

HB
759

A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 **PART I. GENERAL PROVISIONS**

2 SECTION 1. The purpose of this Act is to establish the
3 operating budget for the fiscal biennium beginning July 1, 2019,
4 and ending June 30, 2021, for state executive branch programs
5 under the purview of the house of representatives standing
6 committee on consumer protection and commerce.

7 SECTION 2. DEFINITIONS. Unless otherwise clear from the
8 context, as used in this Act:

9 "Expending agency" means the executive department,
10 independent commission, bureau, office, board, or other
11 establishment of the state government (other than the
12 legislature, office of Hawaiian affairs, and judiciary), the
13 political subdivisions of the State, or any quasi-public
14 institution supported in whole or in part by state funds, which
15 is authorized to expend specified appropriations made by this
16 Act.



1 Abbreviations, where used to denote the expending agency or
2 a standing committee of the house of representatives, shall mean
3 the following:

4 CCA Department of commerce and consumer affairs

5 CPC House of representatives standing committee on
6 consumer protection and commerce

7 "Means of financing" or "MOF" means the source from which
8 funds are appropriated or authorized to be expended for the
9 programs and projects specified in this Act. All appropriations
10 are followed by letter symbols. The letter symbols, where used,
11 shall have the following meanings:

12 B Special funds

13 T Trust funds

14 "Position ceiling" means the maximum number of permanent
15 and temporary full-time equivalent positions authorized for a
16 particular program during a specified period or periods, as
17 denoted by an asterisk for permanent full-time equivalent
18 positions and a pound sign for temporary full-time equivalent
19 positions.

20 "Program ID" means the unique identifier for the specific
21 program and consists of the abbreviation for the organization



1 responsible for carrying out the program followed by the
2 organization number for the program.

3 **PART II. PROGRAM APPROPRIATIONS**

4 SECTION 3. APPROPRIATIONS. The following sums, or so much
5 thereof as may be sufficient to accomplish the purposes and
6 programs designated herein, are hereby appropriated or
7 authorized, as the case may be, from the means of financing
8 specified to the expending agencies designated for the fiscal
9 biennium beginning July 1, 2019, and ending June 30, 2021. The
10 total expenditures and the number of positions in each fiscal
11 year of the biennium shall not exceed the sums and the position
12 ceilings indicated for each fiscal year, except as provided
13 elsewhere in this Act or as provided by general law.



PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS			
				FISCAL YEAR 2019-2020	M O F	FISCAL YEAR 2020-2021	M O F

1		CPC - CONSUMER PROTECTION & COMMERCE					
2	1.	CCA103 - CONSUMER ADVOCATE FOR COMMUNICATION, UTILITIES, AND					
3		TRANSPORTATION SERVICES					
4				23.00*		23.00*	
5		OPERATING	CCA	4,228,537B		4,228,537B	
6							
7	2.	CCA110 - OFFICE OF CONSUMER PROTECTION					
8				18.00*		18.00*	
9				2.00#		2.00#	
10		OPERATING	CCA	2,684,968B		2,684,968B	
11			CCA	100,681T		100,681T	
12							
13	3.	CCA901 - PUBLIC UTILITIES COMMISSION					
14				65.00*		65.00*	
15		OPERATING	CCA	15,470,219B		15,470,219B	
16							
17							



1 **PART III. MISCELLANEOUS AND EFFECTIVE DATE**

2 SECTION 4. If any portion of this Act or its application
3 to any person, entity, or circumstance is held to be invalid for
4 any reason, then the legislature declares that the remainder of
5 the Act and each and every other provision thereof shall not be
6 affected thereby. If any portion of a specific appropriation is
7 held to be invalid for any reason, the remaining portion shall
8 be expended to fulfill the objective of the appropriation to the
9 extent possible.

10 SECTION 5. If manifest clerical, typographical, or other
11 mechanical errors are found in this Act, the governor may
12 correct the errors.

13 SECTION 6. This Act shall take effect on July 1, 2019.

14

INTRODUCED BY: _____

T. Stahl

[Signature]
Linddehizer

JAN 22 2019



H.B. NO. 759

Report Title:

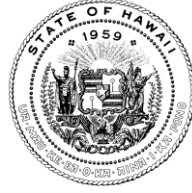
State Operating Budget; DCCA; Consumer Advocate; Office of Consumer Protection; Public Utilities Commission; CCA103; CCA110; CCA901; CPC

Description:

Appropriates funds for the fiscal biennium 2019-2021 operating budget of the Department of Commerce and Consumer Affairs programs under the purview of the House of Representatives Standing Committee on Consumer Protection and Commerce.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection and Commerce
Thursday, January 31, 2019
2:00 p.m.
State Capitol, Conference Room 329**

**On the following measures:
H.B. 759, RELATING TO THE DEPARTMENT
OF COMMERCE AND CONSUMER AFFAIRS
and**

**H.B. 1360, RELATING TO FISCAL BIENNIUM 2019-2021 BUDGET REQUESTS
FOR THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

Chair Takumi 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 supports H.B. 759, which appropriates funds for the fiscal biennium (FB) 2019-2021 operating budget of the DCCA's programs, under the purview of this committee. The Department also supports H.B. 1360, which establishes additional amounts to be appropriated or authorized and additional positions for the FB 2019-2021 operating budget of the DCCA's programs.

