

**TESTIMONY OF MARION M. HIGA, STATE AUDITOR, ON HOUSE BILL NO. 2002,
HOUSE DRAFT 1, MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES
OF THE LEGISLATURE, THE AUDITOR, THE LEGISLATIVE REFERENCE
BUREAU, THE OMBUDSMAN, AND THE ETHICS COMMISSION**

Senate Committee on Ways and Means

February 7, 2012

Chair Ige 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 FY2012-13.

In summary, our budget request of \$2,513,849 in general funds for operations represents a flat budget aligned with last year's appropriation. Our general fund request for our Audit Revolving Fund, from which we pay for the financial statement audits, also remains flat at \$2,550,828.

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, 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 2010 *Financial Examination of the Department of Budget and Finance*. The award was presented at the NLPES 2011 Fall Training Conference in Denver.

We remain active in our profession, serving as training conference speakers and legislative staff leaders. Deputy Auditor/General Counsel Jan Yamane serves on the NCSL Executive Committee and Senior Analyst Tricia Oftana serves on the NLPES Executive Committee. Both Jan and Tricia made presentations at the annual NLPES Fall Training Conference in Denver. Additionally, my Administrative Deputy Auditor, Calvin Hangai, was a presenter at the annual Professional Development Conference of the Association of Government Accountants. Also, Assistant Auditor Jennifer Ueki is serving as an officer of the Hawai'i Chapter of the Association of Government Accountants. I have assisted in the executive development and skills training programs of Pacific Island Auditors and fiscal staff.

Exhibit 4 lists our reports to the 2011 and 2012 Legislatures in chronological order and Exhibit 5 presents the same information by categories of work. I note that we have removed from Exhibit 4 a "pending work" item, the Sunrise Analysis of Professional Employer Organizations, that was in our testimony to the House Finance Committee. We have learned that a registration program has been put in place, rendering moot the sunrise analysis.

In 2011, we operated with the smallest staff complement in years, but recent hires will help to make the workload more manageable. I'd like to thank the audit teams, managers, and support staff who have worked so diligently to deliver meaningful audits and information to assist you with your legislative decision-making.

The financial statement audits that we administer through the Audit Revolving Fund include the audit of the State's Comprehensive Annual Financial Report, or CAFR. I am so pleased to be able to tell you that the current administration has substantially improved on its timeline for issuing this key financial report. Whereas the last two CAFRs were issued in October of their respective following fiscal years, this time, the CAFR for FY10-11 should be issued sometime in February—hopefully, even mid-February—or eight months earlier than the two previous CAFRs. While improvements still need to be had to meet the January 31 deadline thereafter, this

turnaround is attributable, as we understand it, to an administration that brought cabinet-level attention to the timeliness issue. The importance of the January 31 deadline is the reliance placed on it by investors.

Financial reporting deadlines are also important in our relationships with the federal government. State entities that receive more than \$500,000 in federal funds must report via “Single Audits” nine months after the close of the fiscal year (i.e., March 31, 2012 for the FY10-11 Single Audit). The prior administration’s comptroller decided to consolidate Hawai‘i’s department-based Single Audits into a singular administration-wide Single Audit without laying the groundwork for a smooth consolidation. Consequently, Hawai‘i’s FY09-10 Single Audit, due March 31, 2011, is only now about to be issued, nearly a year late. I do not have a projected issuance date for the FY10-11 Single Audit, but hopefully that will not trail the CAFR as badly as in the recent past.

I again bring to your attention that we administer most—but not all—of the State’s financial statement audits. The Hawai‘i Health Systems Corporation (HHSC) and University of Hawai‘i financial statement audits have remained outside administration by my office. In the past, I have suggested that this 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. All of the analyses were submitted by our earlier deadline. 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 FY2012-13
(With Comparative Amounts for FY2011-12)

Exhibit 1

AUDIT	<u>2011-2012</u>		<u>2012-2013</u>	
Personal services				
Staff	1,109,464	(18)	1,109,464	(18)
Contract	134,942		134,942	
Other expenses	<u>73,014</u>		<u>73,014</u>	
Total audit	<u>1,317,420</u>		<u>1,317,420</u>	
 PROGRAM EVALUATION AND SPECIAL STUDIES				
Personal services				
Staff	446,057	(8)	446,057	(8)
Contract	59,974		59,974	
Other expenses	<u>32,451</u>		<u>32,451</u>	
Total program evaluation and special studies	<u>538,482</u>		<u>538,482</u>	
 LEGISLATIVE SERVICES				
Personal services - staff	223,029	(4)	223,029	(4)
Other expenses	<u>16,225</u>		<u>16,225</u>	
Total legislative services	<u>239,254</u>		<u>239,254</u>	
 SUNSET EVALUATIONS AND SUNRISE ANALYSES				
Personal services - staff	55,757	(1)	55,757	(1)
Other expenses	<u>4,056</u>		<u>4,056</u>	
Total sunset evaluation and sunrise analyses	<u>59,813</u>		<u>59,813</u>	
 FOLLOW-UP				
Personal services - staff	167,271	(3)	167,271	(3)
Other expenses	<u>12,169</u>		<u>12,169</u>	
Total follow-up	<u>179,440</u>		<u>179,440</u>	
 GENERAL SUPPORT				
Personal services - staff	167,271	(3)	167,271	(3)
Other expenses	<u>12,169</u>		<u>12,169</u>	
Total general support	<u>179,440</u>		<u>179,440</u>	
 TOTAL OPERATING BUDGET				
	<u>2,513,849</u>	(37)	<u>2,513,849</u>	(37)
 AUDIT REVOLVING FUND				
	<u>2,550,828</u>		<u>2,550,828</u>	

OFFICE OF THE AUDITOR
Statement Showing Budget for Office Operations
By Object of Expenditure for FY2012-13

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
Peer Review	-
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 FY2011-12

Exhibit 3

	<u>Budget</u>	<u>Estimated</u>	<u>Variance</u>
Personal services:			
Staff salaries	\$2,168,849	\$ 2,168,849	\$ -
Contractual services	\$194,916	194,916	-
Total personal services	<u>\$ 2,363,765</u>	<u>\$ 2,363,765</u>	<u>\$ -</u>
Other expenses:			
Office expenses	45,500	45,500	-
Intrastate transportation and travel	4,800	4,800	-
Out-of-state travel	42,000	42,000	-
Training	12,000	12,000	-
Printing	7,000	7,000	-
Rental and maintenance of equipment	20,000	20,000	-
Books	500	500	-
Equipment	16,284	16,284	-
Miscellaneous	2,000	2,000	-
Total other expenses	<u>\$ 150,084</u>	<u>\$ 150,084</u>	<u>\$ -</u>
TOTAL	<u><u>\$ 2,513,849</u></u>	<u><u>\$ 2,513,849</u></u>	<u><u>\$ -</u></u>
Special Studies Appropriation (Act 1, SLH 2010)	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>
Audit Revolving Fund Appropriation (Act 1, SLH 2010)	<u>\$ 2,550,828</u>	<u>\$ 2,550,828</u>	<u>\$ -</u>

**Office of the Auditor
Reports Submitted to Date to 2011 Legislature and Work to the 2012 Legislature
In Chronological Order**

- Letter to the President of the Senate and the Speaker of the House of Representatives on Acts 227 And 120, SLH 2008
- 2010 Annual Report
- 11-01: Management Audit of the Hawai‘i Public Housing Authority
- 11-02: Sunrise Analysis: Regulation of Large – Scale Dog Breeders and Facilities
- 11-03: Performance Audit of the Hawai‘i Public Charter School System
- 11-04: Review of Revolving Funds, Trust Funds, and Trust Accounts of the Office of the Governor, Office of the Lieutenant Governor, Department of Education and Hawai‘i State Public Library System, and Office of Hawaiian Affairs
- *****
- 12-__: Investigation of the Stadium Authority’s Swap Meet Operations
- 12-__: Program, Performance, and Financial Audit of the Natural Energy Laboratory of Hawai‘i Authority
- 12-__: 2009 Report of Audit Recommendations More Than A Year Old But Have Not Been Implemented
- 12-__: 2010 Report of Audit Recommendations More Than A Year Old But Have Not Been Implemented
- 12-__: Study Regarding the Transfer of Non-General Funds to the General Fund
- 12-__: Department of Transportation Procurement Examination
- 12-__: Department of Labor and Industrial Relations IT Security Audit
- 12-__: Audit of the Administration of the Child Protective Services Program
- 12-__: Audit of the Deposit Beverage Container Program (FY2005-06)

- 12-__ : Audit of the Deposit Beverage Container Program (FY2007-08)
- 12-__ : Audit of the High Technology Business Investment and Research Tax Credits Under Act 221 (SLH 2001)
- 12-__ : 2050 Branding Report
- : 2011 Annual Report

Pending Work

- Study on Removing Amateur Boxing From the State Boxing Commission (HCR171; 2009)
- Health Care Summit Membership, Report, and Strategic Plan 2010 and 2011 (SCR170, SD2; 2009)
- Nursing Joint Advisory Committee (SCR167, SD 2; HR98, HD1; 2010)

Act 4 Financial Statement Audits—FY2010

- State of Hawai‘i, Comprehensive Annual Financial Report—Deloitte & Touche LLP
- Department of Accounting and General Services:
 - Stadium Authority—Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs
 - State Parking Control/State Motor Pool Revolving Funds—Egami & Ichikawa CPAs, Inc.
- Department of the Attorney General—Akamine, Oyadomari & Kosaki CPAs
- Department of Budget & Finance:
 - Hawai‘i Employer Union Health Benefits Trust Fund—Macias, Gini & O’Connell LLP
- Department of Business, Economic Development, & Tourism:
 - Hawai‘i Housing, Finance, & Development Corporation—Accuity LLP
 - Hawai‘i Community Development Authority—Ohata, Chun & Yuen CPAs, Inc.
 - Hawai‘i Tourism Authority & Hawai‘i Convention Center—KPMG LLP
- Department of Education—KPMG 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:
 - Workers’ Compensation Special Compensation Fund Financial Statements & Forecast—Ohata Chun & Yuen LLP
- Department of Transportation Administration—CW Associates

