

# SB812

Measure Title: RELATING TO THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS.

Report Title: Budget; Department of Commerce and Consumer Affairs; Operating Expenses; Appropriation (\$)

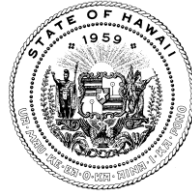
Description: Appropriates funds for operating expenses of the department of commerce and consumer affairs.

Companion:

Package: None

Current Referral: CPH, WAM

Introducer(s): BAKER



DAVID Y. IGE  
GOVERNOR

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LT. GOVERNOR

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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
Senate Committee on Commerce, Consumer Protection, and Health  
Tuesday, January 29, 2019  
9:30 a.m.  
State Capitol, Conference Room 229**

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

Chair Baker 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). This testimony relates to all DCCA program IDs other than the program ID for the Public Utilities Commission (PUC). The PUC, as an independent attached agency, will present testimony separately regarding its budget requests.

The Department supports S.B. 812, which appropriates funds for the DCCA. The Department understands this bill is designed to complement the DCCA's "modified base budget" bill, S.B. 285, and as such, respectfully requests the two bills be appropriately reconciled to capture the DCCA's budget appropriations. To that end, the Department requests revising page 3, lines 19-21 of the bill to include a reference to S.B. 285.

## **OVERVIEW OF CCA**

Unlike other departments, the DCCA receives no general fund appropriations. The Compliance Resolution Special Fund (CRF) is the primary funding source for the DCCA's programs, and the Department relies on fees and fines instead of general tax revenues. The DCCA's financial strategy helps ensure that divisions have revenues to pay expenses and contribute equitably to departmental overhead costs, while maintaining sufficient reserves to address planned or unexpected contingencies. As a non-general fund department, the DCCA is subject to the same legislative and executive budgetary controls as those for the general fund (Hawaii Revised Statutes (HRS) section 37-51).

As this committee reviewed the Department's current budget and budget request during the joint session of the Senate Committees on Ways and Means and Commerce, Consumer Protection, and Health on January 10, 2019, this testimony does not repeat an overview of the Department's functions, program IDs, priorities, and methods of funding. See,

[http://www.capitol.hawaii.gov/session2019/testimony/Info\\_Testimony\\_WAM-CPH\\_01-10-19\\_CCA.pdf](http://www.capitol.hawaii.gov/session2019/testimony/Info_Testimony_WAM-CPH_01-10-19_CCA.pdf). However, the DCCA's 11 program IDs are reproduced below:

- CCA-102, Cable Television Division (CATV)
- CCA-103, Division of Consumer Advocacy (DCA)
- CCA-104, Division of Financial Institutions (DFI)
- CCA-105, Professional and Vocational Licensing Division (PVL)
- CCA-106, Insurance Division (INS)
- CCA-107, Hawaii Post-Secondary Education Authorization Program (HPEAP)
- CCA-110, Office of Consumer Protection (OCP)
- CCA-111, Business Registration Division (BREG)
- CCA-112, Regulated Industries Complaints Office (RICO)
- CCA-191, General Support, including: Director's Office, Administrative Services Office (ASO), Information Systems Communications Office (ISCO), and Office of Administrative Hearings (OAH)
- CCA 901, Public Utilities Commission (PUC)

## **DCCA BUDGET REQUESTS**

The Department has 16 budget requests, which do not include the five requests from the PUC and, as discussed in the Department's S.B. 285 testimony, the three requests involving conversions. The 16 requests are explained in greater detail below and by order of priority. Each division has sufficient reserves to cover the costs associated with the proposed budget increases.