OVERVIEW OF CCA

The mission of the DCCA is to uphold fairness and public confidence in the marketplace, promote sound consumer practices, and increase knowledge, opportunity,

and justice in the community. The Department serves the public through a variety of functions, including business registration and professional licensure, monitoring the financial solvency of local financial institutions and insurance companies, and investigating complaints of unfair business practices and license violations. The DCCA has the following eleven program IDs¹:

- 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)**

This testimony is limited to CCA program IDs assigned to this committee (and highlighted above in bold): CCA-103, CCA-107, CCA-110, CCA-111, CCA-112, and CCA-191. With respect to CCA-901, the PUC, as an independent attached agency, will present testimony separately regarding its budget requests.

DCCA FUNDING STRUCTURE

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

¹ Copies of relevant organization charts are attached to this testimony.

(HRS) section 37-51, and the Department contributes to the overall cost of executive branch operations in a number of ways, including reimbursements for departmental administrative expenses (HRS section 36-30), central services assessment (HRS section 36-27), and payment to the Department of Budget and Finance to fund pro-rata pension and other post-employment benefits (OPEB).² The DCCA implements its financial strategy in accordance with the Hawaii Supreme Court’s opinion Hawaii Insurers Council v. Lingle, et al., 120 Hawaii 51 (2008), as DCCA fees are accounted for separately by division and used for the purposes collected.

DCCA divisions may spend only those amounts in the CRF that have been authorized by the Legislature. The DCCA’s budget requests reflected in H.B. 1360 seek legislative authorization to increase the respective division’s budget ceiling so that additional CRF monies can be expended. As reflected below, each division has sufficient reserves to increase its budget ceiling to pay for the additional expenses.

SUMMARY OF DCCA CPC BASE BUDGET AND BUDGET “ADD-ON” REQUESTS

The Department is advised that the Committee is charged with reviewing: (1) any new budget requests for CCA-103, CCA-107, CCA-110, CCA-111, CCA-112, CCA-191, and CCA 901, as reflected in H.B. 1360; and (2) the “base” budgets for CCA-103, CCA-110 and CCA-901, as reflected in H.B. 759.

Below is a table of “add-on” requests for CCA-103, CCA-107, CCA-110, CCA-111, CCA-112 and CCA-191. CCA-901’s requests are in its separate testimony.

CCA #	Priority	MOF	DESCRIPTION	FTE (P)	FTE (T)	\$ FY 20	\$ FY 21
CCA-103	1	B	Add 5 positions & funds	5.00		292,000	584,000
CCA-107	19	B	Fringe			1,988	1,988
CCA-110	15	B	Central Services Assessment			50,000	50,000
CCA-111	3	B	Convert Temp to Perm	8.00	(8.00)		
CCA-111	4	B	Convert OA to Staff Attorney			83,368	83,368
CCA-111	20	B	Fringe			65,229	65,229
CCA-112	5	B	Voyager Phase II IT			350,000	50,000

² See State of Hawaii Department of Budget and Finance Executive Memo 18-16, p. 6: “Non-general fund programs should plan for a fringe benefit assessment rate of 60% for FY 20 and FY 21. The projected cost to fund OPEB and the statutory increases in premium contribution rates account for significant portions of this rate, which is expected to remain at around 60% for FY 22 and beyond.”

CCA-112	21	B	Fringe			14,098	14,098
CCA-191/AA	22	B	Fringe			2,003	2,003
CCA-191/AH	2	B	Convert Temp to Perm	5.00	(5.00)		
CCA-191/AI	9	B	ISCO Source Data Repository			100,000	25,000
CCA-191/AI	23	B	Fringe			8,602	8,602

CCA-103, DIVISION OF CONSUMER ADVOCACY

Functions

The DCA represents, protects, and advances the interests of consumers of utility and transportation services before regulatory agencies, primarily the PUC. The DCA reviews requests for rate and tariff changes, capital improvement projects, integrated resource plans, certificates for authority to operate, and other applications filed by public utility and transportation companies, in addition to other proceedings opened by regulatory agencies to investigate or review generic issues. In representing the consumers of utility and transportation services before the PUC, the DCA must analyze financial and statistical data, prior docketed material, industry standards, and the information provided by the utility and transportation companies to support their applications. Based upon analyses of this information, the DCA files either written statements of position or testimonies explaining its analyses, findings, and recommendations with the PUC. When necessary, DCA analysts provide oral testimony, subject to utility company cross-examination, in contested case evidentiary hearings to resolve differences among the parties in utility proceedings.

Sources of Revenue

The DCA is funded through public utility fees paid to the PUC pursuant to HRS section 269-30 and placed in the PUC Special Fund. The PUC fee is set at 0.5% (0.25% collected in July and December) of the utility's gross income in the preceding year. Pursuant to HRS section 269-33, on a quarterly basis, an amount is allocated in accordance with legislative appropriations to the DCA and deposited in the CRF.

Non-General Fund Balances

As noted above, the DCA is funded solely from PUC fees, and none of its funding comes from general fund sources.

	\$ FY 2015	\$ FY 2016	\$ FY 2017	\$ FY 2018
Year Ending Cash Balance	4,541,235	5,740,878	6,407,341	7,323,139

Base Budget for Fiscal Year (FY) 2019: \$4,138,705.

Number of Positions

The DCA currently has authorization for 23 positions.

Number of Vacancies

The DCA has seven vacancies. Of those vacancies, three are exempt-included positions, and four are civil service positions. Three of the seven positions have been vacant for six months or less. The DCA has authority to hire for all the vacant positions.

Requests for FB 2019-2021

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 FTS) 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. The DCA requests authorization to expend \$4,520,537 in FY 2020 and \$4,812,537 in FY 2021.

