



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

Testimony of **Ford Fuchigami**  
Administrative Director, Office of the Governor

Before the  
**House Committee on Finance**  
March 28, 2018  
4:00 p.m., Conference Room 308

In consideration of  
**Senate Bill 3100, SD1, HD1**  
**RELATING TO THE STRUCTURE OF GOVERNMENT**

Chair Luke, Vice-Chair Cullen, and committee members:

Thank you for the opportunity to provide testimony in **Opposition** on **Senate Bill 3100, SD1, HD1**. Part 1 of this bill would consolidate the Department of Budget and Finance (B&F) and the Department of Human Resources Development (DHRD) into one department effective July 1, 2020. Part 2 of this bill would transfer the jurisdiction over cable TV and the Broadband Assistance Advisory Council from the Department of Commerce and Consumer Affairs (DCCA) to the Department of Business, Economic Development, and Tourism (DBEDT). It would also transfer jurisdiction over telecommunication carriers from the Public Utilities Commission (PUC) to DBEDT.

While the Office of the Governor supports efforts to improve the efficiency and effectiveness of state government operations, we have serious concerns about this bill. It is not clear how the consolidation of B&F and DHRD would result in improvements and cost savings in government operations. Furthermore, there may be some unintended consequences resulting from the proposed consolidation.

The Office of the Governor also strongly opposes the transfer of Cable TV and telecommunication carriers to DBEDT. DBEDT's primary mission is economic development and does not have the experience and expertise to carryout regulatory functions.

We defer specific comments to testimony submitted by the Department of Accounting and General Services, DHRD, DCCA, DBEDT, and B&F.

Thank you for the opportunity to submit testimony on this bill.

DAVID Y. IGE  
GOVERNOR



RODERICK K. BECKER  
Comptroller

AUDREY HIDANO  
Deputy Comptroller

**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**  
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY  
OF  
RODERICK K. BECKER, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
HOUSE COMMITTEE ON FINANCE  
ON  
WEDNESDAY, MARCH 28, 2018  
4:00 P.M.  
CONFERENCE ROOM 308

S.B. 3100, S.D. 1, H.D. 1

RELATING TO THE STRUCTURE OF GOVERNMENT.

Chair Luke, Vice Chair Cullen, and Members of the Committee, thank you for the opportunity to testify on S.B. 3100, S.D. 1, H.D. 1.

The Department of Accounting and General Services (DAGS) is opposed to this measure which consolidates the Department of Budget and Finance (B&F) and the Department of Human Resources Development (DHRD) to create the Department of Budget, Finance and Human Resources effective July 1, 2020, appropriates an unspecified amount in general funds for FY 2019 to effectuate the consolidation of the two departments into a single department, establishes a Merit Appeals Board and a Human Resources Development Special Fund in the newly consolidated department, transfers the jurisdiction over cable TV and the Broadband Assistance Advisory Council from the Department of Commerce and Consumer Affairs (DCCA) to the Department of Business, Economic Development and Tourism (DBEDT), transfers the jurisdiction over telecommunications carriers from the Public Utilities Commission (PUC) to DBEDT, establishes

the position of Commissioner of Telecommunications to oversee regulatory functions at DBEDT, creates a special fund in DBEDT for administering the regulation of cable systems and telecommunication carriers, and transfers all rights, powers, duties, assets, funds, and employees of DCCA and PUC associated with regulatory jurisdiction transferred to DBEDT.

DAGS opposes S.B. 3100, S.D. 1, H.D. 1 for the following reasons:

- The functions of B&F and DHRD are distinct and separate. It is not clear how consolidating them into a single department improves overall efficiency and effectiveness of State government. Consolidation may result in marginal cost savings and have unintended consequences;
- Merging the two departments will diminish the ability of a director to provide adequate attention and oversight to the various and numerous important and distinct issues currently handled by two departments;
- The Director of Finance and the Director of DHRD or designee are currently statutorily required to sit on several boards, commissions, or committees. Merging the departments and causing a single director to sit on the boards, commissions, or committees of each will be a further draw on the limited time of the director;
- Each director may currently be statutorily required to sit on the same board. This measure does not appear to address this situation;
- The salary of several State positions is statutorily tied to the salary of the Director of DHRD. The Salary Commission has set the salary of the Director of Finance at an amount higher than the Director of DHRD. Merging the departments will jeopardize any rationale or consistency that may have been in place when the salaries of these positions were tied to the Director of DHRD;

- Due to potential unintended increases in the salaries of other State positions caused by this merger, even the marginal savings from reducing one set of director's offices will be offset to some extent;
- Certain functions and responsibilities of the two departments could conflict with each other.
- Regulatory functions over the cable TV and telecommunications industries may be in direct conflict with DBEDT's primary mission of economic and community development which involve the promotion and advocacy of certain industry sectors that contribute to the growth of Hawaii's economy.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE  
GOVERNOR



RYKER WADA  
INTERIM DIRECTOR

JASON MINAMI  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF HUMAN RESOURCES**  
**DEVELOPMENT**  
235 S. BERETANIA STREET  
HONOLULU, HAWAII 96813-2437

March 28, 2018

**TESTIMONY TO THE**  
**HOUSE COMMITTEE ON FINANCE**

For Hearing on Wednesday, March 28, 2018  
4:00 p.m., Conference Room 308

BY

RYKER WADA  
INTERIM DIRECTOR

**Senate Bill No. 3100 S.D. 1, H.D. 1**  
**Relating to the Structure of Government**

TO CHAIRPERSON LUKE, VICE CHAIR CULLEN, AND MEMBERS OF THE  
COMMITTEE:

The purpose of Senate Bill No. 3100 S.D. 1, H.D. 1 is to consolidate the Department of Budget and Finance and the Department of Human Resources Development into the Department of Budget, Finance, and Human Resources.

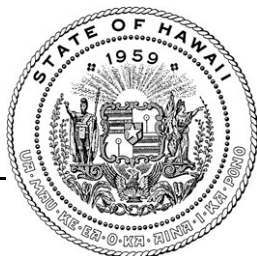
The Department of Human Resources Development (DHRD) appreciates the intent of but **strongly opposes** this measure because it will diminish the Administration's effectiveness of providing leadership in human resource matters throughout the State. DHRD is responsible for overseeing consistency in the administration of personnel laws, rules, policies and programs regarding recruitment, selection, compensation, and employee rights and benefits; representing the State in collective bargaining and labor relations matters; and administering the State's self-

insured workers' compensation program. If the human resources function is transferred to the Department of Budget and Finance, which has its own separate and distinct functional responsibilities, human resource issues of importance to the departments as a whole may not receive the priority and immediate attention they deserve.

Through time, the Legislature, the Governor and the Administration have always placed a high value on its greatest resources – its employees - by recognizing human resources as a cabinet post. They have relied heavily on the expertise and advice of principal staff agencies such as DHRD to address administrative issues on a statewide basis. Having a cabinet level department dedicated to this critical function for all departments of the Executive Branch will ensure consistency and uniformity in the application of human resources laws, rules, policies, and procedures.

DHRD does not take a position on Part II of this measure.

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



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

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Statement of  
**LUIS P. SALAVERIA**  
Director  
Department of Business, Economic Development and Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**  
Wednesday, March 28, 2018  
4:00 p.m.  
State Capitol, Conference Room 308

in consideration of  
**SB3100, SD1, HD1**  
**RELATING TO STRUCTURE OF GOVERNMENT.**

Chair Luke, Vice Chair Cullen, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) respectfully **opposes** SB3100, SD1, HD1, which would consolidate the Department of Human Resources Development and the Department of Budget and Finance into a single department. Part II transfers the regulatory functions over telecommunications and cable TV from the Public Utilities Commission (PUC) and the Department of Commerce and Consumer Affairs (DCCA) to DBEDT. In addition, the bill transfers the Broadband Advisory Council (BAAC) from DCCA to DBEDT.

While State government always looks for possible ways to be more effective and efficient, we do not believe that consolidating B&F and DHRD would result in significant cost savings and may have other unintended consequences. We defer to the testimonies provided by B&F and DHRD on the direct effects of this measure on its departments.

DBEDT's primary mission is economic development and community development, which consists of promotion and advocacy of industry sectors that contribute to the growth of Hawaii's economy. With the exception of land use regulation by attached agencies, the Land Use Commission, the Office of Planning, and the Hawaii Community Development Authority, DBEDT does not have experience in carrying out regulatory functions.

DBEDT is a strong and committed advocate for the expansion of broadband in order for Hawaii to stay competitive in the global economy. We believe that Hawaii's

economic future depends on new transpacific cables landing in Hawaii and telecommunications carriers investing in 4G and 5G infrastructure in Hawaii.

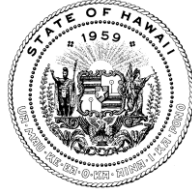
DBEDT is grateful to the Legislature for adding the DBEDT Director as an ex-officio seat on the BAAC last year. The BAAC can be an excellent forum for fostering dialogue and collaboration between the broadband industry, elected officials representing consumers, and state and county departments that are part of the deployment infrastructure for increased broadband coverage.

If additional resources were available, DBEDT could support the transfer of the BAAC to DBEDT as part of a multi-step effort to increase DBEDT's support for the enhancement of broadband for all of Hawaii's businesses and citizens. However, the strong, experienced staff that currently supports the BAAC is also part of the Cable TV Division's regulatory function and benefits from the cable franchise fee revenue.

DBEDT believes this measure could be the start of discussions about role of broadband in economic development, but at this time we still have concerns about compatibility between the functions of regulation and industry advocacy.

Thank you for the opportunity to testify on SB3100, SD1, HD1.





DAVID Y. IGE  
GOVERNOR

DOUGLAS S. CHIN  
LIEUTENANT GOVERNOR

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CATHERINE P. AWAKUNI COLÓN  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON  
FINANCE

TWENTY-NINTH LEGISLATURE  
Regular Session of 2018

Wednesday, March 28, 2018  
4:00 p.m.

**TESTIMONY ON S.B. NO. 3100, S.D. 1, H.D. 1, RELATING TO THE STRUCTURE OF  
GOVERNMENT.**

TO THE HONORABLE SYLVIA LUKE, CHAIR, AND MEMBERS OF THE  
COMMITTEE:

The Department of Commerce and Consumer Affairs (“Department”) appreciates the opportunity to testify on S.B. 3100, S.D. 1, H.D. 1, Relating to the Structure of Government. My name is Ji Sook “Lisa” Kim, and I am the Administrator of the Department’s Cable Television Division. The Department opposes Part II of this bill and provides the following comments.

Part II of this bill transfers to the Department of Business, Economic Development and Tourism (“DBEDT”) jurisdiction over cable television and the Broadband Assistance Advisory Council (“BAAC”) from the Department and over telecommunications carriers from the Public Utilities Commission.

The Department supports DBEDT’s position regarding the transfer of the BAAC to DBEDT. However, consistent with DBEDT’s position, the Department has strong concerns regarding the transfer of the Department’s cable television regulatory functions to DBEDT. The Department questions whether the regulatory functions over cable television would be consistent with DBEDT’s primary mission and duties and

whether it would detract the agency from focusing on its primary functions in planning for and promoting innovative economic growth for the State.

Further, the Department notes that such an extensive transfer of regulatory authority and duties requires careful, judicious study of the necessary statutory amendments and timeline of the transfer, both to ensure that no gaps in regulation result and to avoid any unintended consequences that would be detrimental to the public's interest. The Department has not had sufficient time for such a review.

Thank you for the opportunity to testify on this bill.

TESTIMONY OF RANDY IWASE  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII  
TO THE  
HOUSE COMMITTEE ON  
FINANCE

March 28, 2018  
4:00 p.m.

