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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 SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 3100

**February 21, 2018
10:10 a.m.
Room 211**

LATE

RELATING TO THE STRUCTURE OF GOVERNMENT

Senate Bill No. 3100 consolidates the Department of Human Resources Development and the Department of Budget and Finance (B&F) into one department, and transfers the departments' powers and duties effective July 1, 2020. The bill appropriates \$100,000 in general funds for FY 19 to consolidate the two departments into a single department.

B&F opposes 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. Thus, we believe this consolidation will likely offer only minor cost savings without a significant improvement in the effectiveness of state government.

Thank you for your consideration of our comments.

LATE

SB-3100

Submitted on: 2/20/2018 10:11:48 PM

Testimony for WAM on 2/21/2018 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rachel L. Kailianu	Testifying for Ho`omana Pono, LLC	Support	Yes

Comments: