	<u>2011-2012</u> <u>BUDGET REQUEST</u>
Office Supplies	\$ 360	\$ 360
Postage	720	720
Notices, Publication of	72	72
Printing	<u>203,096</u>	<u>203,096</u>
Total	<u>\$204,248</u>	<u>\$204,248</u>

## 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, 2010

Type of Request	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
<b>LEGISLATIVE REQUESTS</b>													
Senate Bills	5	15	23	20	27	57	419	32	48	31	2	31	710
House Bills	15	19	44	93	92	129	730	57	26	29	2	33	1269
<b>Total Bills</b>	<b>20</b>	<b>34</b>	<b>67</b>	<b>113</b>	<b>119</b>	<b>186</b>	<b>1149</b>	<b>89</b>	<b>74</b>	<b>60</b>	<b>4</b>	<b>64</b>	<b>1979</b>
Senate Resolutions	--	--	2	--	6	3	4	46	91	3	--	--	155
House Resolutions	1	3	5	5	13	12	19	151	218	3	--	--	430
<b>Total Resolutions</b>	<b>1</b>	<b>3</b>	<b>7</b>	<b>5</b>	<b>19</b>	<b>15</b>	<b>23</b>	<b>197</b>	<b>309</b>	<b>6</b>	<b>--</b>	<b>--</b>	<b>585</b>
Senate Certificates	1	3	--	--	--	--	--	--	2	1	1	--	8
House Certificates	1	--	9	--	--	2	--	1	1	1	--	2	17
<b>Total Certificates</b>	<b>2</b>	<b>3</b>	<b>9</b>	<b>--</b>	<b>--</b>	<b>2</b>	<b>--</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>25</b>
Caucus Digest	--	--	--	--	--	--	--	--	--	--	--	--	--
Committee Reports	--	--	--	--	--	--	--	178	71	16	--	--	265
Floor Amendments	--	--	--	--	--	--	--	--	--	--	--	--	--
Language	--	--	--	--	3	--	--	--	--	--	--	--	3
Letters/Memos	11	9	17	13	15	19	18	438	278	32	2	13	865
Published Reports	--	--	--	--	--	--	--	--	1	--	--	--	1
<b>Total Others</b>	<b>11</b>	<b>9</b>	<b>17</b>	<b>13</b>	<b>18</b>	<b>19</b>	<b>18</b>	<b>616</b>	<b>350</b>	<b>48</b>	<b>2</b>	<b>13</b>	<b>1134</b>
<b>TOTAL REQUESTS</b>	<b>34</b>	<b>49</b>	<b>100</b>	<b>131</b>	<b>156</b>	<b>222</b>	<b>1190</b>	<b>903</b>	<b>736</b>	<b>116</b>	<b>7</b>	<b>79</b>	<b>3723</b>

**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 2009-2010**

<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>	47	24	21	20	11	18	27	31	33	37	33	21	323
<b>Technical Assistance</b>	37	44	37	45	24	52	58	30	32	27	35	40	461
<b>Printouts</b>	8	9	12	7	8	12	19	25	15	18	15	22	170
<b>General Information</b>	7	4	8	14	9	10	13	9	13	13	7	11	118
<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>	99	81	78	86	52	92	117	95	93	95	90	94	1072

**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

Exhibit G

Request for Service  
For Legislative Reference Bureau Library  
For Fiscal Year 2009-10

Requests for:	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Reference/Research	127	100	107	132	141	85	142	148	158	161	139	93	1,533
Online database searches	10	7	6	10	14	7	8	7	7	3	6	6	91
Orientation/Training	0	0	3	0	2	40	11	5	2	3	0	2	68
Publications distributed/sold	14	25	42	34	11	25	28	17	20	84	19	11	330
Documents borrowed	13	37	9	51	18	18	28	11	40	24	34	4	287
<b>Total</b>	<b>164</b>	<b>169</b>	<b>167</b>	<b>227</b>	<b>186</b>	<b>175</b>	<b>217</b>	<b>188</b>	<b>227</b>	<b>275</b>	<b>198</b>	<b>116</b>	<b>2,309</b>
Photocopying (pages)	1,039	370	143	77	648	88	55	337	198	585	953	282	4,775
Computer printouts (pages)	5	0	2	0	31	4	33	7	20	4	6	0	112
<b>Total</b>	<b>1,044</b>	<b>370</b>	<b>145</b>	<b>77</b>	<b>679</b>	<b>92</b>	<b>88</b>	<b>344</b>	<b>218</b>	<b>589</b>	<b>959</b>	<b>282</b>	<b>4,887</b>