### **1. CCA-103, DCA**

The DCA is requesting an appropriation out of the PUC Special Fund of \$292,000 for FY 2019-2020 and \$584,000 for FY 2020-2021 to fund five permanent positions in its division: one full-time equivalent (1.0 FTE) attorney; one full-time equivalent (1.0 FTE) administrative specialist; and three full-time equivalent (3.0 FTE) program specialists. These additional positions would increase the total number of DCA positions to 28 and help meet the division's increasing workload, both in terms of volume and complexity, and cases before the PUC. Recognizing the time required to establish and fill these positions, the DCA is requesting that the positions be hired as follows: one program specialist in FY 2020; the attorney, the administrative specialist and the second program specialist in the second half of FY 2020; and the third program specialist in FY 2021. The DCA requests authorization to expend \$4,520,537 in FY 2020 and \$4,812,537 in FY 2021.

### **2. CCA-112, RICO**

RICO is requesting an appropriation out of the CRF of \$350,000 for FY 2019-2020 and \$50,000 for FY 2020-2021 to build on and maintain its case management system.

### **3. CCA-105, PVL**

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

### **4. 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.

#### **5. CCA-191/AI, ISCO**

ISCO is requesting an appropriation out of the CRF of \$100,000 for FY 2019-2020 and \$25,000 for FY 2020-2021 to fund software to assist with integrating and tracking data objects with newly developed systems.

#### **6. 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).

#### **7. 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.

#### **8. CCA-110, OCP**

The OCP is requesting an appropriation out of the CRF of \$50,000 for FY 2019-2020 and \$50,000 for FY 2020-2021 to pay the central services assessment, which is based on a percentage of revenue.<sup>1</sup>

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<sup>1</sup> Under HRS section 36-27(a), "[T]he director of finance, for the purpose of defraying the prorated estimate of central service expenses of government in relation to all special funds . . . shall deduct five per cent of all receipts of all other special funds, which deduction shall be transferred to the general fund of the State and become general realizations of the State."

**9. to 16. CCA-104, DFI; CCA-106, INS; CCA-106, INS Captives; CCA-107, HPEAP; CCA-111, BREG; CCA-112, RICO; CCA-191/AA, Admin; and CCA-191/AI, ISCO**

These program IDs are requesting ceiling increases to accommodate an adjustment in the fringe assessment. Pursuant to Finance Memorandum No. 18-16, the State's fringe benefit assessment rate for non-general fund programs is 60% for FY 2020 and FY 2021, due primarily to the projected costs of prefunding other post-employment benefits. The Department requires the requested budget increase to effectively fund all authorized positions. Each of these program IDs have sufficient fund balances to cover their fringe increases.

Thank you for the opportunity to testify on this bill.

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

TO THE  
SENATE COMMITTEE ON  
COMMERCE, CONSUMER PROTECTION, AND HEALTH

January 29, 2019  
9:30 a.m.

Chair Baker and Members of the Committee:

**MEASURE:** S.B. No. 812

**TITLE:** RELATING TO THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS.

**DESCRIPTION:** Appropriates funds for operating expenses of the department of commerce and consumer affairs.

**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. The Commission offers the following overview and description of the agency (CCA-901, Public Utilities Commission) and the Commission’s budget addition requests.

**I. FUNCTIONS**

The Public Utilities Commission regulates all chartered, franchised, certificated, and registered public service companies operating in the State of Hawaii (“State”) that provide electricity, telecommunication, gas, private water and sewage, motor and water carrier transportation services and other entities as required by law. The Commission has the statutory authority to enforce applicable State statutes, and to establish and enforce administrative rules and regulations, and to set policies and standards.

During the prior Fiscal Year (“FY18”) (July 1, 2017 – June 30, 2018) the Commission regulated 1,806 public utilities and other entities in the State with revenues totaling more than \$2.5 billion. In carrying out its duties, the Commission issued a total of 862 decisions and orders during the fiscal year.

The Commission began FY18 with 163 open dockets that had been initiated in previous fiscal years. During FY18, an additional 429 new dockets were opened (most of which were applications and other requests filed by entities regulated by the Commission), and 451 dockets were completed (closed). As of the end of FY18, 141 open dockets carried over into the current fiscal year.