- Department of Transportation Airports, Financial Statements, Single Audit Report, and Passenger Facility Charge Report—KPMG LLP
- Department of Transportation Harbors—Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs
- Department of Transportation Highways—KMH LLP
- Oahu Metropolitan Planning Office—Gilford Sato & Associates CPAs

Act 4 Financial Statement Audits—FY2011

- State of Hawai‘i, Comprehensive Annual Financial Report and Statewide Single Audit—Deloitte & Touche LLP
- Department of Accounting and General Services:
 - Stadium Authority—Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs
 - State Parking Control/State Motor Pool Revolving Funds—Egami & Ichikawa CPAs, Inc.
- Department of the Attorney General—Akamine, Oyadomari & Kosaki CPAs
- Department of Budget & Finance:
 - Employees’ Retirement System, Comprehensive Annual Financial Report—KPMG LLP
 - Hawai‘i Employer Union Health Benefits Trust Fund—Macias, Gini & O’Connell LLP
- Department of Business, Economic Development, & Tourism:
 - Hawai‘i Housing, Finance, & Development Corporation—Accuity LLP
 - Hawai‘i Community Development Authority—Ohata, Chun & Yuen CPAs, Inc.
 - Hawai‘i Tourism Authority & Hawai‘i Convention Center—KPMG LLP
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- Department of Transportation Administration—CW Associates
- Department of Transportation Airports, Financial Statements, Single Audit Report, and Passenger Facility Charge Report—KPMG LLP
- Department of Transportation Harbors—Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs
- Department of Transportation Highways—KMH LLP

- Oahu Metropolitan Planning Office—Gilford Sato & Associates CPAs

Other Reports – None

Proposed Funds Review

- We expect to perform up to 90 reviews of proposed special and revolving funds during the 2012 legislative session.

**Office of the Auditor
Work to the 2011 and 2012 Legislatures
By Categories of Work**

Performance Audits and Special Studies

- Letter to the President of the Senate and the Speaker of the House of Representatives on Acts 227 And 120, SLH 2008
- 2010 Annual Report
- Management Audit of the Hawaii Public Housing Authority (Report No. 11-01)
- Sunrise Analysis: Regulation of Large – Scale Dog Breeders and Facilities (Report No. 11-02)
- Performance Audit of the Hawai‘i Public Charter School System (Report No. 11-03)

- Investigation of the Stadium Authority’s Swap Meet Operations
- Program, Performance, and Financial Audit of the Natural Energy Laboratory of Hawai‘i Authority
- 2009 Report of Audit Recommendations More Than A Year Old But Have Not Been Implemented
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- Department of Labor and Industrial Relations IT Security Audit
- Audit of the Administration of the Child Protective Services Program
- Audit of the Deposit Beverage Container Program (FY 2005 – 06)
- Audit of the Deposit Beverage Container Program (FY 2007 – 08)

- Audit of the High Technology Business Investment and Research Tax Credits Under Act 221 (SLH 2001)
- 2050 Branding Report
- 2011 Annual Report

Financial Audits

- Department of Transportation Procurement Examination

Existing Fund Reviews

- Review of Revolving Funds, Trust Funds, and Trust Accounts of the Office of the Governor, Office of the Lieutenant Governor, Department of Education and Hawaii State Public Library System, and Office of Hawaiian Affairs (Report No. 11-04)

Act 4 Financial Statement Audits—FY2010

- State of Hawai‘i, Comprehensive Annual Financial Report—Deloitte & Touche LLP
- Department of Accounting and General Services:
 - Stadium Authority—Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs
 - State Parking Control/State Motor Pool Revolving Funds—Egami & Ichikawa CPAs, Inc.
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- Department of Budget & Finance:
 - Hawai‘i Employer Union Health Benefits Trust Fun—Macias, Gini & O’Connell LLP
- Department of Business, Economic Development, & Tourism:
 - Hawai‘i Housing, Finance, & Development Corporation—Accuity LLP
 - Hawai‘i Community Development Authority—Ohata, Chun & Yuen CPAs, Inc.
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- Department of Transportation Harbors—Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs
- Department of Transportation Highways—KMH LLP
- Oahu Metropolitan Planning Office—Gilford Sato & Associates CPAs

Other Reports – None

Proposed Funds Review

- We expect to perform up to 90 reviews of proposed special and revolving funds during the 2012 legislative session.

OFFICE OF THE AUDITOR
 AUDIT REVOLVING FUND
 FY2013 - BUDGET REQUEST

# 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 (estimated) Hawaii Convention Center - Special Purpose F/S	\$ 111,100	0.0%	100.0%	Special	\$ -
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	\$ -
Department of Health						
12	Water Pollution Control Revolving Fund	\$ 360,000	70.0%	30.0%	Federal	\$ 252,000
	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		\$ 4,926,450				\$ 2,363,242
Reserve for Estimated Adjustments/Overages:		\$ 1,073,550				\$ 187,586
TOTAL Requested Budget Amounts:		\$ 6,000,000				\$ 2,550,828

Charlotte A. Carter-Yamauchi
Acting Director

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

HB2002 HD1

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 Senate Committee on Ways and Means

Tuesday, February 7, 2012, 9:20 a.m.
Conference Room 211

Chair Ige and Members of the Committee:

I am Charlotte Carter-Yamauchi, Acting Director of the Legislative Reference Bureau (LRB). Thank you for this opportunity to comment on the Bureau's budget request for fiscal year 2012-2013.

The LRB provides comprehensive, impartial research and reference services on legislative matters, primarily for the Legislature, but occasionally also for other governmental agencies, other entities, and the general public.

The Bureau's major functions include:

- Providing research and drafting, including drafting bills and other legislative documents, such as bill reviews and committee reports, 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.
- Engaging in statutory revision, including the publication of the Session Laws of Hawaii and the Hawaii Revised Statutes and all cumulative 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.

- Maintaining a reference library as an information resource primarily for the Legislature and legislative staff, but which is also used by 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.
- Maintaining a legislative systems office that purchases and maintains the computer hardware, software, and peripheral devices for the Bureau and coordinates the integration of the Bureau's computer system with the House and Senate information systems. The systems office also maintains the Bureau's data management system, which is critical to our internal operations, such as workload tracking, and is used by Bureau staff to access information and research on the subject matter and status of legislative documents on a continuous basis during legislative sessions.
- Maintaining 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, our Public Access Room staff is also statutorily tasked with coordinating the Legislative Broadcasting Project for the House of Representatives and the Senate.

We note that cuts to our budget in fiscal years 2009-2010 and 2010-2011 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 2011-2012 budget for the Bureau was \$2,905,790, which represented a restoration of 4.04 percent of the amount appropriated to the Bureau for fiscal year 2009-2010 by Act 1, Session Laws of Hawaii 2009. With the addition of the amount appropriated for the CSG annual dues (\$128,180), which is typically added to the Bureau's budget to pay on behalf of the Legislature, the amount appropriated to the Bureau by Act 4, Session Laws of Hawaii 2011, was \$3,033,970.

While the Bureau has a highly competent, dedicated staff, we have contended with the loss of experienced staff over the past year, as several staff members have retired or moved on to better opportunities elsewhere. Despite the sluggish economy, our budget restrictions have made it challenging to offer market-competitive salaries to recruit and retain highly qualified staff. The budget increase last year was helpful, and we deeply appreciate the support of this Committee and the entire Legislature. We are extremely pleased with, and

proud of, our present staff and are hopeful for a long and stable employment relationship with all of them. In this regard I look forward, as I am sure we all do, to a speedy economic recovery for the State and better days ahead.

Our proposed budget for 2012-2013 remains at 2011-2012 levels: \$2,905,790. Of this total, the following amounts are allocated for the respective functions: \$1,340,969 for drafting, research, and general support functions; \$380,628 for library operations; \$592,311 for statute revision; \$450,730 for systems office operations; and \$141,152 for the public access room. We note that the appropriation amount of \$2,983,970 to the Bureau in section 9 of H.B. No. 2002, H.D. 1, includes \$78,180 for payment of CSG dues.

We have attached a series of exhibits that 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 Functions and services provided by LRB

Thank you.

**LEGISLATIVE REFERENCE BUREAU
BUDGET REQUEST FOR FY 2012-2013**

	<u>2011-2012 APPROPRIATION</u>	<u>2012-2013 BUDGET REQUEST</u>
<u>BILL DRAFTING & RESEARCH</u>		
Personal Services:		
Staff	\$ 907,965 (12)	\$ 917,413 (12)
TOTAL BILL DRAFTING & RESEARCH	\$ 907,965	\$ 917,413
 <u>SYSTEMS OFFICE</u>		
Personal Services:		
Staff	334,359 (6)	315,864 (6)
Session Staff	70,000	70,000
Other Current Expenses	<u>64,866</u>	<u>64,866</u>
TOTAL SYSTEMS OFFICE	469,225	450,730
 <u>LIBRARY</u>		
Personal Services:		
Staff	320,892 (6)	324,900 (6)
Other Current Expenses	<u>55,728</u>	<u>55,728</u>
TOTAL LIBRARY	376,620	380,628
 <u>PUBLIC ACCESS ROOM</u>		
Personal Services:		
Staff	95,928 (2)	99,936 (2)
Session Staff	25,000	25,000
Other Current Expenses	<u>18,216</u>	<u>16,216</u>
TOTAL PUBLIC ACCESS ROOM	139,144	141,152
 <u>GENERAL SUPPORT</u>		
Personal Services:		
Staff	292,644 (5.5)	296,148 (5.5)
Student Staff	30,000	30,000
Overtime	20,000	25,000
Other Current Expenses	<u>74,408</u>	<u>72,408</u>
TOTAL GENERAL SUPPORT	417,052	423,556
 <u>REVISOR OF STATUTES</u>		
Personal Services:		
Staff	391,536 (6.5)	388,063 (6.5)
Other Current Expenses	<u>204,248</u>	<u>204,248</u>
TOTAL REVISOR OF STATUTES	595,784	592,311
TOTAL LRB	\$2,905,790*	\$2,905,790*
CSG Dues	128,180	78,180

*Amount does not include CSG Dues

EXHIBIT A

SYSTEMS OFFICE
BUDGET REQUEST FOR FISCAL YEAR 2012-2013

OTHER CURRENT EXPENSES

	<u>2011-2012</u> <u>APPROPRIATION</u>	<u>2012-2013</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 2012-2013

OTHER CURRENT EXPENSES

	<u>2011-2012</u> <u>APPROPRIATION</u>	<u>2012-2013</u> <u>BUDGET REQUEST</u>
Books	17,585	17,585
Online Information Services		
Westlaw	19,000	19,000
Print Subscriptions and Dues	11,243	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 2012-2013

OTHER CURRENT EXPENSES

	<u>2011-2012</u> <u>APPROPRIATION</u>	<u>2012-2013</u> <u>BUDGET REQUEST</u>
Office supplies	\$ 800	\$ 800
Equipment maintenance	9,068	7,068
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	\$16,216

EXHIBIT D

REVISOR OF STATUTES DIVISION
BUDGET REQUEST FOR FISCAL YEAR 2012-2013

The requested appropriation by the Division includes \$203,096 in 2012-2013 for the production and printing of the Session Laws and the Hawaii Revised Statutes Supplement.

2012 Session Laws	\$ 30,000
2,500 volumes; 1,200 pages each volume.	
2012 HRS Supplement	\$173,096
2,650 sets; 5,000 pages each set.	
	<u>\$203,096</u>

OTHER CURRENT EXPENSES

	<u>2011-2012</u> <u>APPROPRIATION</u>	<u>2012-2013</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	\$204,248	\$204,248

Exhibit E

THE LEGISLATIVE REFERENCE BUREAU

The Legislative Reference Bureau is a nonpartisan legislative service agency that provides a wide variety of comprehensive impartial research and reference services to the Legislature as a whole and to individual legislators and legislative committees. In some cases, the Bureau also provides nonpartisan services for other government agencies, other entities, and the general public. The Bureau consists of five separate and distinct divisions: Research, Statute Revision, Systems Office, Library, and the Public Access Room. By law, the services provided by the Bureau to legislators are confidential.¹

It is important to note that the Bureau as a whole, and the Research Division in particular, has no control over the amount of work assigned to it from either house of the Legislature. The decision to utilize the services of the Bureau is left entirely to the discretion of the members. The preference of members to use a particular drafting agency may fluctuate over time based upon any number of factors. Further, many members often use the services of more than one drafting agency.

What follows is a detailed description of the work of each division of the Bureau. Recognizing that workloads fluctuate from session to session for a variety of reasons, an effort has been made to present detailed workload statistics for a five-year period, to the extent available, to provide a more comprehensive picture of the LRB's operations.

Research Division

The Research Division assists the Legislature through comprehensive, nonpartisan research memoranda and reports and drafting of various legislative documents. The Research Division's work includes drafting bills, resolutions, and certificates for members of the House of Representatives and the Senate, bill reviews and legal checks, committee reports, floor amendments, draft language, letters and memoranda, and published reports and studies. In addition, Research Division staff members are frequently tasked with supporting legislative task forces and working groups and preparing internal documents such as Requests for Proposals and procurement contracts.²

Between fiscal years 2006-2007 and 2010-2011, the Research Division responded to 23,507 requests for services. In each year, the Research Division responded to an average of 4,701 requests for services. (See Table 1 through Table 5 for year-by-year totals.)

(Note: The totals and averages provided here and in Table 1 through Table 5 reflect the number of original requests responded to by the Research Division. They do not reflect requests for revisions to original documents, i.e., documents that are returned to the Research Division by a legislator for changes, alternate versions of legislation, or additional research related to a prior request for services. If treated as original requests, these revisions would add approximately 200 to 400 additional requests to the Research Division's total requests each year.)³

Over the course of a two-year legislative biennium, the Research Division historically handles approximately 25% more requests in the first year of the biennium than in the second year of the biennium. As to be expected, the volume of requests is highest immediately before and during the legislative session (November to May), and the number of requests typically spikes in January around the beginning of session.

Table 1. 2006-2007 Research Division Requests					
Request Type	House	%	Senate	%	Total
Bills for Introduction	1294	62%	809	38%	2103
Bill Drafts (HDs, SDs, CDs)	148	34%	287	66%	435
Committee Reports	184	32%	384	68%	568
Resolutions	362	64%	202	36%	564
Certificates	24	51%	23	49%	47
Bill/Reso Language	12	80%	3	20%	15
Bill Reviews	758	53%	666	47%	1424
Research Memos	84	83%	17	17%	101
Administration Bills (formatting and proofing; preparation of electronic copy) ⁴	n/a				219
Formatting Acts (preparation for publisher--session laws and supplements) ⁵	n/a				307
Miscellaneous (projects, studies, task force reports, RFP's etc.)	n/a				11
TOTALS	2866	49%	2391	41%	5794

This table shows the distribution of the various types of requests for services completed by the Research Division. Total numbers for each request type appear in the green column. Requests completed for the House appear in the blue column, along with the corresponding percentage of the total. Requests for the Senate appear in the orange column, along with the corresponding percentage of the total. Administration bills (which are assigned by legislative leadership to the Bureau for formatting), formatting of Acts, and miscellaneous requests are not allocated to either house, but appear in the overall total of requests handled by the Research Division.

Table 2. 2007-2008 Research Division Requests					
Request Type	House	%	Senate	%	Total
Bills for Introduction	932	65%	496	35%	1428
Bill Drafts (HDs, SDs, CDs)	111	29%	269	71%	380
Committee Reports	75	17%	357	83%	432
Resolutions	402	74%	144	26%	546
Certificates	31	56%	24	44%	55
Bill/Reso Language	2	67%	1	33%	3
Bill Reviews	635	63%	374	37%	1009
Research Memos	74	81%	17	19%	91
Administration Bills (formatting and proofing; preparation for Leg. website)	n/a				182
Formatting Acts (preparation for publisher- session laws and supplements)	n/a				342
Miscellaneous (projects, studies, task force reports, RFP's etc.)	n/a				3
TOTALS	2262	51%	1682	38%	4471

This table shows the distribution of the various types of requests for services completed by the Research Division. Total numbers for each request type appear in the green column. Requests completed for the House appear in the blue column, along with the corresponding percentage of the total. Requests for the Senate appear in the orange column, along with the corresponding percentage of the total. Administration bills (which are assigned by legislative leadership to the Bureau for formatting), formatting, and miscellaneous requests are not allocated to either house, but appear in the overall total of requests handled by the Research Division.

Table 3. 2008-2009 Research Division Requests					
Request Type	House	%	Senate	%	Total
Bills for Introduction	1447	64%	823	36%	2270
Bill Drafts (HDs, SDs, CDs)	110	28%	282	72%	392
Committee Reports	84	21%	317	79%	401
Resolutions	338	73%	128	27%	466
Certificates	23	79%	6	21%	29
Bill/Reso Language	6	86%	1	14%	7
Bill Reviews	671	69%	307	31%	978
Research Memos	102	80%	26	20%	128
Administration Bills (formatting and proofing; preparation for Leg. website)	n/a				168
Formatting Acts (preparation for publisher- session laws and supplements)	n/a				285
Miscellaneous (projects, studies, task force reports, RFP's etc.)	n/a				4
TOTALS	2781	54%	1890	37%	5128

This table shows the distribution of the various types of requests for services completed by the Research Division. Total numbers for each request type appear in the green column. Requests completed for the House appear in the blue column, along with the corresponding percentage of the total. Requests for the Senate appear in the orange column, along with the corresponding percentage of the total. Administration bills, formatting (which are assigned by legislative leadership to the Bureau for formatting), and miscellaneous requests are not allocated to either house, but appear in the overall total of requests handled by the Research Division.

Table 4. 2009-2010 Research Division Requests					
Request Type	House	%	Senate	%	Total
Bills for Introduction	879	66%	447	34%	1326
Bill Drafts (HDs, SDs, CDs)	65	25%	198	75%	263
Committee Reports	21	8%	242	92%	263
Resolutions	338	74%	121	26%	459
Certificates	15	75%	5	25%	20
Bill/Reso Language	3	100%	0	0%	3
Bill Reviews	481	66%	251	34%	732
Research Memos	94	79%	25	21%	119
Administration Bills (formatting and proofing; preparation for Leg. website)	n/a				146
Formatting Bills/Acts (preparation for publisher-session laws and supplements)	n/a				250
Miscellaneous (projects, studies, task force reports, RFP's etc.)	n/a				7
TOTALS	1896	53%	1289	36%	3588

This table shows the distribution of the various types of request for services completed by the Research Division. Total numbers for each request type appear in the green column. Requests completed for the House appear in the blue column, along with the corresponding percentage of the total. Requests for the Senate appear in the orange column, along with the corresponding percentage of the total. Administration bills (which are assigned by legislative leadership to the Bureau for formatting), formatting, and miscellaneous requests are not allocated to either house, but appear in the overall total of requests handled by the Research Division.