Request 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	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	9	25	68	28	24	31	9	29	20	50	57	23	373
<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)	17	0	9	21	8	9	0	4	0	20	2	0	90
<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 2009-2010**

Request for:	July	Aug	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Total
Photocopying (pages) <sup>1</sup>	1,071	2,565	1,762	8,290	4,735	18,181	29,054	12,603	8,743	--	--	16,331	103,335
Email inquiries	17	11	32	72	52	51	92	89	270	92	43	21	842
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	0	13	55	117	180	207	66	130	14	0	1	783

**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>2</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

(Compiled 1/11/11)

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

<sup>2</sup> Figures compiled when requested by Xerox.

## Selected Public Access Room Statistics

ACTIVITY	FISCAL YEAR										
	1999- 2000	2000- 2001	2001- 2002	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	2008- 2009	2009- 2010
Workshop Participants	386	346	269	n/a	n/a	241	718	444	707	1,161	782
<i>(Neighbor Island workshop participants)</i>	--	--	--	--	30	n/a	34	42	60	224	155
Email testimony received	0	483	1,345	1,197	3,569	4,123	4,237	12,493	7,841* (Senate only; to 2/5/08)	n/a	n/a
Photocopies	116,911	116,769	142,730	181,223	218,178	323,697	264,183	429,136	131,766	167,208	103,335

\* Due to an overwhelming increase in participation in the email testimony program, the House began having its committees process their own testimony when the 2008 legislative session began. Three weeks into that session, the Senate Sergeant-at-Arms office began doing the same. Thus, in fewer than three weeks' time, the Public Access Room staff had processed and delivered 7,841 documents to the appropriate Senate committees.



Robin K. Matsunaga  
Ombudsman

David T. Tomatani  
First Assistant

**OFFICE OF THE OMBUDSMAN  
STATE OF HAWAII**

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Honolulu, Hawaii 96813  
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complaints@ombudsman.hawaii.gov

**TESTIMONY OF ROBIN K. MATSUNAGA, OMBUDSMAN,  
ON H.B. NO. 827, A BILL FOR AN ACT  
MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES  
OF THE LEGISLATURE, THE AUDITOR, THE LEGISLATIVE REFERENCE  
BUREAU, THE OMBUDSMAN, AND THE ETHICS COMMISSION**

**HOUSE COMMITTEE ON FINANCE  
FEBRUARY 11, 2011**

Chair Oshiro and Members of the Committee:

Thank you for the opportunity to present testimony on H.B. No. 827. 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 a blank amount of funds for the operations of the Office of the Ombudsman for FY 2011-2012.

My testimony is based on the request to limit my office's budget for FY 2011-2012 to \$1,017,875, which would reflect a 4.04 percent decrease of the budget appropriated to the office for FY 2009-2010.

As you may know, the function of the ombudsman is to receive and investigate complaints from citizens about administrative acts of state and county government agencies and employees. Our experience over the past year assisting members of the public with their complaints about being adversely impacted by increasing delays in the provision of services and errors in decision-making by public employees empirically supports my belief that in times of budget reductions, when public employees are asked to provide continued levels of services with fewer resources, the likelihood of errors by these employees increases, leading to greater numbers of citizens seeking the services of the ombudsman. I suspect that many of you have also been receiving increased numbers of complaints from constituents and like my office, I am sure you have been committing more of your time and resources to try to assist those constituents. I think that most of you are aware of the success my office has had in resolving complaints and ensuring that even in these times, our citizens are treated lawfully, fairly, and reasonably by their government, and in this way has been able to alleviate at least some of the impact and stress the poor

economy is causing Hawaii's citizens, and at the same time helped to maintain or restore their confidence in government.

My staff and I appreciate the opportunity to increase our budget for FY 2011-2012 from its current level of \$998,342. The additional \$19,533 represents an increase of 1.96 percent over our current year budget and will certainly help us in our effort to serve the increasing numbers of complainants who have been contacting our office for assistance in a timely manner. However, while I fully understand that the State continues to face a revenue shortfall and I sincerely appreciate the opportunity to request the additional \$19,533 for next year's budget, I would like to take this opportunity to request your consideration to increase my office's FY 2011-2012 budget an additional \$11,660 for a total of \$1,029,535. The additional \$11,660 would result in a total increase of \$31,193, or 3.12 percent, over the current year budget and would reflect a restoration of 50 percent of the reductions made last year. Please allow me to explain the reasons behind my request.

As you may know, my office's budget is somewhat unique in that less than 5 percent of the total budget is for operational expenses other than staff salaries. In FY 2009-2010, the budget for non-salary expenses was \$47,000 and represented just 4.43 percent of the total budget. When my office's FY 2010-2011 budget was being considered last year, the target amount was \$975,021, which would have represented an 8.08 percent reduction from the FY 2009-2010 budget. Each of the other legislative agencies was also asked to reduce their budget by 8.08 percent. Of the total 8.08 percent, each agency's personal services budget was to be reduced by 5 percent, and each agency was responsible for determining where the remaining 3.08 percent reduction would be made.

After reducing my office's personal services budget by 5 percent and the current expenses budget by 24.9 percent, I still needed to find another \$21,321 in reductions to meet the 8.08 percent target. The only place left to find those funds was the personal services budget and would have required either reducing the salaries of my staff an additional 2.3 percent (for a total reduction of 7.3 percent, while their counterparts in the House of Representatives and the other legislative agencies would be subjected to only a 5 percent salary reduction), converting 2 of my 4 intake/administrative support staff from full-time to part-time, or laying off 1 of the 4 intake/administrative support staff.

The House and Senate recognized that it would be unfair and inequitable for the staff of my office to be subjected to a 7.3 percent salary cut and still be required to work each day as usual, and that converting 2 of the 4 intake/administrative support staff from full-time to part-time or laying off 1 of the 4 intake/administrative support staff would significantly impact my office's

ability to serve the public in a time when demand for our services was rising, and approved my current budget even though it only reflected a 5.88 percent reduction.

While the current approach to limit the budget of each legislative agency to reflect a 4.04 percent decrease from their respective FY 2009-2010 budget may appear to be fair and equitable, it again creates a situation where the staff of my office will likely be affected inequitably in comparison to their counterparts in the other legislative agencies. First, because of the distribution of personal services and current expenses funding in my budget, my office's budget was only reduced by 5.88 percent between FY 2009-2010 and FY 2010-2011. By limiting my FY 2011-2012 budget to not exceed 95.96 percent of my FY 2009-2010 budget, only \$19,533, or 31.3 percent, of the funds that were cut (which is equivalent to a 1.96 percent increase over my current year budget) can be restored, while 50 percent of the funds cut from the other agencies (which is equivalent to a 4.4 percent increase over their current year budget) will be restored. Second, because the other agencies have current expenses budgets that represent anywhere from 6.23 to 20.18 percent of their total budget, the funding they are allowed to restore include a significantly greater proportion of funds that were previously budgeted for non-salary expenses. This fact is important when you view the resulting budget restoration amounts as a percentage of the cuts made to each agency's personal services budget for permanent staff, which, for the Ethics Commission would be equivalent to 49.59 percent, for the Auditor 58.36 percent, and for the Legislative Reference Bureau 122.34 percent. In comparison, the \$19,533 proposed for restoration to my office's budget represents only 38.54 percent of the funds that were cut from my office's personal services budget. While I do not know if they will do so, since each of the other legislative agencies have the opportunity to direct all or a significant portion of the restored funds to their personal services budget, they could restore at least 49.59 percent, or as much as 100 percent, of the salary cuts that have been imposed on their staff, whereas directing all of the restored funds to my office's personal services budget would only restore 38.54 percent of the salary cuts imposed on my staff.

There are two other simple methods, in addition to setting a target amount of 4.04 percent reduction from the FY 2009-2010, by which the amount of funding that is allowed to be restored can be determined. First, since the other three legislative agencies are being allowed to restore the equivalent of 4.4 percent of their current year budget, my office could also be allowed to restore the equivalent of 4.4 percent of our current budget. However, since 4.4 percent of my current budget, or \$43,927, represents 70.4 percent of the funding that was cut last year, it would not be in line with the 50 percent restoration being allowed to the other legislative agencies. In my opinion, the most fair and equitable alternative would be to allow my office to restore 50 percent of the cuts that were taken last year. While the amount to be restored that is

Testimony of Robin K. Matsunaga, Ombudsman  
H.B. No. 827  
February 11, 2011  
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derived using this method, \$31,193, only represents 3.12 percent of my current budget, it still allows my office to restore 50 percent of the cuts that were imposed last year.

I hope that you will concur with my view on this and that you will support my request to increase the amount allowed to be restored to my budget from \$19,533 to \$31,193, which would provide my office the same percentage of funding restoration that is being allowed the other legislative agencies. Attached for your information is a breakdown of my office's current year budget, the proposed budget that reflects the original 31.3 percent restoration of last year's cuts, and the proposed budget that reflects my requested 50 percent restoration.

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

OFFICE OF THE OMBUDSMAN  
OPERATING BUDGET -- FY 2011-2012 vs. FY 2010-2011

	(50% restoration) <u>FY 2011-2012</u>	(31.3% restoration) <u>FY 2011-2012</u>	Act 1, SLH 2009 <u>FY 2010-2011</u>
<b>A. PERSONAL SERVICES</b>			
Staff Salaries	988,385 (15)	982,575 (15)	963,042 (15)
<b>SUBTOTAL PERSONAL SERVICES</b>	<b>988,385</b>	<b>982,575</b>	<b>963,042</b>
 <b>B. OTHER CURRENT EXPENSES</b>			
Office Supplies & Postage	3,700	3,600	3,600
Telephone	5,600	5,500	5,500
Intra-state Transportation & Subsistence	500	500	500
Out-of-state Transportation & Subsistence	1,500	0	0
Printing, Advertising & Publications	3,500	2,550	2,550
Maintenance - Office Equipment	4,000	2,500	2,500
Equipment Rental	4,450	3,950	3,950
Training/Subscriptions/Dues	1,800	800	800
Other Miscellaneous Current Expense	1,000	1,000	1,000
Computer Services	14,900	14,900	14,900
Risk Management	(included w/Other)	(included w/Other)	(included w/Other)
<b>SUBTOTAL OTHER CURRENT EXPENSES</b>	<b>40,950</b>	<b>35,300</b>	<b>35,300</b>
 <b>C. EQUIPMENT, FURNISHINGS, &amp; BOOKS</b>			
Equipment	0	0	0
Furnishings	0	0	0
Books	200	0	0
<b>SUBTOTAL EQUIP, FURNISHINGS, BOOKS</b>	<b>200</b>	<b>0</b>	<b>0</b>
 <b>TOTAL OPERATING BUDGET</b>	<b><u>1,029,535</u></b>	<b><u>1,017,875</u></b>	<b><u>998,342</u></b>



# HAWAII STATE ETHICS COMMISSION

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

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## TESTIMONY OF THE HAWAII STATE ETHICS COMMISSION

**BILL NO:** HB 827, MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES OF THE LEGISLATURE, THE AUDITOR, THE LEGISLATIVE REFERENCE BUREAU, THE OMBUDSMAN, AND THE ETHICS COMMISSION

**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:** David J. Randell, M.D.  
Hawaii State Ethics Commission

**EXHIBITS:** Nos. 1 - 4

**VIA:** Ms. Marion Higa, Legislative Auditor

**DATE:** Friday, February 11, 2011

**TIME:** 1:30 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 2011-12.

### A. Duties of the Hawaii State Ethics Commission

The Hawaii State Ethics Commission is responsible for the administration and enforcement of Chapters 84 and 97 of the Hawaii Revised Statutes ("HRS"). Chapter 84, HRS, contains the State Ethics Code. The State Ethics Code is a code of conduct

that applies to state legislators, state employees, and members of state boards and commissions. The State Ethics Code includes a financial disclosure law and a gifts disclosure law for state government officials and employees. Chapter 97, HRS, is the State Lobbyists Law, which applies to lobbying activities at the state level. Chapter 97 requires lobbyists to register with the Commission, and requires lobbyists and organizations that lobby or spend money for the purpose of lobbying to file statements of lobbying expenditures and contributions with the Commission.

The Commission has five members, who are nominated by the State Judicial Council and appointed by the Governor. The current members of the Commission are Maria J. Sullivan (Chairperson), David J. Randell, M.D. (Vice Chairperson), Cassandra J. Leolani Abdul, and Les Knudsen. There is currently one vacancy on the Commission.

The Commission currently employs a staff of nine full-time employees: An executive director and an associate director; three staff attorneys; and four support staff. Due to recent budget cuts, the Commission has one full-time secretarial position that is unfilled.

Despite the very small size of the agency, the Commission's responsibilities are extensive. For purposes of Chapter 84, HRS, the Commission has jurisdiction over all appointed and elected state government officials and employees, including all state legislators, state employees in the legislative, executive, and judicial branches of government (with the exception of judges), and members of all state boards and commissions. The Commission also has jurisdiction over all candidates for state elective office who are subject to the financial disclosure law in Chapter 84, HRS. For purposes of Chapter 97, HRS, the Commission has jurisdiction over all lobbyists and organizations who lobby the state legislature or executive branch.

The Commission's duties include issuing legal opinions in response to requests for advice about Chapters 84 and 97, HRS. In 2010, the Commission received over 1,000 requests for advice.

The Commission also enforces Chapters 84 and 97, HRS, by receiving complaints and conducting investigations concerning alleged violations of the law. In 2010, the Commission handled over 150 complaints, including eight formal charges alleging violations of the State Ethics Code or Lobbyists Law.

The Commission also administers the filing requirements of the financial disclosure law, the gifts disclosure law, and the lobbying registration and reporting laws. These filing requirements help provide accountability and transparency in government. In 2010, the Commission received approximately 1,800 financial interests disclosure statements from state officials and employees; approximately 240 financial interests

disclosure statements from candidates for state elective office; and approximately 160 gifts disclosure statements. The Commission also received over 1,800 lobbying expenditures and contributions reports in 2010.

Finally, the Commission is mandated by law to educate the citizenry and state officials and employees about ethics in government. To fulfill this mandate, Commission staff conducts ethics presentations and workshops throughout the year. In 2010, Commission staff conducted ethics presentations and workshops for over 1,000 state government officials and employees.

Additional information about the Commission's work in 2010 is attached to this testimony.

B. Budget Proposal for FY 11-12

The Commission's current budget for FY 10-11 is \$813,170. Of this amount, approximately \$650,000 is required for staff salaries and contractual services. Because the Commission must rent office space in the private sector, approximately \$90,000 of the budget is required for office lease rent. The remaining balance of approximately \$73,000 pays for all of the other operating expenses of the Commission, including office expenses, intrastate travel, printing, equipment leases and maintenance, Commission meeting and hearings, and office equipment.

For FY 10-11, the Commission's budget was reduced by \$72,122, or 8.14%, from the previous fiscal year. The Commission respectfully requests a budget increase of 4.39% for FY 11-12, which restores approximately 50% of the funds that were removed from the current budget. Thus, the Commission's budget request for FY 11-12 is \$849,531. The additional funding is needed so that the Commission can rebuild programs and other activities that were necessarily impacted by the reduction to the Commission's budget in FY 10-11 and to pay for the travel expenses relating to three commissioners who reside on neighbor islands. The Commission's current budget includes \$4,500 for intrastate travel, which includes travel-related expenses for commissioners as well as Commission staff. That amount, which was included in the Commission's budget request for FY 10-11, anticipated travel costs relating to the one neighbor island commissioner, Maria Sullivan, the Commission's Chairperson. Chairperson Sullivan, who was the only neighbor island commissioner at the time that the budget for FY 10-11 was submitted, resides on Molokai. In FY 10-11, two new commissioners were appointed to the Commission, Les Knudsen, who resides on Kauai, and Cassandra J. Leolani Abdul, who resides on Maui.

The Commission meets at least once each month in Honolulu and more frequently should the Commission convene a contested case hearing to resolve a formal charge. Commission meetings and hearings are essential to the work of the

The Honorable Marcus R. Oshiro, Chair  
The Honorable Marilyn B. Lee, Vice Chair  
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agency. The Commission's current budget, however, does not include sufficient funding for intrastate travel expenses for three neighbor island commissioners and, without additional funding, the Commission may be unable to conduct monthly meetings without further impacting other Commission programs and activities necessary to achieving the Commission's statutory mission.

In addition, Commission staff must travel to the neighbor islands to conduct training workshops for state officials and employees about ethics in government. The Commission views training and education as an important and integral part of its mission. The additional funds may allow Commission staff to offer limited training during FY 11-12 on the neighbor islands.

The Commission is also charged with investigating alleged violations of the State Ethics Code. Investigations on the neighbor islands require the Commission's staff to travel intrastate to interview witnesses and make site visits. The Commission cannot perform its statutorily mandated enforcement of the State Ethics Code without funds to conduct investigations and other enforcement activities.

To allow the Commission to conduct its meetings and to otherwise carry out the Commission's statutory duties, the Commission's total budget request for FY 11-12 is \$849,531.

The Commission thanks the Committee on Finance for this opportunity to present our budget request for the upcoming fiscal year. We are happy to answer any questions.

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

	2010-2011 Approved <u>Budget</u>	2010-2011 Estimated <u>Expenditures</u>	<u>Variance</u>
<b>PERSONAL SERVICES:</b>			
Staff salaries	\$642,780.00	\$642,780.00	\$0.00
Contractual services	6,800.00	6,800.00	0.00
Total Personal Services	649,580.00	649,580.00	0.00
<b>OTHER EXPENSES:</b>			
Office expenses	21,950.00	21,950.00	0.00
Intrastate travel	4,500.00	13,500.00	+9,000.00
Printing	7,300.00	7,300.00	0.00
Equipment rental and maintenance	11,485.00	11,485.00	0.00
Dues, registrations, books and subscriptions	8,755.00	8,755.00	0.00
Newspaper advertisements	1,600.00	1,600.00	0.00
Commission meetings, investigations, & hearings	15,000.00	6,000.00	-9,000.00
Office furniture and equipment	3,000.00	3,000.00	0.00
Office rent	90,000.00	90,000.00	0.00
	<hr/>	<hr/>	<hr/>
Total Other Expenses	163,590.00	163,590.00	0.00
<b>GRAND TOTAL</b>	<b><u>\$813,170.00</u></b>	<b><u>\$813,170.00</u></b>	<b><u>\$0.00</u></b>

**HAWAII STATE ETHICS COMMISSION BUDGET REQUEST FOR FY 2011-12**  
**Statement Showing Estimated Expenditures**  
**By Object of Expenditure for FY 2011-12**

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Personal Services:		
Staff salary		\$678,541.00
Contractual services		<u>6,800.00</u>
Total Personal Services		685,341.00
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, investigations, and hearings		15,600.00
Office furniture and equipment		3,000.00
Office rent		<u>90,000.00</u>
Total Other Expenses		164,190.00
<b>TOTAL</b>		<b>\$849,531.00</b>

# Hawaii State Ethics Commission Major Functions

I	II	III	IV	V	VI	VII	VIII
STATE'S ETHICS LAW	STATE'S LOBBYISTS LAW	FINANCIAL DISCLOSURE LAW	GIFTS DISCLOSURE LAW	CANDIDATES FINANCIAL DISCLOSURE LAW	EDUCATION RE: LAWS	LEGISLATION	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	X ADMINISTRATION
Annual Financial Interests Disclosures Statements	May 31	1,800	Duties: • Management • Supervision • Fiscal • Personnel • Procurement • Technology • Planning
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	

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

Statistics for Calendar Year 2010

TABLE 1

<b>HAWAII STATE ETHICS COMMISSION  NUMBER OF REQUESTS FOR ADVICE AND COMPLAINTS  RECEIVED BY ATTORNEYS IN 2010</b>		
MONTH	REQUESTS FOR ADVICE	COMPLAINTS
January 2010	69	15
February 2010	56	2
March 2010	83	6
April 2010	40	8
May 2010	110	6
June 2010	82	15
July 2010	68	8
August 2010	104	17
September 2010	101	27
October 2010	89	15
November 2010	80	10
December 2010	142	15
<b>TOTAL</b>	<b>1,024</b>	<b>144</b>
<b>Total Number of Requests for Advice and Complaints Received in 2010</b>		<b>1,168</b>

TABLE 2

<b>HAWAII STATE ETHICS COMMISSION ATTORNEY OPINION LETTERS ISSUED IN 2010</b>	
<b>MONTH</b>	<b>NUMBER OF LETTERS</b>
January 2010	6
February 2010	9
March 2010	8
April 2010	13
May 2010	8
June 2010	20
July 2010	14
August 2010	5
September 2010	17
October 2010	12
November 2010	9
December 2010	13
<b>TOTAL</b>	<b>134</b>

TABLE 3

HAWAII STATE ETHICS COMMISSION FORMAL CHARGES* FILED IN 2010			
	ETHICS CHARGE	LOBBYING CHARGE	COMPLAINANT
1	X		Individual or Organization
2	X		Individual or Organization
3	X		Individual or Organization
4		X	Individual or Organization
5		X	Individual or Organization
6		X	Individual or Organization
7		X	Individual or Organization
8	X		Hawaii State Ethics Commission
<b>TOTAL: 8</b>			

\* A "charge" is a formal complaint alleging a violation of one or more provisions of the State Ethics Code, chapter 84, HRS, or the Lobbyists Law, chapter 97, HRS. Charges may be filed by a member of the public or by the Hawaii State Ethics Commission. Charges that are filed by a member of the public must be in writing and signed by the person making the charge under oath. Charges initiated by the Commission must be signed by three or more members of the Commission.

TABLE 4

<b>HAWAII STATE ETHICS COMMISSION            FINANCIAL INTERESTS DISCLOSURE STATEMENTS            FILED BY LEGISLATORS, EMPLOYEES, AND            BOARD AND COMMISSION MEMBERS IN 2010</b>	
Month	NUMBER FILED
January 2010	226
February 2010	267
March 2010	162
April 2010	172
May 2010	562
June 2010	228
July 2010	21
August 2010	48
September 2010	42
October 2010	31
November 2010	31
December 2010	36
<b>TOTAL</b>	<b>1,826</b>

TABLE 5

<b>HAWAII STATE ETHICS COMMISSION            FINANCIAL INTERESTS DISCLOSURE STATEMENTS FILED            BY CANDIDATES FOR STATE ELECTIVE OFFICE IN 2010</b>	
FILING DEADLINE	NUMBER FILED
09/30/2010	228
10/13/2010 (OHA / Special BOE)	16
<b>TOTAL</b>	<b>244</b>

TABLE 6

<b>HAWAII STATE ETHICS COMMISSION            GIFTS DISCLOSURE STATEMENTS FILED IN 2010</b>	
STATE POSITION	NUMBER FILED
Governor, Lt. Governor	2
Legislators	53
Employees	65
Board / Commission Members	36
<b>TOTAL</b>	<b>156</b>

TABLE 7

<b>HAWAII STATE ETHICS COMMISSION TOTAL NUMBER OF REGISTERED LOBBYISTS IN 2010 AND NUMBER OF CLIENTS REPRESENTED*</b>		
<b>YEAR</b>	<b>NUMBER OF LOBBYISTS</b>	<b>NUMBER OF CLIENTS REPRESENTED</b>
2010	294	312

\* 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 2010</b>			
FILERS	REPORTING PERIODS		
	05/01/09-12/31/09 (Jan. 31, 2010 Report)	01/01/10-02/28/10 (Mar. 31, 2010 Report)	03/01/10-04/30/10 (May 31, 2010 Report)
LOBBYISTS	292	282	279
LOBBYISTS' CLIENTS *	328	324	307
<b>TOTAL REPORTS FILED</b>	<b>620</b>	<b>606</b>	<b>586</b>
<b>GRAND TOTAL</b>	<b>1,812</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 FOR 2010</b>	
Financial Interests Disclosure Statements filed by Legislators, Employees, and Board and Commission Members	1,826
Financial Interests Disclosure Statements filed by Candidates for State Elective Office	244
Gifts Disclosure Statements	156
Lobbying Expenditures and Contributions Reports	1,812
Lobbyist Registrations (Two-year period 2009-2010)*	738
Notice of Intent to Award Contract Pursuant to HRS §84-15(a)	10
<b>TOTAL</b>	<b>4,786</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            2010 EDUCATION PROGRAM            (Ethics Workshops and Presentations)</b>		
DATE	PRESENTATIONS	NO. OF PARTICIPANTS
01/12/10	Mandatory Ethics Training	4
01/14/10	Ethics in Lobbying Seminar	40
05/13/10	Pre-Retirement Seminar	200
05/18/10	Ethics Workshop for Hawaii Center on Disabilities Studies	80
06/04/10	Ethics Workshop for Department of Health, Sanitation Branch	60
06/24/10	Ethics Workshop for Charter School Review Panel	16
07/16/10	Ethics Workshop for Department of Human Services, Hawaii Public Housing Authority	20
10/13/10	Pre-Retirement Seminar	140
10/14/10	Pre-Retirement Seminar	170
10/21/10	Ethics Workshop for State and Local Government Class - William S. Richardson School of Law	20
10/25/10	Ethics Workshop for Charter School Administration	40
11/03/10	Ethics Workshop for College of Education, University of Hawaii	50

DATE	PRESENTATIONS	NO. OF PARTICIPANTS
11/15/10	Ethics Workshop for University of Hawaii Auxiliary Enterprises	20
11/16/10	Ethics Workshop for University of Hawaii Auxiliary Enterprises	20
11/18/10	Ethics Workshop for Tobacco Prevention & Control Advisory Board, Department of Health	12
12/02/10	Ethics Workshop for College of Education, University of Hawaii	100
12/03/10	Ethics Workshop for Hawaii Occupational Safety & Health Division - Department of Labor and Industrial Relations	20
12/08/10	New Employee Orientation	50
<b>TOTAL</b>	<b>18 Presentations</b>	<b>1,062 Participants</b>

TABLE 11

<b>INFORMATION POSTED ON HAWAII STATE ETHICS COMMISSION WEBSITE</b>	
WEBSITE 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, Including Filings for Candidates for Public Office</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
  - 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
- Campaign Reminders for 2010
- Meeting Notices for Meetings of the Hawaii State Ethics Commission
- Hawaii State Ethics Commission Contact Information
  - Office Location
  - Mailing Address
  - Phone/Fax

TABLE 12

<b>HAWAII STATE ETHICS COMMISSION  RECORDS CHECK OF APPLICANTS FOR JUDICIAL OFFICE PERFORMED  AT THE REQUEST OF THE STATE JUDICIAL SELECTION COMMISSION  IN 2010</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	55		1			56
March						
April	7		1	1		9
May						
June	6					6
July	9	7				16
August		1	1			2
September						
October		14	1			15
November		1				1
December		54				54
<b>TOTAL Per Court:</b>	<b>77</b>	<b>77</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>Grand Total: 159</b>

TABLE 13

<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 website:  
<http://www.hawaii.gov/ethics>.



TABLE 14

<b>HAWAII STATE ETHICS COMMISSION 2010 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	Prohibited 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 website: [www.hawaii.gov/ethics](http://www.hawaii.gov/ethics)