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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Intrastate Commerce
Tuesday, March 19, 2019
9:00 a.m.
State Capitol, Conference Room 430**

**On the following measure:
S.B. 812, S.D. 1, RELATING TO THE DEPARTMENT
OF COMMERCE AND CONSUMER AFFAIRS**

Chair Ohno and Members of the Committee:

My name is Catherine Awakuni Colón, and I am the Director of the Department of Commerce and Consumer Affairs (DCCA or Department). The Department offers comments on S.B. 812, S.D. 1, which appropriates unspecified funds for the DCCA.

The Department believes that action on this bill is unnecessary because the budget requests proposed in this measure have already been incorporated into the executive budget bills H.B. 2, H.D. 1, S.D. 1 and H.B. 116, S.D. 1. In addition, the Department understands the Committee's review of this bill is limited to those program IDs it reviewed earlier this session:

- CCA-102, Cable Television Division (CATV)
- CCA-104, Division of Financial Institutions (DFI)
- CCA-105, Professional and Vocational Licensing Division (PVL)
- CCA-106, Insurance Division (INS)

The budget requests of the DFI, PVL, and INS are explained in detail below and by order of priority. The CATV has no budget requests this session. Each division has sufficient reserves to cover the costs associated with the proposed budget increases.

1. CCA-105, PVL

The PVL is requesting an appropriation out of the Compliance Resolution Fund (CRF) of \$300,000 for fiscal year (FY) 2019-2020 and \$300,000 for FY 2020-2021 to fund software licensing costs to replace its applicant/licensee integrated automated system.

2. CCA-104, DFI

The DFI is requesting an appropriation out of the CRF of \$40,000 for FY 2019-2020 and \$40,000 for FY 2020-2021 for maintenance and software licensing costs for the DFI's database and records management system. The contract for the database and document management system was executed after the previous biennium budget was implemented. At that time, the DFI used its best estimate available in estimating the costs of the replacement of the outdated database and maintenance costs. The annual cost of the maintenance and software costs is \$140,000, and the DFI currently has \$100,000 allocated in its budget. The database and records management system is scheduled to "go live" in July 2019, when the division will be required to start the annual payment of maintenance and software costs.

3. CCA-105, PVL

The PVL is requesting an appropriation out of the CRF of \$108,806 for FY 2019-2020 and \$108,806 for FY 2020-2021 to fund two full-time equivalent (2.00 FTE) permanent positions that will perform work pertaining to Act 044, Session Laws of Hawaii 2018 (physician licensure by endorsement).

4. CCA-106, INS

The INS is requesting an appropriation out of the CRF of \$2,500,000 for FY 2019-2020 and \$500,000 for FY 2020-2021 to fund the replacement of the Hawaii Insurance Database System and corresponding licensing, maintenance, and independent verification and validation costs.

Thank you for the opportunity to testify on this bill.