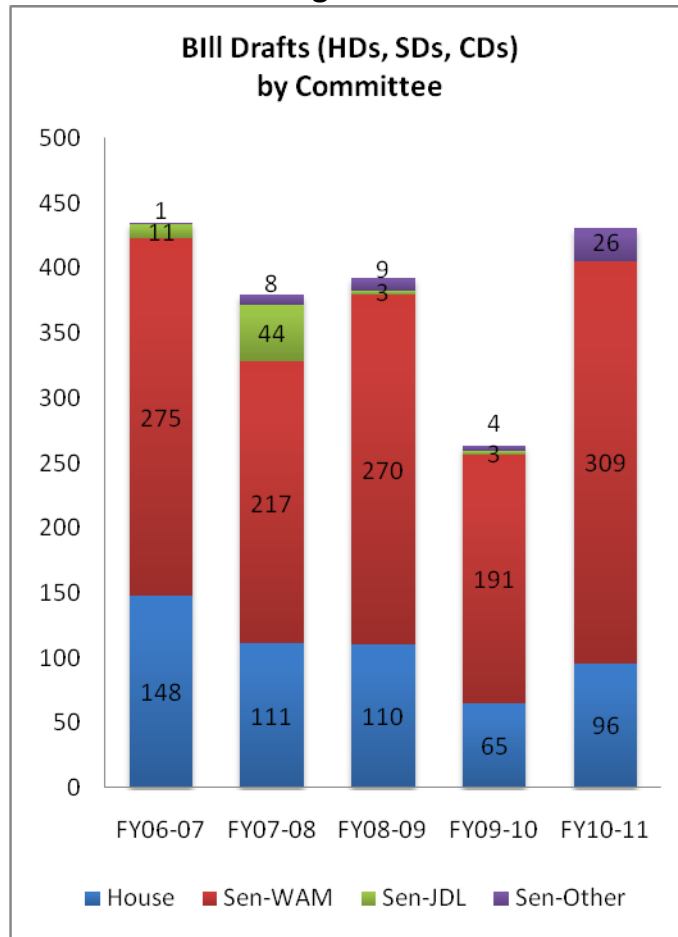
Table 5. 2010-2011 Research Division Requests					
Request Type	House	%	Senate	%	Total
Bills for Introduction	1131	65%	616	35%	1747
Bill Drafts (HDs, SDs, CDs)	96	22%	335	78%	431
Committee Reports	38	9%	378	91%	416
Resolutions	305	68%	144	32%	449
Certificates	16	89%	2	11%	18
Bill/Reso Language	1	100%	0	0%	1
Bill Reviews	607	63%	358	37%	965
Research Memos	96	71%	39	29%	135
Administration Bills (formatting and proofing; preparation for Leg. website)	n/a				108
Formatting Acts (preparation for publisher- session laws and supplements)	n/a				252
Miscellaneous (projects, studies, task force reports, RFP's etc.)	n/a				4
TOTALS	2290	51%	1872	41%	4526

This table shows the distribution of the various types of requests for services completed by the Research Division. Total numbers for each request type appear in the green column. Requests completed for the House appear in the blue column, along with the corresponding percentage of the total. Requests for the Senate appear in the orange column, along with the corresponding percentage of the total. Administration bills (which are assigned by legislative leadership to the Bureau for formatting), formatting, and miscellaneous requests are not allocated to either house, but appear in the overall total of requests handled by the Research Division.

Over the past five fiscal years, the Research Division has completed an average of 2,419 requests for services for the House and 1,825 requests for services for the Senate each year. Of the requests received by the Research Division, an overall average of 52% come from the House and 37% come from the Senate. Although the overall majority of requests for service have come from the House, the Senate typically requests the greater number of bill drafts and committee reports. To offer another perspective on the breakdown of requests for services completed for each house, if the foregoing figures are divided by each member of each respective house of the Legislature, they would equate to the Research Division completing an average of 47 requests for each Representative and 73 requests for each Senator each year.

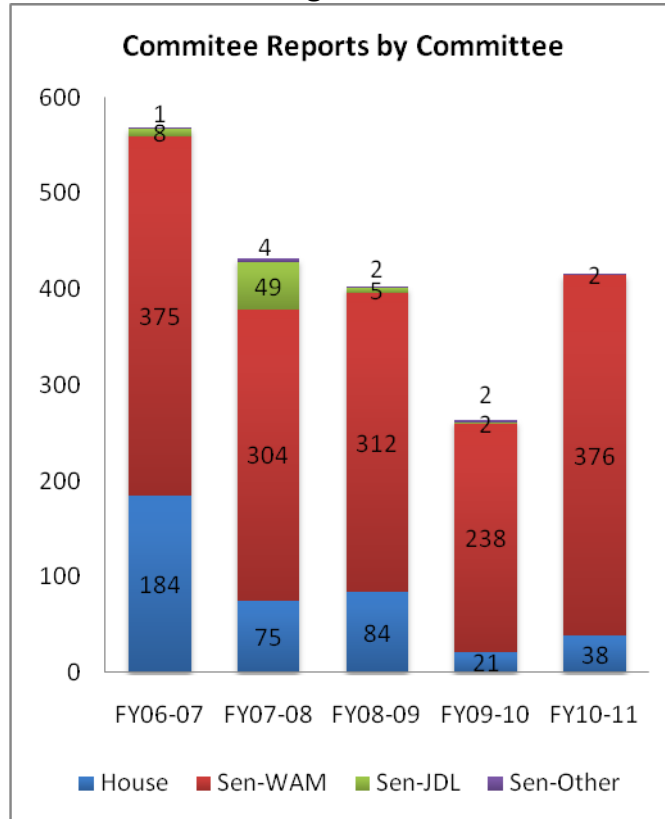
Of the data collected by the Research Division for this memorandum, only three categories of requests for services were distinguished by the specific Senate standing committee that made the request: bill drafts (HDs, SDs, and CDs), committee reports, and bill reviews. A review of this data reveals that the majority of the committee reports and bill drafts prepared by the Research Division each year were for the Senate Ways and Means Committee (see Figure 1 and Figure 2). Further, approximately one-third of all the bill reviews completed were prepared for Senate committees, particularly the Ways and Means and Judiciary Committees. (See Figure 3.)

Figure 1.



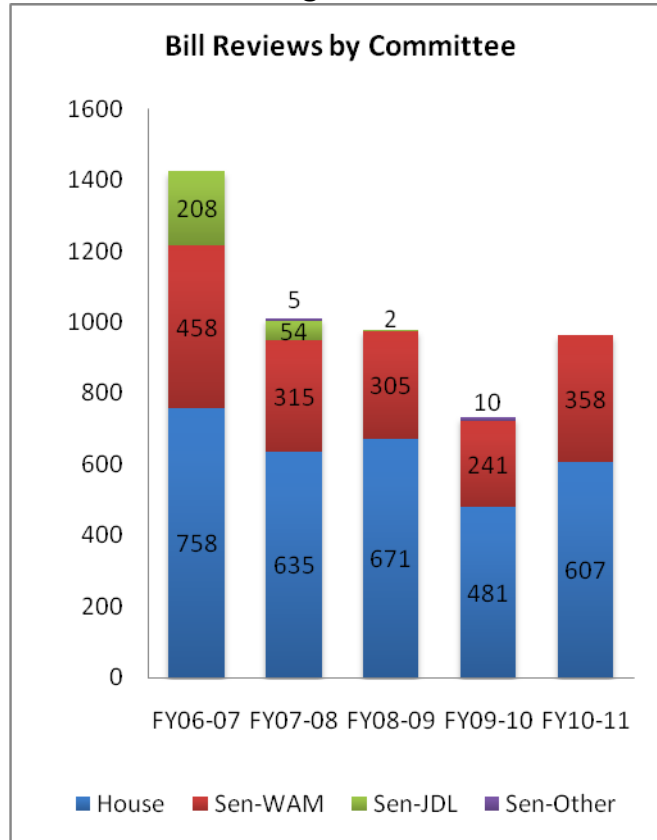
Showing the distribution of bill draft requests prepared by the Research Division for the House and individual Senate committees.

Figure 2.



Showing the distribution of committee report requests prepared by the Research Division for the House and individual Senate committees.

Figure 3.



Showing the Distribution of bill review requests prepared by the Research Division for the House and individual Senate committees.

Statute Revision Division

The Statute Revision Division reviews the laws enacted each session and is responsible for several publications that are published during the interim:

- The Session Laws of Hawaii, containing all the laws enacted and the constitutional amendments proposed during a legislative session;
- The Hawaii Revised Statutes (HRS), containing all of Hawaii's laws that are of a general and permanent nature;
- The annual cumulative supplements to the HRS, containing all subsequent amendments or repeals made to statutory sections appearing in the hardbound volumes and any new sections that may be enacted into law;
- The replacement volumes to the HRS that are periodically published. The entire HRS was reprinted in 1993 and presently is comprised of volumes 1 through 14 and an index. Volumes 1, 3, 4, 5, 6, 8, 9, 11, and 12 have been replaced since 2001.

The Statute Revision Division also engages in the continuous review of existing law to identify errors or inconsistencies in the HRS and session laws. As necessary, staff prepare a statutory revision bill that is "housekeeping" in nature to correct the technical nonsubstantive errors found in the HRS or session laws. The Division also is statutorily charged with: prescribing and distributing a uniform format for all state agencies for the compiling and publication of their rules;⁶ and compiling and publishing an index to all rules, with annual supplements, that includes an annual table indicating administrative agency rules that implement or interpret state laws.⁷ To facilitate the perceived intent of the Legislature and to assist the agencies in meeting the mandated rules format, Statute Revision staff, upon request, review governmental agencies' administrative rules for conformance with a mandated format. Finally, during the legislative session, staff from the Statute Revision Division frequently assist Research Division researchers with editing and reviewing requests for legislative drafting.

