

TESTIMONY OF
JAMES P. GRIFFIN, Ph.D.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

March 19, 2019
2:00 p.m.

Chair Takumi and Members of the Committee:

MEASURE: S.B. No. 550 SD2 HD1

TITLE: RELATING TO THE PUBLIC UTILITIES COMMISSION.

DESCRIPTION: Allows Public Utilities Commission members who are residents of a county other than the City and County of Honolulu to receive an allowance of \$225 per day for expenses related to board, lodging, and incidental expenses and reimbursement for actual air travel expenses incurred in carrying out the members' duties. (SB550 HD1)

POSITION:

The Public Utilities Commission is in **support** of this measure offers the following comments for consideration.

COMMENTS:

The Public Utilities Commission ("Commission") is in support of this measure to provide for travel and other expenses for members of the Commission who are residents of the neighbor islands.

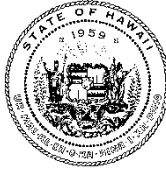
Members of the Commission who are residents of the neighbor islands are not provided any reimbursement for travel expenses, such as airfare, board, lodging, and incidental expenses. For members who are not residents of the City and County of Honolulu, these expenses can be significant, as frequent travel to Oahu is necessary to serve on the Commission. Furthermore, members of the Commission serve full-time, and are prohibited by law from holding any other employment while serving on the Commission.

In addition to airfare, neighbor island Commissioners incur expenses related to lodging, utilities, and transportation on Oahu, which can exceed \$30,000 per year, or more than 25% of a Commissioner's annual salary.

This bill would permit members who are not residents of the City and County of Honolulu to receive an allowance sufficient to cover reasonable expenses related to travel. By permitting an allowance, the State can relieve neighbor island Commissioners from this burden and may be able to attract qualified candidates from neighbor islands and diversify Commission's representation in the future.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR
BONNIE KAHAKUI
ASSISTANT ADMINISTRATOR

STATE OF HAWAII
STATE PROCUREMENT OFFICE

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>
Twitter: [@hawaiispo](https://twitter.com/hawaiispo)

TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE
TO THE HOUSE COMMITTEE
ON
CONSUMER PROTECTION AND COMMERCE
March 19, 2019, 2:00 P.M.

SB 550 SD2, HD1
RELATING TO PUBLIC UTILITIES COMMISSION

Chair Takumi, Vice-Chair Ichiyama, and members of the committee, thank you for the opportunity to submit testimony on SB 550, SD2, HD1. The SPO provides the following concerns:

Concern 1: "ALL persons employed by the state and to all other persons representing the state on official business." are bound by Hawaii Administrative Rules Chapter 3-10. This bill puts Public Utilities Commission (PUC) members outside the rules.

§3-10-3 Applicability. (a) Except as otherwise provided by statute, these rules apply to all persons employed by the State and to all other persons representing the state on official business.

(b) Except as otherwise provided by statute, these rules apply to all travel expenses regardless of the source of funding, unless a non-state entity pays for the entire cost of travel (including per diem and all incidental costs) and makes all travel arrangements.

(c) Wherever there is a conflict between these rules and the provisions of a collective bargaining agreement that is in effect, the provisions of the collective bargaining agreement take precedence; excluded employees under chapter 89, HRS, shall receive the same application of such provisions as employees included in the related bargaining unit.

(d) These rules take precedence over conflicting travel policies, written or unwritten, of any department or agency of the state. Written travel policies for internal administration within departments and agencies are encouraged, but are subordinate to these rules. The head of each department is responsible for compliance with the requirements of the rules. [Eff 6/01/81; am and comp JUL 23 1999]
(Auth: HRS §40-13) (Imp: HRS §40-13)

Recommendation: PUC members should be bound by HAR 3-10, Travel Rules, and afforded the same allowances. Currently, most employees are entitled to intra-state airfare and per diem of \$90.00 for inter-island travel, plus reimbursement for allowable expenses, which is spelled out in the Hawaii Administrative Rules.