Reserve Amount

The DCA has experienced some growth in its reserve amount, and one of the factors affecting this increase is the division's inability to find qualified candidates to fill its vacancies. At its current balance (\$7,323,139 at the end of FY 2018), the DCA's reserves and anticipated revenues should be sufficient to cover its base budget and requested additional positions, without affecting the Public Utilities Fee. Anticipated future expenditures, including replacing the air conditioning system of King Kalākaua

Building, repairing structural damage and roofing damage caused by Hurricane Lane, and developing a department-wide document management system, will require use of these reserves.

CCA-107, HAWAII POST-SECONDARY EDUCATION AUTHORIZATION PROGRAM

Functions

HPEAP was created in 2013 to bring Hawaii into compliance with Title IV of the Higher Education Act of 1965, as amended, by establishing a post-secondary education authorization program within the DCCA and creating the framework for authorizing private postsecondary educational institutions in the State. HPEAP serves as the authorizing agency and complaints processing agency for accredited, degree-granting post-secondary educational institutions. It also serves as the complaints processing agency for the institutions within the University of Hawaii System. Additionally, the program has been designated as the State portal agency for the State Authorization Reciprocity Agreement. HPEAP activities include providing information to post-secondary institutions and students on authorization requirements, reviewing and processing authorization applications, reviewing and investigating complaints, monitoring federal requirements, serving as the repository for transcripts for authorized institutions which have closed, and issuing transcripts to former students of these closed institutions.

Sources of Revenue

HPEAP is funded through authorization, reauthorization, and complaints administration fees paid and placed in the HPEAP special fund pursuant to HRS section 305J-19.

Non-General Fund Balances

As noted above, HPEAP is funded solely from fees, and none of its funding comes from general fund sources. The FY 2018 non-general fund balance was \$291,195.

Base Budget for FY 2019: \$288,611.

Number of Positions

HPEAP has authorization for two positions.

Number of Vacancies

HPEAP has no vacancies.

Requests for FB 2019-2021

For FY 2019, HPEAP is requesting an appropriation out of the CRF of \$1,988 for FY 2019-2020 and \$1,988 for FY 2020-2021, to fund fringe benefit costs for collective bargaining and salary adjustments.

Reserve Amount

HPEAP projects a beginning balance of \$126,678 in reserves in FY 2020. HPEAP anticipates that its reserves will cover its requested appropriation. Although HPEAP carries a small reserve amount, due to its revenue stream, reserves are required for the following FY to cover expenses.

CCA-110, OFFICE OF CONSUMER PROTECTION

Functions

The OCP provides protection to the public from businesses and individuals engaged in violations of applicable consumer protection statutes and rules, especially those involving unfair or deceptive trade practices. In this regard, the OCP initiates investigations and legal actions to enforce all applicable consumer protection laws. OCP activities include: receiving and investigating consumer complaints; providing information to consumers and businesses regarding applicable consumer protection laws; initiating lawsuits against violators of consumer protection laws; providing information to landlords and tenants regarding Hawaii's landlord tenant code; and recommending and drafting legislation pertaining to consumer protection.

Sources of Revenue

- **CRF (special fund):** This fund includes assessed penalties, fines, and reimbursement of costs or attorneys' fees from actions brought for violations of HRS chapters 480 and 487.

- **OCP Restitution Fund (trust fund):** This fund includes consumer restitution paid by respondents and disbursed by the OCP pursuant to a settlement or court order.
- **Multi-State Enforcement and Education Fund (trust fund):** This fund holds funds used by the OCP and the DFI that were received as part of a grant from the Department of the Attorney General and awarded to the Department.
- **Mortgage Foreclosure Dispute Resolution Fund (special fund):** This fund holds fees that would be collected from mortgagees and mortgagors to engage in alternative dispute resolution prior to a non-judicial mortgage foreclosure pursuant to HRS section 667-86, fees from mortgagees for publication of notices of public sale for foreclosed property pursuant to HRS section 667-27(d), and a portion of DFI fines collected from mortgage servicers pursuant to HRS section 454M-10.

Non-General Fund Balances

- CRF – OCP: \$9,225,303
- OCP Restitution Fund: \$979
- Multi-State Enforcement and Education Fund: \$470,167
- Mortgage Foreclosure Dispute Resolution Special Fund: \$102,226

Base Budget for FY 2019: \$2,605,494.

Number of Positions

The OCP currently has authorization for the following:

- Permanent positions: 18
- Temporary positions: 2

Number of Vacancies

The OCP currently has three civil service vacancies.

Requests for FB 2019-2021

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.³

Reserve Amount

The OCP projects a beginning balance of \$9.2M in reserves in FY 2020. However, after paying certain expenses, it will likely have \$8M. The OCP anticipates its reserves and revenues will cover its requested appropriation to fund the increased central services assessment.

CCA-111, BUSINESS REGISTRATION

Functions

BREG has three primary functions: (1) ministerial business registration, processing, and maintenance of business registration documents for public access, including corporations, general and limited partnerships, limited liability partnerships, limited liability limited partnerships, limited liability companies, cooperatives, trade names, trademarks, service marks, and publicity rights; (2) one-stop point-of-service assistance to the public to help businesses apply for state business and employer registrations and state taxpayer IDs; and (3) substantive regulatory oversight over the securities industry and franchises in the State in the following areas: registration of broker-dealers, securities agents, investment advisers, investment adviser representatives, investment companies, and securities and franchise offerings for sale in the State; field examinations of broker-dealers and investment advisers in the State; review of securities and franchise offerings for sale in the State; and enforcement of the Hawaii Uniform Securities Act and state franchise laws. BREG also conducts statewide outreach through its Investor Education Program, which provides the public with free presentations and resources relating to investment fraud protection.

³ 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.”

Sources of Revenue

Pursuant to HRS chapters 414, 414D, 415A, 419, 420D, 421, 421C, 421H, 421I, 425, 425E, 425R, 428, 482, and 482P, BREG receives business registration fees for corporations, general and limited partnerships, limited liability partnerships, limited liability limited partnerships, limited liability companies, cooperatives, trademarks, trade names, service marks, and publicity rights. Pursuant to HRS chapter 482E, BREG receives franchise filing fees and penalties for franchise law violations. Pursuant to HRS chapter 485A, BREG receives filing fees for securities, broker-dealers, sales agents, investment adviser and investment adviser representatives and penalty fees for securities law violations.

Non-General Fund Balances

CRF – BREG: \$18,443,748

Base Budget for FY 2019: \$8,067,420.

Number of Positions

BREG currently has authorization for the following:

- 71 permanent positions
- 8 temporary positions

Number of Vacancies

BREG has 12 vacancies: ten are civil service, one is exempt-included, and one is exempt-excluded.

Requests for FB 2019-2021

BREG is requesting an appropriation out of the CRF of:

- \$83,368 for FY 2019-2020 and \$83,368 for FY 2020-2021 to convert an office assistant III position to a securities staff attorney position; and
- \$65,229 for FY 2019-2020 to fund fringe benefit costs for collective bargaining and salary adjustments.

In addition, BREG is requesting a conversion of eight temporary positions to permanent positions, with no fiscal impact.

Reserve Amount

BREG projects approximately \$18M in reserves in FY 2020. Based on revenue and expenditure projections, BREG expects that its reserves and revenue will be sufficient to cover its requests. The reserve amount is higher than usual because the division has commenced development of the Securities Enforcement and Compliance information technology system and will also need to develop a replacement Business Registration Information Management System shortly thereafter. In anticipation of these significant expenses, the division's registration fees were not discounted last FY, as had been the practice in prior years.

CCA-112, REGULATED INDUSTRIES COMPLAINTS OFFICE

Functions

RICO is the enforcement arm of over 51 professional boards, commissions, and programs that are administratively attached to the Department. RICO receives complaints, conducts investigations, and prosecutes licensing law violations. RICO also prosecutes unlicensed activity through the issuance of citations and by filing civil lawsuits in circuit court. Additionally, RICO provides educational information to consumers and industry members through brochures, presentations, and by participating in industry events and consumer fairs. The division's website also provides real-time licensing, business registration, and complaint history information to the public. Finally, RICO administers the State Certified Arbitration Program for "lemon" motor vehicle claims.

Sources of Revenue

RICO is funded by CRF fees paid by professional and vocational licensees within the DCCA's jurisdiction, as well as penalties and fines assessed from actions brought by RICO.

Non-General Fund Balances

CRF – RICO: \$10,567,864

Base Budget for FY 2019: \$7,167,144.

Number of Positions

RICO currently has authorization for 68 permanent positions.

Number of Vacancies

RICO currently has 11 vacancies: eight are civil service, one is exempt-included, and two are exempt-excluded.

Requests for FB 2019-2021

RICO is requesting an appropriation out of the CRF of:

- \$350,000 for FY 2019-2020 and \$50,000 for FY 2020-2121 to build on and maintain its case management system; and
- \$14,098 for FY 2019-2020 and \$14,098 for FY 2020-2021 to fund fringe benefit costs for collective bargaining and salary adjustments.

Reserve Amount

RICO projects a beginning balance of \$9,760,162 in reserves in FY 2020. However, after paying certain expenses, it will likely have \$8,779,827. RICO anticipates its reserves and revenues will cover its requested appropriation to fund both its case management replacement project and its fringe benefit costs. Anticipated future expenditures, including continually enhancing RICO's case management system and developing a department-wide document management system, will require use of these reserves.

CCA-191, GENERAL SUPPORT

Functions

This program ID includes the Office of the Director, the ASO, ISCO, and the OAH. The Office of the Director plans, directs, and coordinates the various activities of the Department within the scope of laws and established policies. The ASO provides the Department with internal controls and compliance, procurement, security, safety and facilities management, fiscal, budget, and office service functions. ISCO plans and directs the development, implementation, and maintenance of computerized information systems. The OAH conducts contested case administrative hearings and issues recommended or final decisions for all divisions within the Department, pursuant to HRS

chapters 91 and 92. Additional matters heard by the OAH are: (1) disputes arising from the State's procurement laws pursuant to HRS chapter 103D; (2) disputes among dealers and manufacturers or distributors of motor vehicles covered by part II of HRS chapter 417; (3) appeals of benefit determinations for the Employer-Union Health Benefits Trust Fund (EUTF); and (4) appeals of benefit determinations for the Employees' Retirement System (ERS).

HPEAP is organizationally attached to the Director's Office but has a unique program ID number (CCA-107) for budget purposes.

Sources of Revenue

General Support is funded through the CRF. Divisions contribute to General Support through an equitable assessment of administrative overhead costs. In addition, the OAH assesses fees for cases brought before its Medical Inquiry Conciliation Panel pursuant to HRS section 671-11(d). It also receives payment from contracting agencies for work on EUTF and ERS appeals.

Non-General Fund Balances

CRF – CCA-191: \$3,534,827

Base Budget for FY 2019: \$8,195,600.