**MEASURE:** S.B. No. 3100 SD1 HD1

**TITLE:** RELATING TO THE STRUCTURE OF GOVERNMENT.

Chair Luke and Members of the Committee:

**DESCRIPTION:**

Consolidates the Department of Budget and Finance and the Department of Human Resources Development into the Department of Budget, Finance, and Human Resources. Transfers functions and duties accordingly. Transfers to the Department of Business, Economic Development, and Tourism (DBEDT) jurisdiction over cable TV and the Broadband Assistance Advisory Council from the Department of Commerce and Consumer Affairs and telecommunications carriers from the Public Utilities Commission. Establishes the position of a commissioner of telecommunications. Creates special fund in DBEDT for cable TV and telecommunications carriers. Requires the Broadband Assistance Advisory Council to advise the Director of DBEDT on broadband deployment.

**POSITION:**

The Public Utilities Commission ("Commission") offers the following comments for consideration.

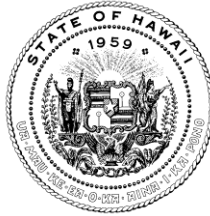
**COMMENTS:**

The Commission takes no position on the proposed transfer of telecommunications carrier regulation to DBEDT. However, the Commission notes that in FY 2017, only 33% of the revenues deposited into the Commission's special fund were appropriated to cover the Commission's direct expenses. The remaining 67% was appropriated to other state

agencies or diverted to the general fund. Furthermore, there are no Commission staff specifically or solely assigned to telecommunications regulation, nor are the appropriations made by the Legislature from the Commission's special fund based on amounts collected from any specific sector (e.g., electric, gas, telecommunications, water, wastewater, etc.). Thus, the Commission requests that no reduction in appropriations to the Commission be made as part of this measure. Any additional diversion from the Commission's special fund should be taken from the 67% of the special fund that is already being diverted to other state agencies or the general fund.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE  
GOVERNOR OF  
HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the House Committee on  
FINANCE**

**Wednesday, March 28, 2018  
4:00 PM  
State Capitol, Conference Room 308**

**In consideration of  
SENATE BILL 3100, SENATE DRAFT 1, HOUSE DRAFT 1  
RELATING TO THE STRUCTURE OF GOVERNMENT**

Senate Bill 3100, Senate Draft 1, House Draft 1, among other things, proposes to: (1) consolidate the Departments of Budget and Finance (B&F) and Human Resources Development (DHRD) into a single department headed by a single executive in order to promote the efficiency and effectiveness of state government by improving the coordination between budgeting and hiring of employees in state positions, and (2) transfer to the Department of Business, Economic Development, and Tourism jurisdiction over cable TV and the Broadband Assistance Advisory Council from the Department of Commerce and Consumer Affairs and telecommunications carriers from the Public Utilities Commission, **The Department of Land and Natural Resources (Department) comments are restricted to PART I of this measure as it pertains to the proposed consolidation of B&F and DHRD, which the Department opposes.**

The Department is not aware of any obstruction impeding interaction between the two agencies and it is unlikely that very many redundancies will be found from which to generate savings or efficiencies. Further, the Department does not believe that the envisioned efficiencies will materialize since the two agencies have very different and distinct missions and purposes and staff functions. The two agencies could be directed to propose ways to improve the coordination between budgeting and hiring employees into state positions and provide those improvements to the Legislature within two years. The Department also notes that in 2009 House Concurrent Resolution No. 76, House Draft 1, Senate Draft 1 established a Task Force on Reinventing Government. The Task Force's 2010 report, titled "Report of the Task Force on Reinventing Government" makes several suggestions for increased efficiencies in 6 departments and overall informational technology recommendations. DHRD, as well as the Department are included in the report.

Thank you for the opportunity to comment on this measure.

**SUZANNE D. CASE**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**ROBERT K. MASUDA**  
FIRST DEPUTY

**JEFFREY T. PEARSON, P.E.**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS



**TESTIMONY OF CHARTER COMMUNICATIONS**

**House Committee on Finance**

**Hawai'i State Capitol, Conference Room 308**

**RE: S.B. 3100, S.D.1, H.D.1**

**WEDNESDAY, MARCH 28, 2018**

**4:00 PM**

Aloha Chair Luke, Vice Chair Cullen and Members of the Committee,

I am Myoung Oh, Director of State Government Affairs, here on behalf of Charter Communications offering our **opposition to Part II** of S.B. 3100, S.D.1, H.D.1.

Part II of this measure transfers the regulatory functions and jurisdiction over telecommunications and cable TV from the Public Utilities Commission (PUC) and the Department of Commerce and Consumer Affairs (DCCA) to the Department of Business of Economic Development, & Tourism. (DBEDT). In addition, the bill transfers the Broadband Assistance Advisory Council (BAAC) from DCCA to DBEDT.

While this measure may have holistic goals to consolidate the States' telecommunications functions and oversight into one department, Charter believes the Legislature should consider weighing out the unintended consequences that this may have on telecommunications companies, consumers, government agencies, and existing processes.

This measure is a departure from existing regulatory oversight, processes, and missions that may not be in the best interest of consumers to uphold fairness and public confidence and the promotion of sound consumer practices. We believe the measure to be a bold undertaking and ask that this initiative undergo thorough vetting process and research with all affected parties and agencies.

Mahalo for the opportunity to offer our opposition on Part II of S.B. 3100, S.D.1, H.D.1.

Written Statement of  
**Ani Menon**  
**Director of Government & Community Affairs**

**HOUSE COMMITTEE ON FINANCE**

March 28, 2018 4:00PM  
State Capitol, Conference Room 308

**IN OPPOSITION TO:**

**S.B. NO. 3100 S.D.1 H.D.1 RELATING TO THE STRUCTURE OF GOVERNMENT**

To: Chair Luke, Vice Chair Cullen, and Members of the Committee  
Re: **Testimony opposing SB3100 SD1 HD1**

Aloha Honorable Chair, Vice-Chair, and Committee Members:

Thank you for this opportunity to submit testimony **opposing** SB3100 SD1 HD1. Part II of this measure seeks to transfer jurisdiction over cable TV and the Broadband Assistance Advisory Council from the Department of Commerce and Consumer Affairs (DCCA) - and telecommunication providers from the Public Utilities Commission (PUC) - to the Department of Business, Economic Development, & Tourism (DBEDT). It also proposes to establish a commissioner of telecommunications, create a special fund in DBEDT for cable TV and telecommunications carriers, and requires the Broadband Assistance Advisory Council to advise the Director of DBEDT on broadband deployment.

We respectfully request that this Committee strike Part II from this measure should it decide to move SB3100 SD1 HD1 forward. Part II is the totality of contents from HB2236 HD1, a measure that received no supporting testimony. Reviving discourse around a jurisdictional transfer that is not necessary at this time should not be a priority for this legislature.

The purpose of Part II, as stated, is to “ensure that the people of Hawaii are afforded equitable access to connectivity in all parts of the State.” This purpose is qualified by a finding by the legislature that changing “technology and modes of operation require a new model of oversight and regulation that protect the public interest and ensure that proper goals and incentives become available and that services are uniformly provided.”

While the purpose that precedes the contents of Part II is notable, the statutory language within Part II does little to accomplish this purpose. Instead, the language within Part II dictates a jurisdictional transfer that remains riddled with ambiguity. There is no guidance as to what the “new model of oversight and regulation” will be or how this jurisdictional change will ensure that “services are uniformly provided.”

Additionally, there is no clear timeline for implementation of this monumental change, and the powers afforded to the one appointed commissioner to make decisions upon his/her own motion

are very concerning. Currently, a diverse and experienced group of commissioners confer when making decisions that affect telecommunications in Hawaii.

Lastly, the potential unanticipated costs inherent in a move this large will prove problematic, and may be one of the many unanticipated consequences caused by Part II of this measure. We respectfully ask that Part II of SB3100 SD1 HD1 be stricken in its entirety should this Committee feel inclined to move this measure forward.