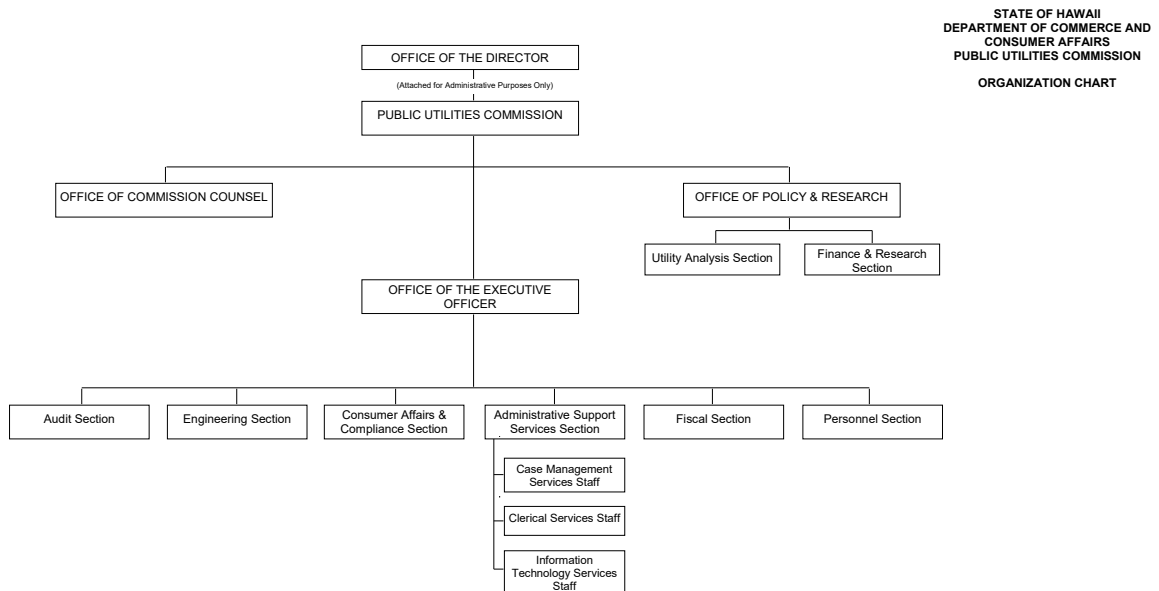
Functions and duties of the Commission include, but are not limited to:

- Establishing rates, tariffs, charges and fees, including determining the allowable rate of earnings for regulated entities in establishing rates;
- Issuing orders and guidelines concerning the general management and safe operation of regulated utility businesses;
- Adopting and promulgating rules and regulations pertaining to standards of efficient and reasonable services, safety of operations, adequacy of facilities, accounting methods and records, financial and statistical reports, filings with the Commission, and practices and procedures before the Commission;
- Acting on applications for certification and for the extension or abandonment of services;
- Prescribing methods, service, lives and annual rates of depreciation for utility properties;
- Responding to requests for the acquisition, sale, disposition or other exchange of utility properties, including mergers and consolidations;
- Acting on requests for the issuance and disposition of securities and other evidences of long-term indebtedness; and
- Implementing the State’s policies and performs oversight duties of legislatively mandated initiatives, including clean energy initiatives such as renewable portfolio standard, energy efficiency portfolio standard, and public benefits fee.



## II. ORGANIZATIONAL STRUCTURE

Act 177, SLH 2007 provided for a restructuring of the Commission to improve operational effectiveness, including 12 new positions and the conversion of 7 temporary positions to permanent status. In 2014, Act 108, SLH 2014 (“Act 108”), transitioned the Commission’s administrative status within the Department of Budget and Finance to the Department of Commerce and Consumer Affairs (“DCCA”). Act 108 provided the Commission with more decision-making discretion and enabled the Commission to hire an (1) executive officer, (2) fiscal officer, and (3) personnel officer to support the administrative functions of the Commission. The Office of the Executive Officer, Fiscal section and Personnel section were then added to the Commission’s organizational chart.



6/30/18

### Office of Commission Counsel

The Office of Commission Counsel provides in-house legal counsel to the Commission and its staff. The functions of this Office include but are not limited to:

- Furnishing general legal advisory services in all matters involving the Commission's functions and activities under governing statutes, rules, and policies applicable to or affecting the Commission;

- Managing and drafting Commission orders and Decisions & Orders;
- Representing the Commission before reviewing courts the State Legislature and other State and Federal agencies; and
- Assisting in the formulation of rules and regulations and of legislative matters pertaining to the Commission.

### **Office of the Executive Officer**

The Office of the Executive Officer plans, directs, and manages the operations of the Commission. This Office is also comprised of the following sections: (i) Audit, (ii) Engineering, (iii) Consumer Affairs and Compliance, (iv) Administrative Support Services, (v) Fiscal, and (vi) Personnel. The functions of this Office, broadly, are as follows:

- Administers the daily operations of the Commission ensuring availability of appropriate resources to effectively perform daily tasks and meet organizational goals and objectives;
- Oversees the personnel functions of the Commission, including management and recruitment of personnel, and staff development; fiscal functions of the Commission, including budget planning and implementation, procurement and contract administration, transactional functions, and payroll; and implementation of administrative and legislatively directed programs and projects;
- Plans, organizes, coordinates, and directs the formulation of plans, strategies, and implementation actions that support the Commission's short and long-term goals; and
- Develops and coordinates the plans, functions, and production of the Audit, Engineering, Consumer Affairs and Compliance, Administrative Support Services, Fiscal, and Personnel Sections to ensure effective achievement of Commission tasks and goals.

### **Audit Section**

The Audit Section aids in conducting audit projects that involve the examination of accounts and records; the review and evaluation of reports, working papers and

expenditures; the development and implementation of research projects and audit studies; and the preparation of reports of audits and special projects for matters under consideration by the Commission. The primary focus of the Audit Section is the examination of accounting records to check for accuracy, conformance to prescribed standards, and propriety of transactions. The Office of Policy and Research uses the data gathered by the Audit Section and from other sources in its financial analyses of the regulated companies. The Audit Section:

- Assists the Commission in research, analysis and preparation of summaries in exhibits and information for matters before the Commission;
- Examines accounts and records of regulated companies to ascertain compliance with the Commission's policies, orders, and records keeping requirements and regulations.
- Reviews and evaluates reports, working papers, and expenditures of public utilities to determine whether the public utilities' operations are consistent with the Commission's objectives to provide reasonable rates and charges; and
- Furnishes reports to the Commission on its audit activities.

#### Engineering Section

The Engineering Section provides assistance to carry out engineering functional duties, preparing and/or compiling data into comprehensive studies and reports, and conducts investigations requiring technical determinations on complaints and compliance by the regulated entities. The Engineering Section:

- Assists the Commission by providing engineering data and studies concerning system design, construction, maintenance, and operation of entities regulated by the Commission;
- Conducts investigations, studies, and prepares reports relating to overhead line construction by electric and telephone companies for compliance with standards;
- Conducts investigations to enforce compliance with service standards for all regulated companies;

- Reviews and reports on studies utilized to justify recommendations for revision of existing rules and regulations;
- Analyzes and evaluates depreciation studies or electric, gas, and telephone utilities to determine service lives of equipment used or useful for public utility purposes, including analysis of retirement dispersions, annuity rates, salvage ratio and other factors affecting the depreciation rates;
- Reviews capacity studies based on load growth and system reliability to determine future requirements of the regulated utility companies;
- Reviews, analyzes, and evaluate capital expenditure requests by regulated companies to install and construct equipment and facilities or to lease or purchase property for public utility purposes; and
- Analyzes and evaluates all testimony and exhibits in cases relating to fuel oil, maintenance, generation transmission, distribution costs including all factors relating to cost of service, rate base, and revenue requirements, advocated by the respective parties to assist the Commission in this deliberation of the proceeding.