Number of Positions

General Support currently has authorization for the following positions:

- Permanent: 45
- Temporary: 6

Number of Vacancies

General Support currently has the following vacancies:

- Hearings Officer (Position #101296), exempt-excluded
- Hearings Office Legal Clerk (Position #119019), exempt-included
- Information Technology Band B (Position #120567), civil service

Requests for FB 2019-2021

General Support is requesting an appropriation out of the CRF of:

- Fringe increases in the amount of \$2,003 for both FY 2020 and FY 2021 for CCA-191/AA;

- Fringe increases in the amount of \$8,602 for both FY 2020 and FY 2021 for CCA-191/AI; and
- \$100,000 for FY 2019-2020 and \$25,000 for FY 2020-2021 so that ISCO may fund software to assist with integrating and tracking data objects with newly developed systems.

In addition, the OAH is requesting a conversion of five temporary positions to permanent status, with no fiscal impact.

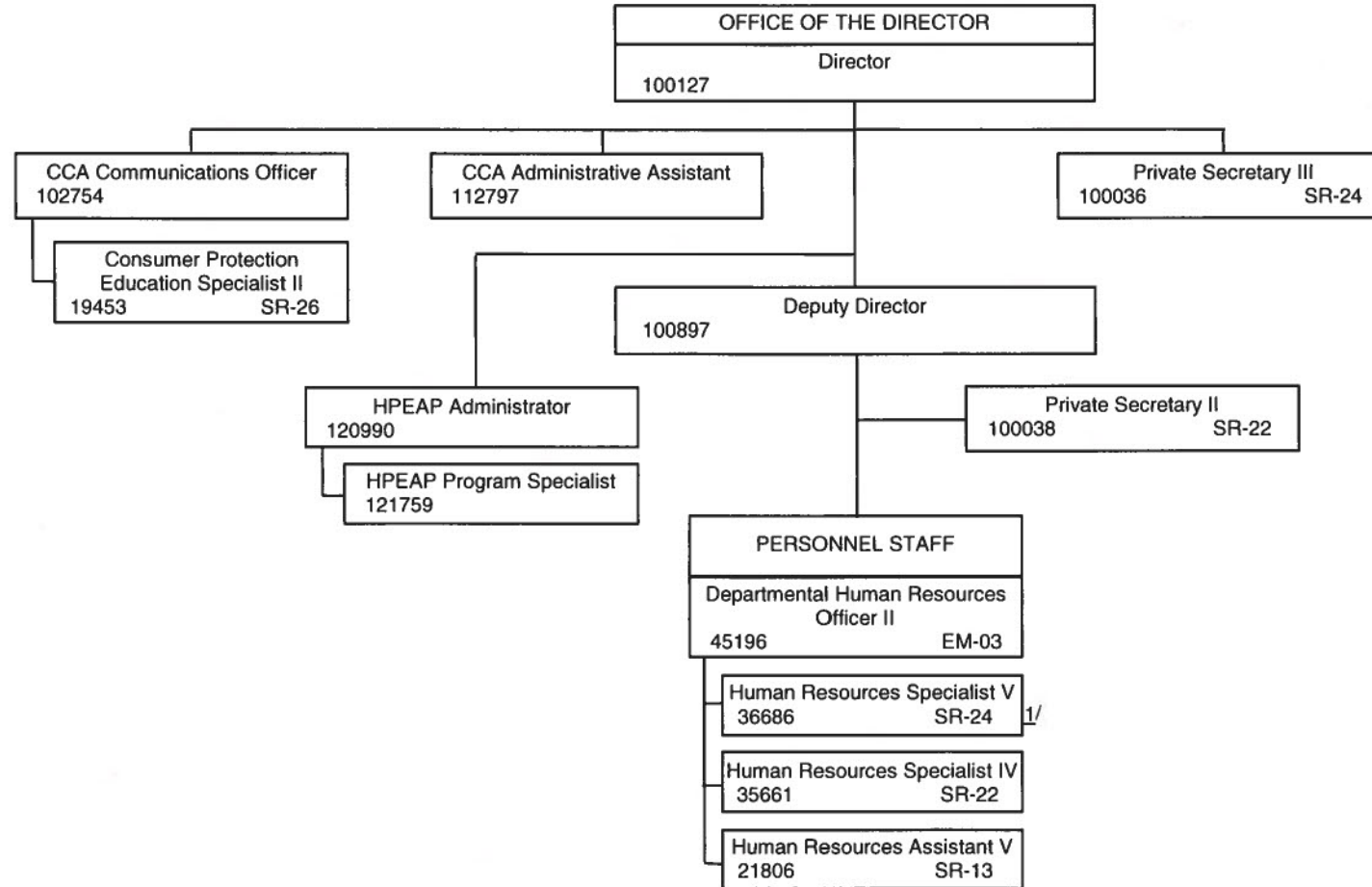
Reserve Amount

General Support projects a beginning balance of \$3,553,837 in reserves in FY 2020. The program has sufficient reserves to cover its requested appropriations. Anticipated future expenditures, including replacing the air conditioning system of King Kalākaua Building, repairing structural damage and roofing damage caused by Hurricane Lane, and developing a department-wide document management system, will likely impact reserve balances and may require equitable contributions from the Department's programs.

Thank you for the opportunity to testify on this bill.

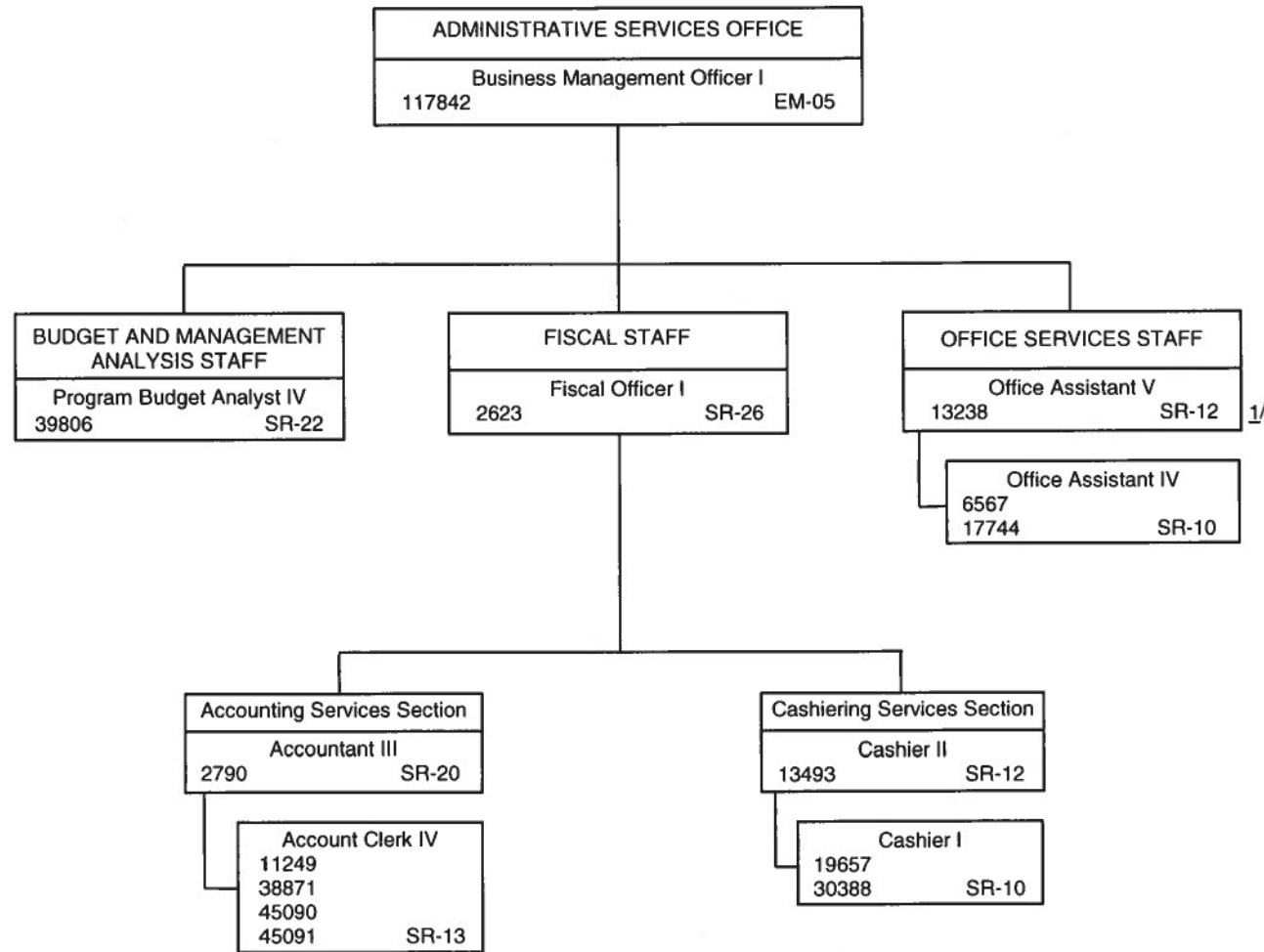
STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND
 CONSUMER AFFAIRS
 OFFICE OF THE DIRECTOR

POSITION ORGANIZATION CHART



1/ Human Resources Specialist IV, SR-22, Position No. 36686, reallocated to Human Resources Specialist V, SR-24, effective April 1, 2018.

STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND
 CONSUMER AFFAIRS
 ADMINISTRATIVE SERVICES OFFICE
 POSITION ORGANIZATION CHART



1/ Office Assistant V, SR-12, Position No. 13238, reallocated to Staff Services Supervisor II, SR-16, effective June 1, 2018.

ACKNOWLEDGED:

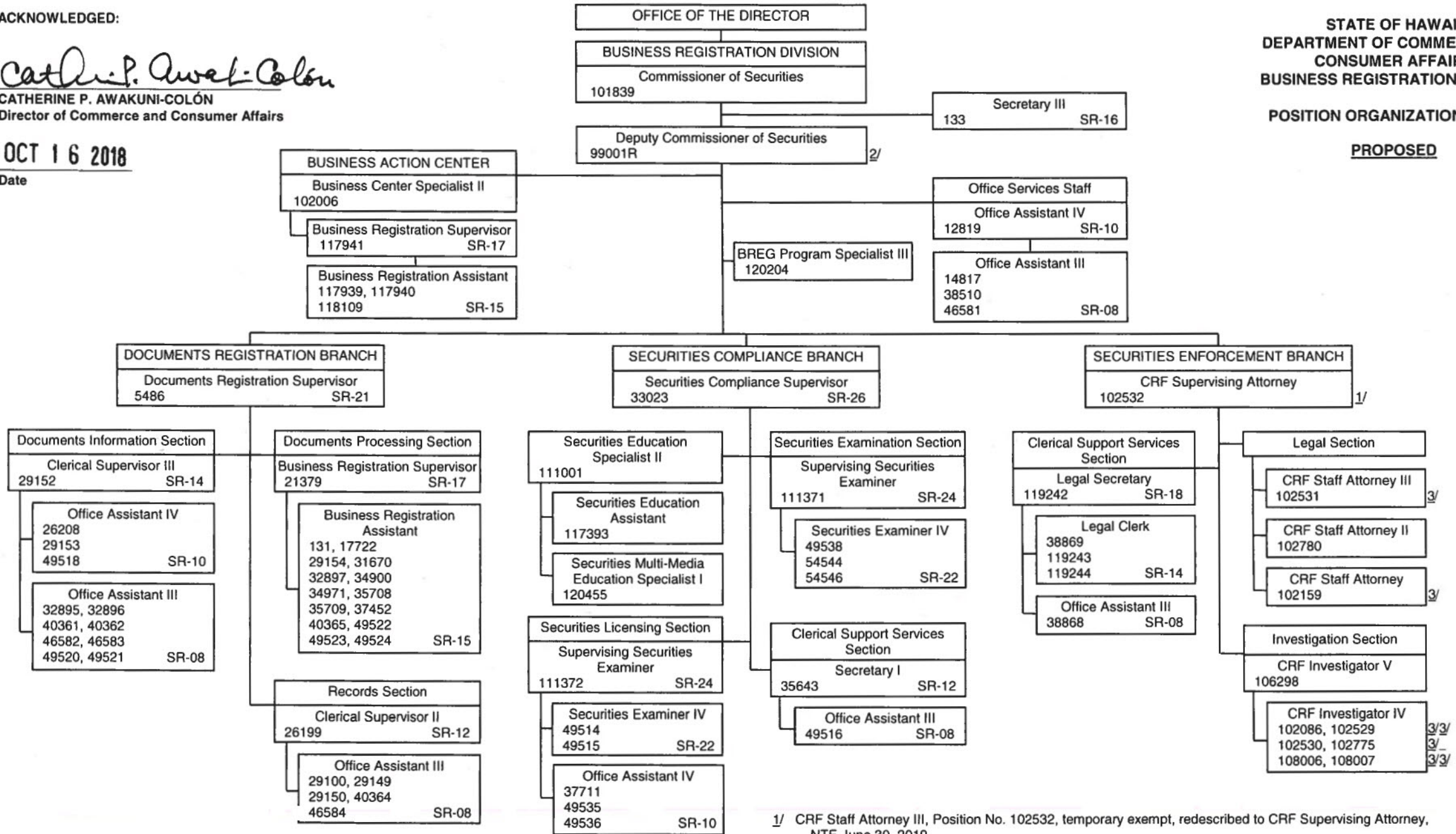
Catherine P. Awakuni-Colon
 CATHERINE P. AWAKUNI-COLON
 Director of Commerce and Consumer Affairs