Thank you for the opportunity to testify in opposition to SB3100 SD1 HD1.



DAVID Y. IGE  
GOVERNOR



LAUREL A. JOHNSTON  
DIRECTOR

KEN N. KITAMURA  
ACTING DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**

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EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**

TESTIMONY BY LAUREL A. JOHNSTON  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
SENATE BILL NO. 3100, S.D. 1, H.D. 1

**LATE**

**March 28, 2018**

**4:00 p.m.**

**Room 308**

RELATING TO THE STRUCTURE OF GOVERNMENT

Senate Bill No. 3100, S.D. 1, H.D. 1, Part I, consolidates the Department of Human Resources Development (DHRD) and the Department of Budget and Finance (Department) into one department, and combines the departments' powers and duties effective July 1, 2020. Part I of the bill appropriates an unspecified sum of general funds for FY 19 to consolidate the two departments into a single department.

Part II of the bill transfers to the Department of Business, Economic Development and Tourism (DBEDT), jurisdiction over cable television and the Broadband Assistance Advisory Council (BAAC) from the Department of Commerce and Consumer Affairs (DCCA) and telecommunications carriers from the Public Utilities Commission (PUC); establishes the position of Commissioner of Telecommunications; creates the Telecommunications Carriers and Cable Systems Special Fund; and requires the BAAC to advise the Director of DBEDT on broadband deployment.

The Department opposes Part I of this bill. While we understand the importance of promoting efficiency and effectiveness in State government, the possible economies

of scale resulting from the consolidation appear to be minimal as the core functions of each department are distinct. Each department is currently staffed to implement separate duties and responsibilities, and a re-organization with a potential reduction-in-force may be necessary to provide scalable savings from such a consolidation. Further, until an integrated budget and personnel system is funded, budget and personnel records will still need to be separately maintained. Thus, we believe this consolidation will likely offer only minor cost savings without a significant improvement in the effectiveness of State government.

While the Department takes no position on transferring the jurisdiction over cable television and the BAAC from DCCA and telecommunications carriers from the PUC to DBEDT in Part II of the bill, as a matter of general policy, the Department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regard to Senate Bill No. 3100, S.D. 1, H.D. 1, it is difficult to determine whether the special fund would be self-sustaining.

We defer to DBEDT, DCCA and the PUC on the impact that Part II of this measure would have on their respective operations.

Thank you for your consideration of our comments.

DAVID Y. IGE  
GOVERNOR



TODD NACAPUY  
CHIEF INFORMATION  
OFFICER

STATE OF HAWAII  
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Testimony of  
TODD NACAPUY  
Chief Information Officer, State of Hawai'i

Before the

HOUSE COMMITTEE ON FINANCE  
WEDNESDAY, MARCH 28, 2018  
4:00 P.M.  
State Capitol, Conference Room 308

SENATE BILL 3100, SD1 HD1  
RELATING TO THE STRUCTURE OF GOVERNMENT

Dear Chair Luke, Vice Chair Cullen and members of the committee:

I am Todd Nacapuy, Chief Information Officer for the State of Hawai'i and head of the Office of Enterprise Technology Services (ETS), testifying in **opposition** of Senate Bill 3100, SD1, HD1, Relating to structure of government, Consolidates the Department of Budget and Finance and the Department of Human Resources Development into the Department of Budget, Finance, and Human Resources and transfers the departments' powers and duties effective July 1, 2020.

While the importance of promoting efficiency and effectiveness in state government is important, each department's core function is separate and distinct and there is only a limited functional policy overlap. We suggest exploring other internal and intra-departmental restructurings that may yield more efficiencies and benefits than merging these two dissimilar departments.

Additionally, while we support the intent of consolidating existing telecommunications regulatory functions, we suggest further review if combining government's regulatory and economic development roles into one agency best serves the public interest.

Thank you for allowing me to testify in opposition of this bill.