#### Consumer Affairs and Compliance Section

The Consumer Affairs and Compliance Section establishes and maintains contact with the media, regulated entities, government agencies, and the public; disseminates public information; provides investigation, complaint resolution, enforcement services, and conducts community outreach and educational services on behalf of the Commission. The Consumer Affairs and Compliance Section:

- Receives, reviews, attempts to resolve informal inquiries and complaints or refers to appropriate government agency for follow up action;
- Plans, organizes, coordinates, and directs the Commission's education and community outreach activities and tasks;
- Plans, coordinates and implements the Commission's public information, programs and activities across all media;
- Oversees the administration of projects and legislatively mandated programs as appropriate;
- Conducts inspection, surveys, tests, and inquiries into the operations,

- practices, services, records, and property of the regulated entities and submits reports to the Commission regarding these studies; and
- Issues citations and serves subpoenas to alleged violators of Commission statutes, rules, and regulations.

*Administrative Support Services Section*

The Administrative Support Services Section provides specialized staff support to the Executive Officer in the administration of the daily operations of the Commission and assists with the planning, coordination, execution, and oversight of Commission special projects and activities.

Within the Administrative Support Services Section, the *Case Management Services Staff* maintains and preserves the Commission's official docket files and quasi-judicial records and provides support services to the Chief Counsel and Legal Section. The Case Management Services Staff:

- Receives, records, issues, and preserves the quasi-judicial records and tariffs of the Commission in official hard-copy, electronic, and permanent (e.g., microfilm) forms;
- Maintains a register of all Commission decisions, orders, records all votes and official acts of the Commission;
- Schedules and arranges for Commission hearings and other official proceedings and issues required official public notices;
- Assists regulated entities, their counsel, other stakeholders, and the public with docketed matters; and
- Files/transmits official Commission documents all rules and regulations with respective courts and government offices and agencies.

Within the Administrative Support Services Section, the *Clerical Services Staff* provides clerical support services such as records and system maintenance, typing, duplicating, travel voucher preparation, processing mail, messenger services, reception activities, and administrative and clerical support for all Commission staff. The Clerical Services Staff:

- Maintains Commission's non-docketed files and records;

- Receives and processes informal complaints and inquiries; and
- Provides reception services to the general public.

Within the Administrative Support Services Section, the *Information Technology Staff* provides Information Technology (“IT”) support and information to the Commissioners and staff. The Information Technology Staff:

- Administers, maintains, enhances, and procures the Commission’s IT infrastructure that includes equipment, cabling/wiring, and services for the Commission’s Wide Area Network (WAN), Local Area Network (LAN), telecommunication network, servers, workstations, mobile devices, communication devices, copy/scan/print devices, and Audio/Video systems;
- Recommends, develops, maintains, and enhances IT systems and applications;
- Provides end user support for IT infrastructure, systems, and office applications through onsite and help desk support, documentation, and training; and
- Serves as a knowledge base for IT standards and trends.

#### Fiscal Section

The Fiscal Section plans, develops, coordinates, and implements the Commission’s fiscal and procurement activities ensuring compliance and completeness of all processes. The Fiscal Section:

- Plans, executes, manages, and reconciles the Commission’s budget; prepares budget proposals, reports and testimonies; and formulates responses to audit inquiries and investigations;
- Manages and processes payroll and all related transactions;
- Provides clerical fiscal support for all matters concerning the Commission’s fiscal activities, maintains the Commission’s physical inventory, and maintains fiscal records;
- Plans, and conducts the Commission’s procurement activities, including travel requests, prioritizing and coordinating requests from

the different offices and sections while adhering to the budget execution plan; and

- Coordinates and administers contract activities such as development and preparation of specifications, requests for proposals, review and selection of proposals, publication notices, contract execution, and vendor compliance and satisfactory performance to program standards.

### Personnel Section

The Personnel Section oversees and performs internal personnel support functions for the Commission ensuring compliance and completeness for all personnel support activities. The Personnel Section:

- Coordinates, assists, and processes recruitment, on boarding, orientation activities; and completes and files necessary forms and documents with respective agencies;
- Maintains and updates Commission's personnel records and files, distributes personnel related documents, assists with staff personnel inquiries, and maintains confidentiality;
- Oversees and coordinates staff development and discipline; Performance Appraisal System (PAS) execution and compliance; developing, budgeting, and tracking of training activities; and coordination of Commission initiated staff training sessions; and
- Provides support and guidance to staff on Human Resource related inquiries and requests.