If the Committee decides to override current policy, and allow the PUC members a travel allowance of \$225 per day, please note the following specific concerns:

Concern 2: The bill only addresses an allowance of \$225 for members of the Public Utilities Commission (PUC). There are various other boards and commission members that are also travel from counties outside the City & County of Honolulu that may also be burden with similar expenses.

Recommendation: If neighbor island PUC commission members are going to be allowed \$225.00 allowance all commission members of all board should be afforded to same allowance. Alternatively, instead of a flat allowance of \$225 per day, the allowance should be the same as most collective bargaining and exempt employees currently receive, or as amended.

Concern 3: This bill does not clarify what are "incidentals," or what allowable expenses would include.

Recommendation: Include verbiage that clarifies what the \$225 per day covers, in addition to lodging. For example; ground transportation (including car rental and/or taxi fare), hotel parking, taxes and gratuities, etc.

Concern 4: This bill does not address the daily allowance for one day travel, should the need arise. Currently most employees are only allowed \$20.00 a day, plus intra-state airfare and ground transportation.

Recommendation: The bill should include verbiage to address an allowance for same day travel, preferably \$20.00, or as amended, the same given to most employees.

Concern 4: This bill does not address how an allowance will be calculated if there are partial days. For example, one and one-half days. Currently, employees are entitled to per diem based on quarter (1/4 days) depending on the time the traveler starts/ends the trip.

Recommendation: The bill should include verbiage to address allowance for partial days.

Thank you.

CITIZENS' CAUCUS

Testimony in Opposition to SB550, HD1
Before the House Committee on Consumer Protection & Commerce
March 19, 2019 at 2p.m.

Good Morning Chair Takumi, Vice Chair Ichiyama, and members of the Committee:

CITIZENS' CAUCUS, a public advocacy group, strongly opposes SB550, HD1 because it is too costly to the State.

The proposed stipend of \$225 in addition to travel expenses for a Public Utilities Commission member that is not a resident of the City and County of Honolulu is too excessive. Why should the Tax Payers of Hawaii pay for a member of the PUC daily food, lodging and incidental expenses? Even if this person did not travel to Honolulu, they would still have to eat, have rent/mortgage, and buy incidentals, so why do taxpayers have to foot the bill for these normal daily expenses? This proposal is plain excessive and another burden on the Hawaii Tax payer.

If the Legislature is so intent on spending taxpayer money, why don't you use this proposed money to fund another staff position at the PUC.

We strongly oppose this bill.



Hawaii Solar Energy Association
Serving Hawaii Since 1977

**TESTIMONY OF THE HAWAII SOLAR ENERGY ASSOCIATION
IN REGARD TO SB 550 SD2 HD1, RELATING TO THE PUBLIC UTILITIES
COMMISSION
BEFORE THE
HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
ON
TUESDAY, FEBRUARY 19, 2019**

Chair Takumi, Vice-Chair Ichiyama, and members of the committee, my name is Will Giese, and I represent the Hawaii Solar Energy Association, Inc. (HSEA)

HSEA SUPPORTS SB 550 SD2 HD1. This measure allows Public Utilities Commission members who are residents of a county other than the City and County of Honolulu to receive an allowance of \$225 per day for expenses related to board, lodging, and incidental expenses and reimbursement for actual air travel expenses incurred in carrying out the members' duties.

Hawaii's energy landscape is experiencing a profound and revolutionary transition. This transition encompasses economic, industrial, market-based, and cultural facets. Thus, the PUC, which is the primary regulator of these policy discussions, technologies, and markets requires a diverse and varied leadership among its appointed commission that can represent the interests of the state from every island and culture.

Hampering the ability of these appointed commissioners by not offering them fair compensation or financial recuperation for their travel from their home island to Oahu, or by not allowing or facilitating appropriate means of telework or "alternative working means" will negatively impact Hawaii's ability to meet its energy goals.

We **STRONGLY SUPPORT** HB 550 SD2 HD1 and we urge this committee to pass this measure.

Thank you for the opportunity to testify.