Systems Office

The LRB's Systems Office purchases and maintains the computer hardware, software, and peripheral devices for all divisions of the Legislative Reference Bureau and coordinates the integration of the Bureau's computer systems with the House and Senate information systems. Pursuant to statute,⁸ the Systems Office is also responsible for maintaining the Bureau's data management system, which is used by the Bureau staff to access information relating to legislative documents, legislators, and the legislature and for critical internal operations such as managing internal documents and workload tracking.

The data management software used by the Bureau is Concordance, offered by LexisNexis and used, according to LexisNexis, by over 65,000 litigation professionals to manage high volumes of documents in a cost-efficient manner. Besides managing data, Concordance provides access to the data through full-text searching, use of Boolean logic, print and report creation, and importing and exporting capabilities.

The Systems Office creates and maintains databases of information on measures considered each session by the Legislature (since 1983) and builds and maintains databases of the Hawaii Revised Statutes, the Session Laws of Hawaii (since 1991), and the street addresses within each member's district.

The Systems Office staff use Concordance to provide information on the subject matter and status of legislation and also assist others in the use of Concordance and the databases. The Systems Office also produces and disseminates bill status information via various annual publications (Cross-over Bills, Bills Passed, Resolutions Adopted, etc...), which are also made available on the LRB's website. A significant portion of the work performed by the Systems Office to create and maintain databases, track legislation, and customize bill status reports supports the work of Legislators, their staff, and research offices, as well as the other divisions of the Bureau, particularly the Research Division. Additionally, research offices of the House of Representatives and the Senate use Concordance to access information on current and past legislation as well as in the Hawaii Revised Statutes and the Session Laws of Hawaii databases.

Requests for services of the Systems Office are captured according to four broad categories: information from computer, technical assistance, printouts, and general information. Requests for information from computer are requests for information maintained in the Concordance databases that may include bill status or bill tracking. These requests are generally handled over the phone or email. Requests for technical assistance require Systems Office staff to assist with either hardware or software issues. Requests for printouts are requests for more extensive information for which a report is generated and provided to the requestor. Finally, general information requests involve Systems Office staff responding to inquiries that do not require access to the Concordance database. Over the past five fiscal years, the Systems Office has responded to an average of 1,260 requests each year. Requests for information from the computer and technical assistance make up the majority of Systems Office's requests in any given year. (See Table 6.)

Request Type	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	Average per year
Information from Computer	572	389	329	323	260	374.6
Technical Assistance	526	782	602	461	412	556.6
Printouts	228	188	220	170	138	188.8
General Information	200	124	158	118	103	140.6
TOTALS	1526	1483	1309	1072	913	1260.6

Of the types of requests that it handles, the Systems Office only maintains requestor data for printouts. However, this sample may be seen as illustrative of the overall makeup of the Systems Office's requests. Over the past five years, an average of 39% of printout reports generated by the Systems Office have been at the request of members of the Senate. The remainder were provided to House members and other governmental agencies. (See Table 7.)

Table 7. LRB Systems Office Printout Requests for Senate		
Year	Total Printouts	For Senate (%)
FY06-07	228	97 (43%)
FY07-08	188	70 (37%)
FY08-09	220	68 (31%)
FY09-10	170	79 (46%)
FY10-11	138	50 (36%)

Library

The Legislative Reference Bureau is statutorily charged with maintaining a reference library as an information resource to serve and support the Legislature and legislative staff, including the other divisions within the Legislative Reference Bureau.⁹ In addition, the Library is available for use by other government agencies and the general public.¹⁰ Furthermore, the Bureau's Library is a major repository for government reports to the Legislature.¹¹ We note that with the closure of the DBEDT's reference library some years ago and the more recent closure of the Honolulu Municipal Reference Records Center, the Bureau's Library provides one of the few available resources of this nature. The Library's collection consists of over 123,000 volumes, including Hawaii statutes and case law, reports, and other state documents, a ten-year archive of bills and resolutions, House and Senate journals dating back to 1901, Session Laws of Hawaii back to 1848, statute collections from the federal government and other states, and numerous other reference volumes and reports. In addition, the collection contains thousands of volumes of law reviews, scholarly journals, magazines, and other periodicals. The Library staff include four research librarians who provide reference and research assistance, as well as assistance with Westlaw.

The Library card catalog (a/k/a CARD) is available on the Internet and is a network with the Supreme Court Law Library. The Library maintains the Legislative Reference Bureau's website and the Bureau's information intranet site, "lrb Capnet," which is designed specifically for the Legislature on the capitol network. The Library also provides an electronic news headline service called *iClips* that is emailed to legislators and legislative staff every weekday morning. This news service differs from others, such as Google News, in that the articles are read, selected, and sorted with Hawaii's legislative community in mind. In addition, the Library also distributes all LRB publications with the exception of the Hawaii Revised Statutes, its supplements, and the Session Laws of Hawaii, which, by law, are required to be distributed or sold by the Lieutenant Governor.¹²

The Library maintains records on several types of service requests: reference and research assistance, online database research (this involves more extensive research, including Westlaw searches, and is done only for legislators or legislative staff), legislative staff orientation and training, distribution of publications, and documents borrowed. In addition, the Library keeps records of photocopying and printouts that it prepares in response to the various requests. Over the past five years, the Library has responded to an average of over 3,000

informational and research requests each year, not including requests for photocopying or computer printouts. (See Table 8.)

Table 8. LRB Library Requests for Services						
Requests for:	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	Average per Year
Reference/Research	1763	1605	1655	1533	1553	1621.8
Online Database Research	118	113	60	91	67	89.8
Orientation/Training	17	24	50	68	54	42.6
Publications Distributed ¹³	1698	1596	1287	330	508	1083.8
Documents Borrowed	308	373	387	287	256	322.2
TOTALS	3904	3711	3439	2309	2438	3160.2
Photocopying (pages)	5021	5015	4590	4775	2678	4415.8
Comp. printouts (pages)	1071	90	173	112	225	334.2
TOTALS	6092	5105	4763	4887	2903	4750

A review of the Library's requests for services reveals that its resources are heavily used by both houses of the Legislature, legislative agencies, other agencies, and the public.¹⁴ Relative use among requestors varies depending on the type of request. One pattern is clear however: the Library provides services to both the Senate and House in similar percentages across all categories of service requests in most years. (See Table 9.)

Table 9. LRB Library Requests by Requestor										
	FY06-07	%	FY07-08	%	FY08-09	%	FY09-10	%	FY10-11	%
Documents Borrowed										
Senate	66	21%	54	14%	43	11%	58	20%	40	16%
House	44	14%	65	17%	59	15%	46	16%	35	14%
Legislative Agencies	57	19%	90	24%	132	34%	72	25%	34	13%
Other Gov't. Agencies	74	24%	27	7%	54	14%	40	14%	48	19%
Public	67	22%	137	37%	99	26%	71	25%	99	39%
TOTAL	308		373		387		287		256	
Reference /Research¹⁵										
Senate	n/a	--	n/a	--	n/a	--	92	6%	130	8%
House	n/a	--	n/a	--	n/a	--	148	10%	150	10%
Legislative Agencies	n/a	--	n/a	--	n/a	--	40	3%	59	4%
Other Gov't. Agencies	n/a	--	n/a	--	n/a	--	201	13%	199	13%
Public	n/a	--	n/a	--	n/a	--	1052	69%	1015	65%
TOTAL	1763		1605		1655		1533		1553	
Publications Distributed										
Senate	269	16%	107	7%	127	10%	56	17%	65	13%
House	230	14%	245	15%	258	20%	51	15%	90	18%
Legislative Agencies	65	4%	114	7%	69	5%	32	10%	49	10%
Other Gov't. Agencies	1032	61%	967	61%	720	56%	152	46%	278	55%
Public	102	6%	163	10%	113	9%	39	12%	26	5%
TOTAL	1698		1596		1287		330		508	
Online Database Research										
Senate	39	33%	34	30%	15	25%	24	26%	24	36%
House	15	13%	25	22%	10	17%	28	31%	17	25%
Legislative Agencies	64	54%	54	48%	35	58%	39	43%	26	39%
TOTAL	118		113		60		91		67	

This table illustrates the total number of each type of request responded to by the library in each of the past five years. The table also breaks the data down by the type of request for service provided to a requesting entity and the percentage of the total.

Public Access Room

The Public Access Room (PAR) was established by the Legislature twenty-one years ago to improve public access to legislative information. Originally staffed by community volunteers, it has grown into part of a permanent public access program to enhance the ability of the public to participate in the legislative process and was made part of the Legislative Reference Bureau in 1996.¹⁶ It is the only one of its kind in the country. Like all parts of the Bureau, it is nonpartisan and provides members of the public with access to:

- Computers for drafting testimony on legislative issues;

- Workspace for individual and/or small groups;
- The Internet for research on legislative issues and state government information;
- Legislative documents and reference materials;
- Photocopying services for testimony; and
- Television for viewing legislative broadcasts.

The Public Access Room is staffed year-round by two full-time specialists who provide research assistance, training, and outreach to members of the public who wish to understand the legislative process and to participate more effectively in their own governance. Two temporary full-time staff members are added during legislative sessions.

PAR staff members conduct numerous workshops and tutorials throughout the year, both in-house and in Hawaii's various communities (both on Oahu and on all neighbor islands except Niihau). Staff members respond to email, telephone, and walk-in inquiries regarding specific aspects of legislative process; teach people how to use various websites relevant to legislative matters; and photocopy testimony for walk-in citizens, as necessary. Staff also produce and distribute four to six newsletters annually, each designed around whichever aspect of the legislative calendar is relevant at the time of publication (current circulation @ 3000/issue). Additional in-house publications (manuals that provide in-depth explanation of the legislative process and various one-page handouts) are written and produced by the PAR staff members.