### Office of Policy and Research

The Office of Policy and Research provides comprehensive technical policy analysis and research; financial, statistical, and economic evaluations; legislative and media support functions; and assists with the development of Commission rules and policies. The Office of Policy and Research is comprised of the following two sections: (i) Utility Analysis, and (ii) Economics and Research.

### Utility Analysis Section

- Conducts analyses of all phases of utility and transportation company operations dealing with financial needs, methods, practices, costs thereof, and rates of return;
- Analyzes emerging issues and developing trends in industries regulated by the Commission;
- Identifies objectives and policies the Commission should pursue and develops programs to support stated policies;
- Advises the Commission on all regulated industry and government policy matters;
- Develops strategies and oversees implementation of action plans and programs that carry out legislatively mandated goals and objectives including the State's clean energy initiatives; and
- Coordinates, manages, and oversees Commission Legislative team and related efforts.

*Economics and Research Section*

- Prepares financial analyses on pending applications involving regulated companies' requests to issue securities or assume liabilities and obligations thereof, to modify capital structures, and to reorganize;
- Plans, organizes and performs economic analyses of operations, methods, and costs of financing, rates of return and other financial and economic information regarding matters under consideration by the Commission;
- Investigates, reviews and evaluates operating activities of franchised or certified public service companies, including rates, tariffs, charges, rules and regulations, practices, services, capital improvement plans, blueprints, facilities, transactions with affiliates, agreements, load growth projections and peak load requirements;
- Conducts studies and renders technical assistance, advice, and evaluation of mathematical and statistical aspects of matters subject to the Commission's jurisdiction; and
- Provides research support and analytical functions to the Commission.



**III. SOURCES OF REVENUE**

The Commission is entirely funded by the entities it regulates. Pursuant to HRS §§ 269-30(b) and 271-36, the Commission collects fees from public utilities and motor carriers subject to the jurisdiction of the Commission. In addition, pursuant to existing statutory authority and the Commission's administrative rules, the Commission collects additional fees, charges, penalties, and fines during the course of its work. All fees, charges, and other revenues are deposited in the PUC Special Fund.

The table below provides the Commission's Special Fund Revenues for FY17 and FY18.

<b>Description of Revenues</b>	<b>FY 2017</b>	<b>FY 2018</b>
Public Utility Fees	\$17,193,514	\$14,798,891
Motor Carrier Fees	1,747,764	1,809,299
Hawaii One Call Center Fees	70,553	86,352
Filing Fees and Other Revenues	55,637	160,278
Motor Carrier Interest, Penalties, and Fines	80,912	50,511
<b>Total Revenues</b>	<b>\$19,148,380</b>	<b>\$16,905,331</b>

**IV. NON-GENERAL FUND BALANCES**

The Commission's special fund balance at the end of the last fiscal year was \$4,155,566.

**V. BASE BUDGET FOR 2019**

The base budget for Fiscal Year 2019 is \$15,470,219.

**VI. NUMBER OF POSITIONS**

The Commission currently has 65 approved positions. Act 177 SLH 2007 initially provided approval for the restructuring of the PUC to improve operational effectiveness,

including 12 new positions and the conversion of 7 temporary positions to permanent status. Subsequently, Act 108 allowed the addition of the executive officer, fiscal officer, and personnel officer.

## **VII. NUMBER OF VACANCIES**

Currently, the Commission has 6 vacancies that include Commissioner, Secretary I, Human Resources Assistant V, PUC Legal Assistant, Investigator IV, and Auditor V.

The position of Commissioner was recently vacated due to the retirement of Chair Randy Iwase. The Commission has had difficulty filling the Investigator IV and Auditor V positions due to the very limited number of qualified applicants at these levels. The Commission is pursuing options with the Department of Human Resources Development with respect to the classification, compensation, and recruitment of the Investigator IV position. The Commission is reviewing the position descriptions for the Secretary I, Human Resources Assistant V, and PUC Legal Assistant for re-description and possible reclassification that would better suit the Commission's needs.

Additionally, the Commission has two vacant temporary Enforcement Officers that were established pursuant to Act 201 SLH 2018. As described below, the Commission is requesting a budget addition to reclassify these positions as permanent positions.

## **VIII. REQUESTS FOR THE NEXT BIENNIUM (FYs 2020 and 2021)**

The Commission's requests for the next biennium are as follows:

- 1. Request to replace the commission's document management system (DMS).** Per Report No. 18-05 Audit of the Public Utilities Commission issued in February 2018, the State Auditor recommended that the Commission address shortfalls in its Document Management System (DMS) as soon as possible to avoid additional maintenance for the current system. The Commission has procured a vendor to conduct a Feasibility Study to determine whether an enhancement of the current system or replacement of the entire system is the best course of action. It has been recommended that the system be replaced. The requested amount is \$500,000 and \$2,060,000 in FY 20 and FY 21 respectively.
- 2. Request to convert two temporary Enforcement positions to permanent to increase enforcement activities in its oversight of motor carriers.** The

Consumer Affairs and Compliance section works to resolve complaints for all the Commission's regulated entities. Two temporary enforcement positions (effective July 1, 2018 for one year) were appropriated in Act 201 SLH 2018 HB2684 HD1 SD1 CD1. The enforcement positions authorized will allow the department to increase its presence in monitoring motor carrier activity and compliance with Commission laws, rules, regulations and orders. These positions have been difficult to fill because they are temporary. The Commission is requesting to convert them to permanent positions. The requested amount is \$200,240 and \$195,840 in FY 20 and FY 21 respectively.

- 3. Request to replace aging IT equipment for staff.** This request includes but is not limited to, laptops, desktops, and monitors needed to provide adequate equipment to new staff as well as replace aging equipment. The requested amount is \$33,000 for both FY 20 and FY 21.

Purchases for FY20 include:

- 10 monitors;
- 27 laptops;
- UPS Smart UPS for LAN Servers & Network Equipment (2x).

Purchases for FY21 include:

- 17 laptops;
- 20 monitors;
- LAN File Servers (Replacement) (2x)

- 4. Request to increase Fringe.** Pursuant to Finance Memorandum No. 18-16, the State's fringe benefit assessment rate for non-general fund programs is 60% for FY 20 and FY 21 primarily due to the projected costs for the prefunding of other post-employment benefits. The Commission requires the requested budget increase to effectively fund all authorized positions.
- 5. Request to fund additional positions for the Division of Consumer Advocacy (CCA-103).** The Division of Consumer Advocacy funded from the PUC Special Fund and is requesting an appropriation for \$292,000 for FY 19 and \$584,000 for FY 20, to fund five permanent positions in its division: one staff attorney, one

administrative specialist, and three program specialists. These additional positions would increase the total number of DCA positions to 28 and help meet the division's increasing workload, both in terms of volume and complexity, and cases before the PUC. Recognizing the time required to establish and fill these positions, the DCA is requesting that the positions be hired as follows: one program specialist in FY 2020; the attorney, the administrative specialist and the second program specialist in the second half of FY 2020; and the third program specialist in FY 2021.

The requested additions are summarized in the table below.

<b>Requested Additions</b>	<b>FY20</b>	<b>FY21</b>
DMS	\$500,000	\$2,060,000
Permanent Enforcement Positions	200,240	195,840
IT Equipment Replacement	33,000	33,000
Fringe Benefits	899,698	899,698
CCA-103	292,000	584,000
<b>Total</b>	<b>\$1,924,938</b>	<b>\$3,772,538</b>

Thank you for the opportunity to testify on this measure.

**SB-812**

Submitted on: 1/25/2019 4:03:20 PM

Testimony for CPH on 1/29/2019 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments: