

OFFICE OF THE LIEUTENANT GOVERNOR
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TESTIMONY OF THE
OFFICE OF THE LIEUTENANT GOVERNOR
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON SENATE BILL NO. 1174
MAKING EMERGENCY APPROPRIATION FOR THE OPERATIONS OF THE OFFICE
OF THE LIEUTENANT GOVERNOR

January 30, 2013

Chair Ige, Vice Chair Kidani, and members of the Senate Committee on Ways and Means, thank you for the opportunity to provide testimony in support of Senate Bill No. 1174. The purpose of this bill is to make emergency appropriations from the general revenues of the State of Hawaii for fiscal year 2012-2013 for costs associated with the operations of the Lieutenant Governor for LTG100, PSD503, and AGS221.

The recent appointment of Senator Brian Schatz to the U.S. Senate and the subsequent succession of former Senate President, Shan S. Tsutsui, to the office of Lieutenant Governor form the basis of this request. Upon Lieutenant Governor Tsutsui's acceptance of the office, pursuant to section 26-2, HRS, Governor Neil Abercrombie authorized the establishment of an additional Lieutenant Governor's Office on Maui, to allow the Lieutenant Governor to conduct official business on his island of residence and support the Governor's vision of a non-Oahu centric Administration. While the law does not require the Lieutenant Governor to be an Oahu resident, it also does not provide housing or a housing allowance in the event the officeholder is a neighbor island resident. However, we do not believe that, especially in the case of the current situation where the Lieutenant Governor took office through succession, a neighbor island Lieutenant Governor should be denied payment of necessary expenses relating to the performance of his duties on Oahu.

Currently, however, the FY13 budget does not provide sufficient funds to establish, operate, and staff an office on Maui. The Department of Accounting and General Services has identified space in the state building on Maui for both temporary and permanent operations for the Lieutenant Governor's office, both of which will require funding for both AGS221 and LTG100 for, among other things, preparations; renovations; office furniture, equipment and supplies; travel; transportation; and staff. One FTE is currently being requested for the Maui office.

Additionally, the Lieutenant Governor will also be required to travel between Maui and Oahu on a regular basis to conduct official business, which will require additional travel expenses and per diem payments. Currently, because no permanent office has been

established, the Lieutenant Governor has spent a majority of his time on Oahu or conducting meetings on Maui in alternative meeting spaces; however, once Maui operations are undertaken, we anticipate that he will split his time more evenly between Oahu and Maui, while continuing to conduct necessary travel to the other neighbor islands for meetings and events, as appropriate and as was the usual course of business for the former Lieutenant Governor as well.

For the Department of Public Safety, additional travel and per diem expenses will be necessary for providing security detail for the Lieutenant Governor during travel, to and from, and while on Maui. For the short term, the additional funding is critical; however, the Department is also working on a long-term plan to train qualified sheriffs on Maui to assume security detail responsibilities, which will reduce and/or eliminate the need for additional travel and per diem costs for PSD in the future. Additional FTEs are being requested by PSD for this purpose.

The unexpected appointment of Senator Schatz and the fact that his entire staff followed him to his Congressional offices created the unanticipated expense of vacation payouts from LTG100. With this expenditure, the office will be unable to make payroll, even with a reduced staff, throughout the remainder of the fiscal year. Additionally, the transition has left no experienced staff to maintain operations of the office. Currently, the office is operating with reduced staff, which have little to no experience in fulfilling the Secretary of State functions of the office or the administrative procedures of procurement, personnel and payroll. While the staff is working tirelessly to learn the new functions and duties of the office, the office is also faced with twice the previous number of name changes, pursuant to recent changes to the laws.

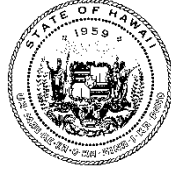
In the FB13-15 budget request for LTG100, the former office was seeking to fund a vacant Administrative Assistant position, create a new analyst position, as well as additional administrative costs. Similarly, the current office is requesting the funding of the vacant Administrative Assistant position, the establishment and funding of an additional Administrative Assistant position, and the establishment and funding of a policy analyst position for the remainder of the current fiscal year. These positions are necessary to address the increased volume of name changes, apostilles and certifications that the office is completing; to address the delinquent compilation of the Hawaii Administrative Rules that have not been properly updated since approximately 2006; and to assist the Lieutenant Governor in the research and analysis of his designated and chosen initiatives, including but not limited to oversight of Capital Improvement Program Projects. Additionally, expenses associated with delinquent expenses are also being sought.

While a complete understanding of all of the requirements of the office have not yet been fully realized, the Lieutenant Governor's office respectfully requests the proper funding to provide Lieutenant Governor Tsutsui the best opportunity to succeed, support the Administration in its operations and functions, and service the people of Hawaii. Under the current budget, and even with reduced staff, the office will not be able to sustain operations through the third quarter. Because the transition into this office was so swift and the opportunity to seek additional funding so limited, we apologize that we are currently unable to provide more detailed and accurate estimates of the office's

requirements. However, please be assured that every effort will be made to realize any savings possible, whether through staffing or operations on both Oahu and Maui.

Thank you for the opportunity to provide testimony on this measure.

NEIL ABERCROMBIE
GOVERNOR



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TESTIMONY
OF
DEAN H. SEKI, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
WAYS AND MEANS
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S.B. 1174

MAKING EMERGENCY APPROPRIATIONS FOR THE OPERATIONS OF THE
OFFICE OF THE LIEUTENANT GOVERNOR

Chair Ige and members of the Committee, thank you for the opportunity to testify on S.B.
1174.

The Department of Accounting and General Services (DAGS) strongly supports S.B.
1174, an administration-sponsored measure. The \$105,000 appropriation in FY 2012-2013
operating funds to DAGS will be used for (as needed but not limited to): building interior
renovation work; furniture and equipment; computers; telephone and data systems; and
associated moving costs for the operations of the Office of the Lieutenant Governor.

Thank you for the opportunity to testify on this matter.