Request Type	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11
Email Inquiries	707	667	898	842	659
Photocopying (pages)	429136	131766	167208	103335	89605
Workshop Participants <i>(Participants on Neighbor Islands)</i>	444 <i>(42)</i>	707 <i>(60)</i>	1161 <i>(224)</i>	783 <i>(155)</i>	806 <i>(116)</i>
Email Testimony Received	12493	7841	n/a	n/a	n/a
PAR walk-in patrons ¹⁷	n/a	n/a	n/a	n/a	2660
TOTALS	442780	140981	169267	104960	93730

Like many legislative agencies, the Public Access Room sees its number of requests peak during the legislative session. As shown in Table 10, PAR receives a variety of service requests, and the type and quantity of those requests have changed in recent years. In 2000, PAR began processing and distributing email testimony, the nation's first legislative program designed to encourage electronic participation among a state's citizenry. This very successful program was heavily used; eight years later, when documents received exceeded 10,000 per session, individual House and Senate committees assumed responsibility for testimony processing. As a result of this transfer of responsibility, the Public Access Room has experienced a sharp decline in the quantity of photocopying requests. This has enabled the PAR staff to focus more resources on its educational mission by working with walk-in patrons and conducting educational workshops, including an increasing number of workshops on neighbor islands.

Endnotes

¹ See section 23G-4, Hawaii Revised Statutes (HRS).

² Recent examples of these include the Request for Proposals for Competitive Sealed Proposals to Furnish Services to Plan, Execute, and Evaluate the Legislative Broadcast Project; Invitation for Bid to Conduct Financial Audits of the Senate and the House of Representatives; and Invitation to Bid to Install, Provide, and Maintain High-Speed Wireless Internet Service in Selected Areas of the Hawaii State Capitol Building.

³ The Research Division's statistics that accompany the Bureau's yearly budget proposal to the Legislature include revisions to original requests and other types of requests that are not categorized in these tables. This would account for the difference between the request statistics provided in LRB's testimony to the Legislature and the request statistics provided in this memo for the corresponding year.

⁴ The executive departments have always been responsible for drafting their own bills and have never had access to the Legislature's computer bill drafting system. The departments submit identical bills and resolutions (measures) via the governor's legislative liaison office to both the Senate President and the Speaker of the House of Representatives for signature and introduction. The measures are sent to the respective clerk's office for numbering and these documents become the "official" measures. Every session, there can be anywhere from one hundred fifty to over two hundred measures submitted by the executive branch.

In the late 1970s, Leadership tasked the Bureau with duplicating magnetic cards (magcards) containing measures the administration submitted for introduction. Duplicate sets of the magcards were sent to both the Senate and House clerks. The Bureau was not required to format or proofread measures stored on magcards.

In the 1980s, the executive departments began using word processing software, such as IBM Display Writer, IBM OS6, Wang, Shadow, and Word Perfect, and supplied the Bureau with diskettes containing their measures. The Bureau continued its procedure of duplicating and reformatting the departments' measures, but was then also required to print and proofread them against the official measures before submitting the documents on floppy or 3-1/2" diskettes to the Senate and House clerks.

In the mid-1990s to present, the Legislature and administration switched to Word software. The governor's liaison office supplies the Bureau with diskettes or CDs containing the measures after they are submitted for introduction. Time and accuracy are very critical since measures are now posted on the Legislature's website. The Bureau continues its procedure of converting the data from the diskettes or CDs to electronic format by cutting and pasting the departments' measures into the legislature's drafting templates. Copies are printed and, thereafter, professional and administrative staff must proofread the copies against the official measures and ensure completion in a timely manner. Often, measures are not included on the CDs or do not match the official measures. In those instances, the Bureau contacts the department and requests submission of a corrected CD.

⁵ These statistics appear under the Research Division because the work is done by Research Division Administrative staff for the Statute Revision Division, which has only one and one-half administrative staff persons assigned to it.

⁶ See sections 23G-12(7) and 91-4.2, HRS.

⁷ See sections 23G-12(6), 91-4.2(2), and 91-4.4, HRS.

⁸ See section 23G-3(8), HRS.

⁹ See section 23G-3(6), HRS.

¹⁰ *Id.*

¹¹ Section 93-16, HRS, mandates that all government agency reports required to be submitted to the Legislature also be submitted to the LRB's library. Further, section 23G-5, HRS, requires the LRB to develop and maintain a report tracking system for reports by executive agencies and the judiciary that, by law, are required to be submitted to the Legislature.

¹² See section 23G-18, HRS.

¹³ In an effort to reduce postage costs due to budget cuts in FY 09-10 and FY 10-11, the Bureau was forced to reduce the number of hard copies of printed reports. However, electronic copies of all Bureau publications are available online on the Bureau's website.

¹⁴ It is not clear what percentage of research requests are made by the Research Division of LRB; however, the volume and complexity of research conducted by that division would suggest that a significant percentage of research and online research requests completed by the Library are in support of the Research Division.

¹⁵ The breakdown of these requests were no longer available for FY 06-07, FY 07-08, and FY 08-09. Only the total figures, as reported in the Library's statistics that accompany the Bureau's yearly budget proposal to the Legislature, are shown for these years.

¹⁶ See sections 21G-2 and 23G-3(12), HRS.

¹⁷ The Public Access Room began to record data on the number of walk-in users only during the past year. This number represents a daily count of visits to Room 401 during the 2010-2011 legislative session. This count does not include multiple visits during a day, telephone inquiries, or tutorials.



Robin K. Matsunaga
Ombudsman

Mark G.S. Au
First Assistant

**OFFICE OF THE OMBUDSMAN
STATE OF HAWAII**

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**TESTIMONY OF ROBIN K. MATSUNAGA, OMBUDSMAN,
ON H.B. NO. 2002, H.D. 1, 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**

SENATE COMMITTEE ON WAYS AND MEANS

FEBRUARY 7, 2012

Chair Ige and Members of the Committee on Ways and Means:

Thank you for the opportunity to present testimony in support of H.B. No. 2002, H.D. 1. 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 \$1,017,875 for the operations of the Office of the Ombudsman for FY 2012-2013, the same amount appropriated for the current fiscal year and 4.04 percent less than the office's FY 2009-2010 appropriation.

As you 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. We continue to assist members of the public with their complaints about being adversely impacted by delays in the provision of services and errors in decision-making by public employees. Many of these complaints are the result of the reductions in workforce made necessary by the continuing poor economy. I believe that we have been able to timely address the large majority of the complaints we have received and have successfully persuaded agencies to take corrective action when necessary. In doing so, I think we have 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.

Your support of this bill and the appropriation in Section 10 will allow my office to continue to provide services to citizens who have complaints about actions by State and County agencies and their employees. Attached for your information is a breakdown of my office's current year budget and the proposed budget for FY 2012-2013.

Thank you for your consideration of this testimony. If you have any questions, I would be happy to answer them.

Attachment

OFFICE OF THE OMBUDSMAN
OPERATING BUDGET -- FY 2012-2013 vs. FY 2011-2012

	<u>FY 2012-2013</u>	Act 4, SLH 2011 <u>FY 2011-2012</u>
A. PERSONAL SERVICES		
Staff Salaries	982,575 (15)	982,575 (15)
SUBTOTAL PERSONAL SERVICES	982,575	982,575
B. OTHER CURRENT EXPENSES		
Office Supplies & Postage	3,600	3,600
Telephone	5,500	5,500
Intra-state Transportation & Subsistence	500	500
Out-of-state Transportation & Subsistence	0	0
Printing, Advertising & Publications	2,550	2,550
Maintenance - Office Equipment	2,500	2,500
Equipment Rental	3,950	3,950
Training/Subscriptions/Dues	800	800
Other Miscellaneous Current Expense	1,000	1,000
Computer Services	14,900	14,900
Risk Management	(included w/Other)	(included w/Other)
SUBTOTAL OTHER CURRENT EXPENSES	35,300	35,300
C. EQUIPMENT, FURNISHINGS, & BOOKS		
Equipment	0	0
Furnishings	0	0
Books	0	0
SUBTOTAL EQUIP, FURNISHINGS, BOOKS	0	0
TOTAL OPERATING BUDGET	<u>1,017,875</u>	<u>1,017,875</u>



HAWAII STATE ETHICS COMMISSION

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

TESTIMONY OF THE HAWAII STATE ETHICS COMMISSION

BILL NO: HB 2002, HD 1, 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 David Y. Ige, Chair
The Honorable Michelle N. Kidani, Vice Chair
Senate Committee on Ways and Means
State Capitol, Room 215
415 South Beretania Street
Honolulu, Hawaii 96813

FROM: Hawaii State Ethics Commission

TESTIFYING: Leslie H. Kondo, Executive Director and General Counsel
Hawaii State Ethics Commission

EXHIBITS: Nos. 1 - 4

VIA: Ms. Marion Higa, Legislative Auditor

DATE: Tuesday, February 7, 2012

TIME: 9:20 a.m.

ROOM: Conference Room 211

The Honorable David Y. Ige, Chair; the Honorable Michelle N. Kidani, Vice Chair; and Honorable Members of the Senate Committee on Ways and Means:

Thank you for this opportunity to present the Hawaii State Ethics Commission's budget request for Fiscal Year 2012-2013. The Commission supports HB 2002, HD 1, as it applies to the appropriation of funds for the Commission for the next fiscal year.

