



OFFICE OF THE LIEUTENANT GOVERNOR  
STATE OF HAWAII  
STATE CAPITOL  
HONOLULU, HAWAII 96813

SHAN S. TSUTSUI  
LIEUTENANT GOVERNOR

**THE SENATE COMMITTEE ON WAYS AND MEANS  
HOUSE COMMITTEE ON FINANCE  
SUPPLEMENTAL BUDGET BRIEFING FOR FISCAL BIENNIUM 2015-2017  
OFFICE OF THE LIEUTENANT GOVERNOR  
PROGRAM ID LTG100**

**OVERVIEW**

**A. Mission Statement**

Pursuant to Article V, Section 4 of the Hawaii State Constitution, the primary mission of the Lieutenant Governor is to act in place of the Governor when the Governor is out of state. Accordingly, the Lieutenant Governor must be kept abreast of the actions and issues regarding the Administration to ensure that he can effectively carry out the necessary functions of the office during these absences.

Pursuant to Section 26-1, Hawaii Revised Statutes, another core function of the Office of the Lieutenant Governor is to serve as Secretary of State for intergovernmental relations. In this role, the Lieutenant Governor is charged with directing and performing a multitude of activities for the general public, which are administrative and coordinative in nature. These activities include:

- (1) Processing name changes;
- (2) Authenticating documents for use in foreign countries;
- (3) Handling the sale and distribution of official state publications;
- (4) Compiling administrative rules;
- (5) Compiling legislative acts; and
- (6) Posting state open meeting agendas.

Section 26-1, HRS, also indicates that, “the governor shall identify and direct other duties as necessary to the lieutenant governor.” Under the current Administration, the Lieutenant Governor has continued work on the Resources for Enrichment, Athletics, Culture and Health (R.E.A.C.H.) initiative, to help provide access to after-school programs to public middle/intermediate school students statewide, the Farm to School Initiative to expand the inclusion of local products in school meals and undertaken other duties and assignment, as requested and required by the Administration, the Sports Development Initiative to promote and grow Hawaii as a premier sports destination for professional, amateur and youth athletics in the Asia-Pacific region, and the Aerospace States Commission as a Vice Chair representing Hawaii.

## **B. Economic Impact**

The Office generates revenues for the State through fees collected for Secretary of State functions, including but not limited to processing name changes, issuing apostilles or certifications, selling official state publications. These fees are established in statute and have not been adjusted in many years. Such fees are deposited into the general fund and are not returned to our office to help offset the costs of operations. Since the implementation of the legal presence law in March 2012, the number of name changes processed by the office has significantly increased. Although we expected this volume to taper off as more individuals comply with the law. However, the introduction of online payment and processing of some name change petitions has caused the number of petitions to remain elevated or has perhaps resulted in increased petitions being filed. The online process, effective March 2014, has helped to streamline the process, decrease processing times, and will continue to be expanded to encompass all name change forms. The implementation of the state’s electronic signature program was also undertaken and will continue to be refined and expanded to further decrease processing times for petitioners.

Additionally, rehabilitation of the Administrative Rules continues to be a priority project of the Office, with significant progress being made on ensuring complete and accurate physical records of department Administrative Rules. This will continue to be an ongoing project of the Office to ensure accuracy and will require continued staffing and resources to complete.

Implementation of the Commissioner of Deeds program had been delayed due to the lack of funding and staffing, as funding for the program expired at the end of FY2015. However, funds were provided for FY2017 only to support implementation. The Office has hired staff and begun to initiate work on establishing the process and adopting administrative rules and procedures for implementation of the program before the funding expires at the end of FY2016. It is unclear, however, once implemented how much demand the program will place on the office and staff and whether it will be necessary to request additional resources in the future to support the program.

### **Federal Funds**

- C. No programs are funded by federal funds.

### **Budget Request**

- D. Explain the process used to develop the agency's budget and prioritize requests for budget changes.

No requests made.

- E. Identify and discuss significant adjustments contained in the budget request submitted to the legislature. Explain and quantify how significant requests for additional funds are expected to affect outcomes.

Not applicable.

Office of the Lieutenant Governor  
Functions

Table 1

<u>Division</u>	<u>Description of Function</u>	<u>Activities</u>	<u>Prog ID(s)</u>	<u>Statutory Reference</u>
	Act in place of the Governor in his/her absence	To enhance the effectiveness and efficiency of state programs by providing Executive direction, policy development, program coordination, and planning and budgeting.	LTG100	Art. V., § 4, Hawaii State Constitution
	Serve as Secretary of State	To serve as Secretary of State for intergovernmental relations, including: (1) Processing name changes; (2) Authentication of documents for use in foreign countries; (3) Sale and distribution of official state publications; (4) Compilation of administrative rules; (5) Compilation of legislative acts; (6) Posting of state open meeting agendas; (7) Processing Commissioner of Deeds applications and appointments.	LTG100	Section 26-1, HRS; Act 277, SLH 2013
	Other duties as prescribed by the Governor	Develop and/or administer the special programs and initiatives as assigned by the Governor.	LTG100	Section 26-1, HRS

Office of the Lieutenant Governor  
Department-Wide Totals

Table 2

Fiscal Year 2017				
Act 124/16 Appropriation	Restriction	Emergency Appropriations	Total FY17	MOF
\$ 1,081,703.00	\$ (30,068.00)		\$ 1,051,635.00	A
			\$ -	
			\$ -	
			\$ -	
			\$ -	
\$ 1,081,703.00	\$ (30,068.00)	\$ -	\$ 1,051,635.00	Total
Fiscal Year 2018				
Act 124/16 Appropriation	Reductions	Additions	Total FY18	MOF
\$ 1,081,703.00	\$ (31,391.00)	\$ 11,314.00	\$ 1,061,626.00	A
			\$ -	
			\$ -	
\$ 1,081,703.00	\$ (31,391.00)	\$ 11,314.00	\$ 1,061,626.00	Total
Fiscal Year 2019				
Act 124/16 Appropriation	Reductions	Additions	Total FY19	MOF
			\$ -	
\$ 1,081,703.00	\$ (31,391.00)	\$ 11,314.00	\$ 1,061,626.00	A
			\$ -	
			\$ -	
			\$ -	
\$ 1,081,703.00	\$ (31,391.00)	\$ 11,314.00	\$ 1,061,626.00	Total

Office of the Lieutenant Governor  
Program ID Totals

Table 3

<u>Prog ID</u>	<u>Program Title</u>	<u>MOF</u>	<u>As budgeted in Act 124/16 (FY17)</u>			<u>Governor's Submittal (FY18)</u>				<u>Governor's Submittal (FY19)</u>			
			<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>Percent Change of</u> <u>\$\$\$\$</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>Percent Change of</u> <u>\$\$\$\$</u>
LTG100		A	3.00	11.00	\$ 931,432	3.00	11.00	\$ 911,355	-0.02155	3	11	911355	-0.02155

Office of the Lieutenant Governor  
Budget Decisions

Table 4

Prog ID	Sub-Org	Description of Request	MOF	Initial Department Requests						Budget and Finance Recommendations						Governor's Decisions					
				FY18			FY19			FY18			FY19			FY18			FY19		
				Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
		NONE																			

Office of the Lieutenant Governor  
Proposed Budget Reductions

Table 5

Prog ID	Sub-Org	Description of Reduction	Impact of Reduction	MOF	FY18			FY19			FY17
					Pos (P)	Pos (T)	\$\$\$\$	Pos (P)	Pos (T)	\$\$\$\$	Restriction (Y/N)
LTG100		Vacation Payout	Funds for vacation payout will need to be taken from vacant positions and/or may delay the hiring of necessary staff to cover the costs. The impact will likely be very significant in FY19 as the election approaches and the administration may change, requiring the payout of several, if not all, employees, many of whom have lengthy service with the state.	A			\$ 31,391			31391	Y



Office of the Lieutenant Governor  
Proposed Budget Additions

Table 6

Prog ID	Sub-Org	Addition Type	Prog ID Priority	Dept- Wide Priority	Description of Addition	Justification	MOF	FY18			FY19		
								Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
LTG100		FC	1	1	Collective Bargaining Costs	Required to cover statutory mandate for salary commission adjustments and other employee adjustments pursuant to negotiated collective bargaining agreements.	A			11314			11314

Office of the Lieutenant Governor  
 FY17 Restrictions

Table 7

<u>Prog ID</u>	<u>Sub-Org</u>	<u>MOF</u>	<u>Budgeted by Dept</u>	<u>Restriction</u>	<u>Difference Between Budgeted &amp; Restricted</u>	<u>Percent Difference</u>	<u>Impact</u>
LTG100		A	\$ 1,081,703	\$ 30,068	\$ 1,051,635	97.22%	Results in a delay of the release and payment of funds for vacation payout for employees transferring to different departments or terminating service. Funds may be released upon request and based on need as employees terminate service, as appropriate.

Office of the Lieutenant Governor  
Emergency Appropriation Requests

Table 8

<u>Prog ID</u>	<u>Description of Request</u>	<u>Explanation of Request</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>
		N/A				

Office of the Lieutenant Governor  
Expenditures Exceeding Appropriation Ceilings in FY16 and FY17

Table 9

<u>Prog ID</u>	<u>MOF</u>	<u>Date</u>	<u>Appropriation</u>	<u>Amount Exceeding Appropriation</u>	<u>Percent Exceeded</u>	<u>Reason for Exceeding Ceiling</u>	<u>Legal Authority</u>	<u>Recurring (Y/N)</u>	<u>GF Impact (Y/N)</u>
N/A									

Office of the Lieutenant Governor  
 Intradepartmental Transfers in FY16 and FY17

Table 10

<u>Actual or Anticipated Date of Transfer</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>From Prog ID</u>	<u>Percent of Program ID Appropriation Transferred From</u>	<u>To Prog ID</u>	<u>Percent of Receiving Program ID Appropriation</u>	<u>Reason for Transfer</u>	<u>Recurring (Y/N)</u>
NONE										

Office of the Lieutenant Governor  
Non-General Funds

Table 11

<u>Name of Fund</u>	<u>Purpose</u>	<u>Statutory Reference</u>	<u>MOF</u>	<u>Beginning FY17 Unencumbered Cash Balance</u>	<u>Estimated FY17 Revenues</u>	<u>Estimated FY17 Expenditures and Encumbrances</u>	<u>Estimated FY17 Net Transfers</u>	<u>Estimated FY17 Ending Unencumbered Cash Balance</u>	<u>Balance in Excess of Program Needs</u>
N/A									

Office of the Lieutenant Governor  
 Vacancy Report as of November 30, 2016

Table 12

Prog ID	Sub-Org	Date of Vacancy	Expected Fill Date	Position Number	Position Title	Exempt (Y/N)	SR Level	BU Code	Perm Temp (P/T)	FTE	MOF	Budgeted Amount	Actual Salary Last Paid	Authority to Hire (Y/N)	Occupied by 89 Day Hire (Y/N)	# of 89 Hire Appts	Describe if Filled by other Means	Priority #. to Retain
LTG100		11/1/2016	2/1/2016	118001	ADMINISTRATIVE ASSISTANT I	Y	NA	63	T	1.00	A	\$ 41,343	\$ 41,004	Y	N	0		2
LTG100		5/17/2016	1/10/2016	120928	SPECIAL ASSISTANT TO THE LT. GOVERNOR	Y	NA	73	T	1.00	A	\$ 60,000	\$ 51,996	Y	N	0		1

Office of the Lieutenant Governor  
Positions Filled from July 1, 2015 to November 30, 2016

Table 13

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Effective Date</u> <u>Position Filled</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>Budgeted FTE</u>	<u>Budgeted Salary</u>	<u>Actual FTE</u>	<u>Actual Salary</u>	<u>Occupied by 89 Day Hire (Y/N)</u>
LTG100		1/13/2016	120929	Senior Policy Analyst	Y	NA	73	T	A	1	41077	1	36000	N
LTG100		4/1/2016	120928	Special Assistant to the Lt. Governor	Y	NA	73	T	A	1	51996	1	52800	N
LTG100		5/17/2016	120929	Senior Policy Analyst	Y	NA	73	T	A	1	41077	1	52800	N
LTG100		5/17/2016	120930	Administrative Assistant	Y	NA	63	T	A	1	48000	1	36000	N
LTG100		11/3/2016	121120	Commissioner of Deeds Specialist	Y	NA	73	T	A	1	0	1	60000	N



Positions Established by Acts other than the State Budget as of November 30, 2016

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date Established</u>	<u>Legal Authority</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>FTE</u>	<u>Annual Salary</u>	<u>Filled (Y/N)</u>	<u>Occupied by 89 Day Hire (Y/N)</u>
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N/A

Office of the Lieutenant Governor  
Overtime Expenditure Summary

Table 15

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Program Title</u>	<u>MOF</u>	<u>FY16 (actual)</u>			<u>FY17 (estimated)</u>			<u>FY18 (budgeted)</u>		
				<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent
N/A												

Office of the Lieutenant Governor  
Active Contracts as of December 1, 2016

Table 16

<u>Prog ID</u>	<u>MOF</u>	<u>Amount</u>	<u>Frequency</u> (M/A/O)	<u>Max Value</u>	<u>Outstanding</u> <u>Balance</u>	<u>Term of Contract</u>			<u>Entity</u>	<u>Contract Description</u>	<u>Explanation of How Contract is</u> <u>Monitored</u>	<u>POS</u> <u>Y/N</u>	<u>Category</u> <u>E/L/P/C/G/S</u>
						<u>Date</u> <u>Executed</u>	<u>From</u>	<u>To</u>					
LTG100	A	Min. \$27.23	M	N/A	N/A	8/8/2014	8/8/2014	8/8/2019	XEROX	Multifunction copier lease	monthly	N	E
LTG100	A	\$ 748.34	M	\$ 48,944.48	\$ 28,436.92	2/19/2015	4/1/2015	4/1/2019	FIRST HAWAIIAN LEASING	Vehicle Lease	monthly	N	E

Office of the Lieutenant Governor  
Capital Improvements Program (CIP) Requests

Table 17

<u>Prog ID</u>	<u>Prog ID</u> <u>Priority</u>	<u>Dept- Wide</u> <u>Priority</u>	<u>Senate</u> <u>District</u>	<u>Rep.</u> <u>District</u>	<u>Project Title</u>	<u>MOF</u>	<u>FY18 \$\$\$</u>	<u>FY19 \$\$\$</u>
N/A								

Office of the Lieutenant Governor  
CIP Lapses

Table 18

<u>Prog ID</u>	<u>Act/Year of Appropriation</u>	<u>Project Title</u>	<u>MOF</u>	<u>Lapse Amount</u> \$\$\$\$	<u>Reason</u>
N/A					

Office of the Lieutenant Governor  
Program ID Sub-Organizations

Table 19

<u>Program ID</u>	<u>Sub-Org Code</u>	<u>Name</u>	<u>Objective</u>
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N/A

OFFICE OF THE LIEUTENANT GOVERNOR  
ORGANIZATIONAL CHART

Table 20

<u>Year of Change</u> FY18/FY19	<u>Description of Change</u>
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N/A