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), Cassandra J. Leolani Abdul (Vice Chairperson), Les M. Knudsen, Edward L. Broglio, and Jacqueline B. Kido.

The Commission currently employs a staff of nine full-time employees: an executive director and an associate director; three staff attorneys; a computer specialist; and three secretarial and clerical staff. Due to 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 2011, the Commission's office received over 1,400 requests for advice.

The Commission also enforces Chapters 84 and 97, HRS, by receiving and reviewing complaints and conducting investigations concerning alleged violations of the law. In 2011, the Commission's office handled over 110 complaints and 12 formal charges¹ alleging violations of the State Ethics Code or the Lobbyists Law.

¹ A "charge" is a formal complaint alleging a violation of one or more provisions of the State Ethics Code or the Lobbyists Law. Charges may be filed by an individual or organization or by the Commission. Charges that are filed by an individual or organization 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.

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 2011, the Commission received approximately 1,700 financial interests disclosure statements from state officials and employees and approximately 140 gifts disclosure statements. The Commission also received approximately 300 lobbyist registrations and over 2,100 lobbying expenditures and contributions reports in 2011.

Finally, the Commission is mandated by law to educate state officials and employees about ethics in government. To fulfill this mandate, Commission staff conducts ethics presentations and workshops throughout the year. In 2011, Commission staff conducted ethics presentations and workshops for over 2,100 state government officials and employees. This included mandatory ethics training sessions for all newly elected state legislators, members of the Board of Education, the Governor, and all executive department directors and deputy directors. This also included ethics training sessions for state employees on Oahu, the Big Island (Hilo and Kona), Maui, and Kauai. Commission staff also taped a presentation on ethics for state board and commission members. This presentation was available to all board and commission members throughout the State via webcast.

Additional information about the Commission's work in 2011 is attached to this testimony.

B. Budget Proposal for FY 12-13

The Commission's current budget for FY 11-12 is \$849,531. Of this amount, approximately \$685,000 is budgeted for staff salaries and contractual services. Because the Commission must rent office space in the private sector, approximately \$90,000 is budgeted for office lease rent. The remaining balance of approximately \$74,500 pays for all of the other operating expenses of the Commission, including office expenses, intrastate travel, printing, equipment leases and maintenance, Commission meetings, investigations and hearings, and office furniture and equipment.

Because of the State's continued financial difficulties, the Commission is not requesting any increase to its budget for the next fiscal year. **The Commission is asking for an appropriation of \$849,531 for FY 12-13, which is the same amount as the Commission's current budget for FY 11-12.**

Although the Commission is requesting the same appropriation for FY 12-13, it will be necessary for the Commission to make adjustments within the budget in order to provide additional funding for certain programs and activities that are necessary to the

work of the agency. These increases, which total approximately \$48,000, will be offset by continued staff salary reductions in the next fiscal year.

For FY 12-13, the Commission must allocate additional funds within its budget for intra-state travel. Additional funds are needed to pay for expenses relating to three neighbor island commissioners who must travel to Honolulu every month to attend Commission meetings.² Additional funds are also needed for Commission staff to travel to the neighbor islands to conduct ethics training as required by law,³ and to conduct investigations and other enforcement activities on neighbor islands as required by law.⁴

For FY 12-13, the Commission must also allocate additional funds within its budget for increased costs relating to the Commission's enforcement activities. This includes increased funding for court reporter services, investigative services, a hearings officer, and other hearings-related expenses. The Commission cannot perform its statutorily mandated enforcement of the State Ethics Code without sufficient funds to conduct investigations and other enforcement activities.

The Commission must also allocate additional funds within its budget for office rent in FY 12-13. As previously explained, the Commission leases private sector office space at an annual cost of approximately \$90,000 in office lease rent. Due to anticipated increases for common area maintenance costs and storage costs, the Commission must allocate additional funds to pay for its office lease rent.

The Commission must also allocate funds within its budget for the next fiscal year to enable the Commission and certain professional staff to participate in the annual conference of the Council on Governmental Ethics Laws ("COGEL") in 2012. COGEL is a professional organization for government agencies and individuals with responsibilities or interests in government ethics, elections, campaign finance, lobbying laws, and freedom of information. Each year, COGEL holds an annual conference, which is hosted by one or more COGEL members. The four-day conference features guest speakers and panel discussions on ethics, elections, campaign finance, lobbying law regulation, freedom of information, and other topics of general interest, such as the management of electronic records and the development of education programs. The Hawaii State Ethics Commission is a longstanding member of COGEL and has been an active participant in

² The Commission has three neighbor island commissioners: Maria Sullivan, the Commission's Chairperson, who resides on Molokai; Cassandra J. Leolani Abdul, the Commission's Vice Chairperson, who resides on Maui; and Les Knudsen, who resides on Kauai.

³ HRS §84-31(a)(7) requires the Commission to maintain programs to educate legislators and employees on ethics in government.

⁴ HRS §84-31(a)(3) requires the Commission to initiate and consider charges, conduct investigations, and hold hearings concerning alleged violations of the State Ethics Code.

The Honorable David Y. Ige, Chair
The Honorable Michelle N. Kidani, Vice Chair
February 7, 2012
Page 5

COGEL conferences in the past.⁵ The Commission and its staff have found the annual COGEL conference to be a uniquely valuable educational experience. The 2012 Annual COGEL Conference will be held on December 2-5, 2012, in Columbus, Ohio. The Commission has budgeted funds to pay for out-of-state travel and conference registration fees to send three people to this important conference.

Adjustments in other areas of the Commission's budget for FY 12-13 are needed for anticipated increases relating to critical computer equipment and computer support services, and dues, registrations, and subscriptions. The Commission will allocate additional funds in the next fiscal year to meet these anticipated increases.

By making all of these adjustments to the Commission's budget for FY 12-13, the Commission will be able to continue to perform its statutory duties to administer and enforce the State Ethics Code and the State Lobbyists Law. These increases will be offset by decreases in the budget due to continued staff salary cuts and a position vacancy. The Commission respectfully requests your consideration of its budget request for FY 12-13 in the amount of \$849,531.

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

⁵ In 1994, the Commission co-hosted the annual COGEL Conference in Honolulu with the State Office of Information Practices and the Hawaii County Board of Ethics.

HAWAII STATE ETHICS COMMISSION
Statement Showing Budget and Estimated Expenditures
By Object of Expenditure for FY 2011-12

	2011-2012 Approved <u>Budget</u>	2011-2012 Estimated <u>Expenditures</u>	<u>Variance</u>
PERSONAL SERVICES:			
Staff salaries	\$678,541.00	\$630,168.00	-\$48,373.00
Contractual services	<u>6,800.00</u>	<u>9,558.00</u>	<u>2,758.00</u>
Total Personal Services	685,341.00	639,726.00	-45,615.00
OTHER EXPENSES:			
Office expenses	21,950.00	21,950.00	0.00
Out-of-state travel	0.00	7,000.00	7,000.00
Intrastate transportation and travel	4,500.00	21,800.00	17,300.00
Printing	7,300.00	7,300.00	0.00
Equipment rental and maintenance	11,485.00	13,985.00	2,500.00
Dues, subscriptions, training	8,755.00	14,670.00	5,915.00
Newspaper advertisements	1,600.00	1,600.00	0.00
Commission meetings, investigations, and hearings	15,600.00	25,500.00	9,900.00
Office furniture and equipment	3,000.00	3,000.00	0.00
Office rent	<u>90,000.00</u>	<u>93,000.00</u>	<u>3,000.00</u>
Total Other Expenses	164,190.00	209,805.00	45,615.00
GRAND TOTAL	<u>\$849,531.00</u>	<u>\$849,531.00</u>	<u>\$0.00</u>

HAWAII STATE ETHICS COMMISSION BUDGET REQUEST FOR FY 2012-13
Statement Showing Estimated Expenditures
By Object of Expenditure for FY 2012-13

Personal Services:	
Staff salaries	\$630,168.00
Contractual services	<u>9,558.00</u>
Total Personal Services	639,726.00
Other Expenses:	
Office expenses	21,950.00
Out-of-state travel	7,000.00
Intrastate transportation and travel	21,800.00
Printing	7,300.00
Equipment rental and maintenance	13,985.00
Dues, subscriptions, training	14,670.00
Newspaper advertisements	1,600.00
Commission meetings, investigations, and hearings	25,500.00
Office furniture and equipment	3,000.00
Office rent	<u>93,000.00</u>
Total Other Expenses	209,805.00
TOTAL	\$849,531.00

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*	240
Gifts Disclosure Statements	June 30	150
Lobbyist Registration Statements	January**	300
Lobbying Organizations Expenditure Reports	March 31	300
Lobbying Organizations Expenditure Reports	May 31	300
Lobbying Organizations Expenditure Reports	January 31	300
Lobbyists Expenditure Reports	March 31	300
Lobbyists Expenditure Reports	May 31	300
Lobbyists Expenditure Reports	January 31	300
Other Filings	January 1 - December 31	10

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) 4,300

ANNUAL TOTAL (odd-numbered years) 4,060***

* 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 2011

TABLE 1

HAWAII STATE ETHICS COMMISSION NUMBER OF REQUESTS FOR ADVICE AND COMPLAINTS RECEIVED BY ATTORNEYS IN 2011		
MONTH	REQUESTS FOR ADVICE	COMPLAINTS
January 2011	111	10
February 2011	118	9
March 2011	147	5
April 2011	103	12
May 2011	144	12
June 2011	127	9
July 2011	126	8
August 2011	143	14
September 2011	137	16
October 2011	83	1
November 2011	101	7
December 2011	98	11
TOTAL	1,438	114
Total Number of Requests for Advice and Complaints Received in 2011		1,552

TABLE 2

HAWAII STATE ETHICS COMMISSION ATTORNEY OPINION LETTERS ISSUED IN 2011	
MONTH	NUMBER OF LETTERS
January 2011	10
February 2011	16
March 2011	9
April 2011	14
May 2011	10
June 2011	9
July 2011	17
August 2011	19
September 2011	38
October 2011	20
November 2011	14
December 2011	21
TOTAL	197

TABLE 3

HAWAII STATE ETHICS COMMISSION FORMAL CHARGES* FILED IN 2011			
FILE NO.	ETHICS CHARGE	LOBBYING CHARGE	COMPLAINANT
11-Cg-1	X		Individual or Organization
11-Cg-2	X		Individual or Organization
11-Cg-3	X		Individual or Organization
11-Cg-4	X		Individual or Organization
11-Cg-5	X		Individual or Organization
11-Cg-6	X		Individual or Organization-CLOSED
11-Cg-7	X		Individual or Organization-CLOSED
11-Cg-8(a)	X		Individual or Organization-CLOSED
11-Cg-8(b)	X		Individual or Organization-CLOSED
11-Cg-8(c)	X		Individual or Organization-CLOSED
11-Cg-9	X		Hawaii State Ethics Commission
11-LCg-1		X	Individual or Organization-CLOSED
TOTAL: 12			

* 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 an individual or organization or by the Hawaii State Ethics Commission. Charges that are filed by an individual or organization 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

HAWAII STATE ETHICS COMMISSION FINANCIAL INTERESTS DISCLOSURE STATEMENTS FILED BY LEGISLATORS, EMPLOYEES, AND BOARD AND COMMISSION MEMBERS IN 2011	
Month	NUMBER FILED
January 2011	36
February 2011	296
March 2011	304
April 2011	238
May 2011	532
June 2011	134
July 2011	13
August 2011	34
September 2011	46
October 2011	35
November 2011	34
December 2011	15
TOTAL	1,717

TABLE 5

<p style="text-align: center;">HAWAII STATE ETHICS COMMISSION GIFTS DISCLOSURE STATEMENTS FILED IN 2011</p>	
STATE POSITION	NUMBER FILED
Governor, Lt. Governor	2
Legislators	60
Employees	62
Board / Commission Members	19
TOTAL	143

TABLE 6

HAWAII STATE ETHICS COMMISSION TOTAL NUMBER OF REGISTERED LOBBYISTS IN 2011 AND NUMBER OF CLIENTS REPRESENTED*		
YEAR	NUMBER OF LOBBYISTS	NUMBER OF CLIENTS REPRESENTED
2011	296	346

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

TABLE 7

HAWAII STATE ETHICS COMMISSION LOBBYING EXPENDITURES AND CONTRIBUTIONS REPORTS FILED IN 2011			
FILERS	REPORTING PERIODS		
	05/01/10-12/31/10 (Jan. 31, 2011 Report)	01/01/11-02/28/11 (Mar. 31, 2011 Report)	03/01/11-04/30/11 (May 31, 2011 Report)
LOBBYISTS	271	287	378
LOBBYISTS' CLIENTS *	290	423	525
TOTAL REPORTS FILED	561	710	903
GRAND TOTAL	2,174		

* 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 8

HAWAII STATE ETHICS COMMISSION TOTAL NUMBER OF DISCLOSURE FILINGS FOR 2011	
Financial Interests Disclosure Statements filed by Legislators, Employees, and Board and Commission Members	1,717
Gifts Disclosure Statements	143
Lobbying Expenditures and Contributions Reports	2,174
Lobbyist Registrations (Two-year period 2011-2012)*	296
Notice of Intent to Award Contract Pursuant to HRS §84-15(a)	9
TOTAL	4,339

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

TABLE 9

HAWAII STATE ETHICS COMMISSION 2011 EDUCATION PROGRAM (Ethics Workshops and Presentations)		
DATE	PRESENTATIONS	NO. OF PARTICIPANTS
01/07/11	Mandatory Ethics Training	33
01/14/11	Mandatory Ethics Training	14
01/26/11	Ethics Briefing for Senate Majority Caucus	15
02/04/11	Ethics Training for Senate, House, and Governor's Staff	110
02/18/11	Mandatory Ethics Training	3
02/23/11	Mandatory Ethics Training	7
02/24/11	New Employee Orientation	50
02/25/11	Ethics Briefing for House Members	30
04/08/11	Ethics Workshop for Department of Transportation (Airports Division Supervisors)	75
04/15/11	Ethics Workshop for Department of Transportation (Harbors Division)	20
04/18/11	Ethics Workshop for College of Education, University of Hawaii	80
04/26/11	Ethics Workshop for Department of Transportation (Harbors Division)	30
04/27/11	Ethics Workshop for Department of Transportation (Administration)	30

DATE	PRESENTATIONS	NO. OF PARTICIPANTS
04/29/11	Ethics Workshop for Department of Transportation (Highways Division)	70
05/19/11	Ethics Workshop for State Employees (Oahu)	165
05/24/11	Pre-Retirement Seminar	130
05/25/11	Pre-Retirement Seminar	180
06/07/11	New Employee Orientation	60
06/21/11	Ethics Workshop for Department of Land and Natural Resources (Forestry & Wildlife)	20
06/22/11	Ethics Presentation, Ashford & Wriston, LLP	15
06/23/11	Ethics Workshop for Department of Transportation (Airport Supervisors/Managers)	10
07/05/11	Mandatory Ethics Training	16
07/07/11	Ethics Overview for Board and Commission Members	Taping for later webcast
07/25/11	Ethics Workshop for State Employees (Hilo)	122
08/02/11	Ethics Workshop for State Employees (Maui) (1 st Session)	60
08/02/11	Ethics Workshop for State Employees (Maui) (2 nd Session)	61
08/04/11	Ethics Workshop for State Employees (Kauai)	42
08/23/11	Ethics Workshop for State Employees (Kona)	34
08/26/11	Ethics Workshop for State Employees (Oahu)	250
09/13/11	New Employee Orientation	40

DATE	PRESENTATIONS	NO. OF PARTICIPANTS
10/18/11	Ethical Lobbying Workshop	60
10/19/11	Pre-Retirement Workshop	94
10/20/11	Pre-Retirement Workshop	127
10/26/11	Ethics Workshop for Office of the Auditor	20
12/06/11	Ethics Workshop for Department of Commerce and Consumer Affairs (Professional and Vocational Licensing Division Board/Commission Chairpersons)	50
TOTAL	35 Presentations	2,123 Participants

TABLE 10

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

TABLE 10 (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
 - For State Board and Commission Members
- 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
- Meeting Notices for Meetings of the Hawaii State Ethics Commission
- Hawaii State Ethics Commission Contact Information
 - Office Location
 - Mailing Address
 - Phone/Fax
- Follow us on Twitter (link to follow Hawaii State Ethics Commission's Tweets)

TABLE 11

HAWAII STATE ETHICS COMMISSION RECORDS CHECK OF APPLICANTS FOR JUDICIAL OFFICE PERFORMED AT THE REQUEST OF THE STATE JUDICIAL SELECTION COMMISSION IN 2011						
MONTH	NUMBER OF APPLICANTS					
	Supreme Court	First Circuit Court	Second Circuit Court	Third Circuit Court	Fifth Circuit Court	Total Applicants Per Month
January						
February	10					10
March	10					10
April						
May		1		1		2
June	19	1				20
July		3				3
August	5	6		1		12
September		3	1			4
October						
November			3			3
December	33					33
TOTAL Per Court:	77	14	4	2	0	Grand Total: 97

TABLE 12

HAWAII STATE ETHICS COMMISSION DISCLOSURE RECORDS AVAILABLE FOR PUBLIC INSPECTION*	
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 13
HAWAII STATE ETHICS COMMISSION
2011 PUBLICATIONS*

Constitution

Article XIV, Hawaii State Constitution

Ethics Statutes, Administrative Rules, General Information

Chapter 84, Hawaii Revised Statutes, Standards of Conduct
Hawaii State Ethics Commission Administrative Rules
Ethics Guide for State Elected Officials, State Employees, State Board and
Commission Members
Ethics Checklist
Outline of Substantive Areas of the State Ethics Code

Ethics Newsletter

The High Road Newsletter

Gifts and Gifts Disclosure

Holiday Gifts Reminder
Guidelines for Gifts Under the State Ethics Code
Gifts and the State Ethics Code
Questions and Answers on the Gifts Disclosure Law

Campaigning

Campaign Restrictions for State Officials and State Employees
Prohibition on Candidate Campaign Walk-Throughs in State Agencies
Prohibited Use of State E-Mail for Campaign Purposes

Fundraising

Fundraising in State Offices
Ethics Guidelines for AUW Fund Raiser Activities Conducted by State Agencies

Continuation of Table 13:

For Legislators

Informational or Educational Trips Solicited or Accepted by Legislators
Attendance at "Appreciation" Receptions, Dinners, Meals, or Parties, etc.,
Offered by Lobbyists
Legislative Interns

For Teachers

The Application of the State Ethics Code to Furloughed Teachers

For State Board and Commission Members

Overview of the State Ethics Code for State Board and Commission Members

Post Employment

Post Employment Restrictions

Lobbying

Chapter 97, Hawaii Revised Statutes, Lobbyists
Lobbying Registration and Reporting Manual
Informational or Educational Trips as Lobbying Expenditures
"Goodwill" Lobbying as Lobbying Expenditure
Accrued or Incurred Lobbying Expenditures; Company Employee Lobbying
Expenditures
Public Statement Regarding Lobbying Charge and Requirements of the
Lobbyists Law, Hawaii Revised Statutes, Chapter 97

* All publications are available on the Hawaii State Ethics Commission website: <http://hawaii.gov/ethics>.