OCT 16 2018
 Date

STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND
 CONSUMER AFFAIRS
 BUSINESS REGISTRATION DIVISION

POSITION ORGANIZATION CHART

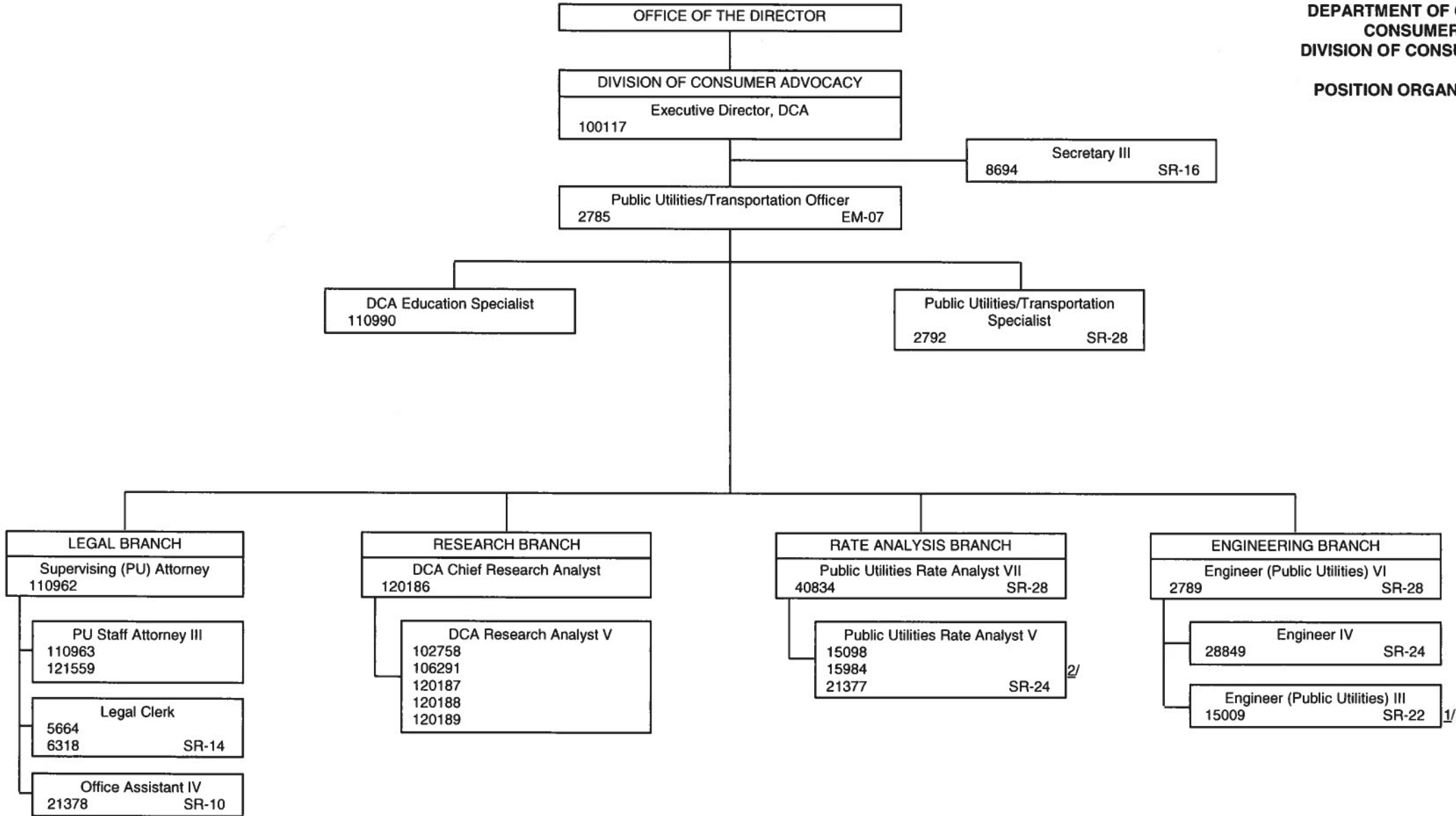
PROPOSED



Note: CRF denotes Compliance Resolution Fund

- 1/ CRF Staff Attorney III, Position No. 102532, temporary exempt, redescribed to CRF Supervising Attorney, NTE June 30, 2019.
- 2/ New permanent civil service position, Deputy Commissioner of Securities (Pseudo No. 99001R), EM-07, as authorized by Act 53, SLH 2018.
- 3/ Temporary exempt position, NTE June 30, 2019.

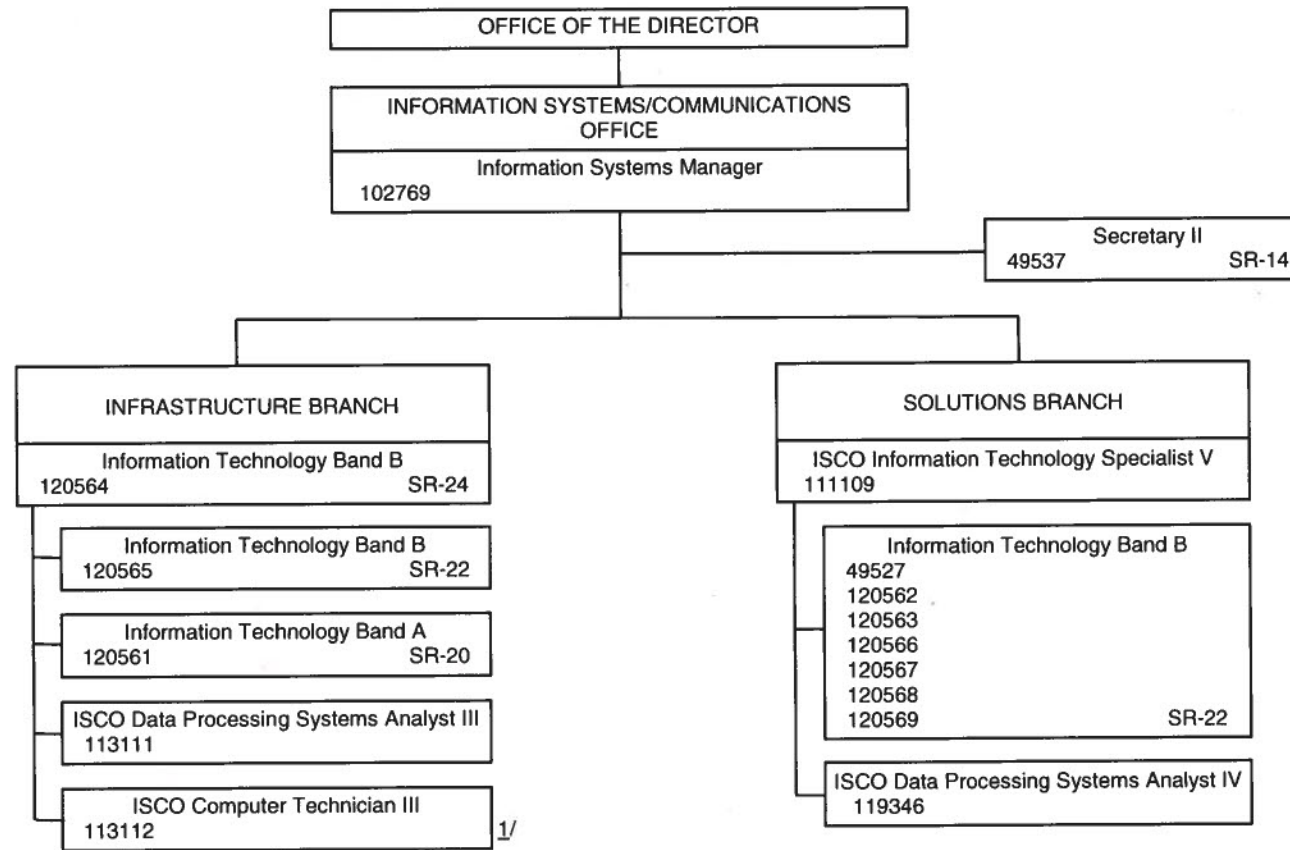
**STATE OF HAWAII
DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
POSITION ORGANIZATION CHART**



1/ Engineer (PU) IV, SR-24, Position No. 15009, temporarily downgraded to Engineer (PU) III, SR-22.
 2/ Public Utilities Rate Analyst V, SR-24, Position No. 15984, proposed for abolishment effective July 1, 2018.

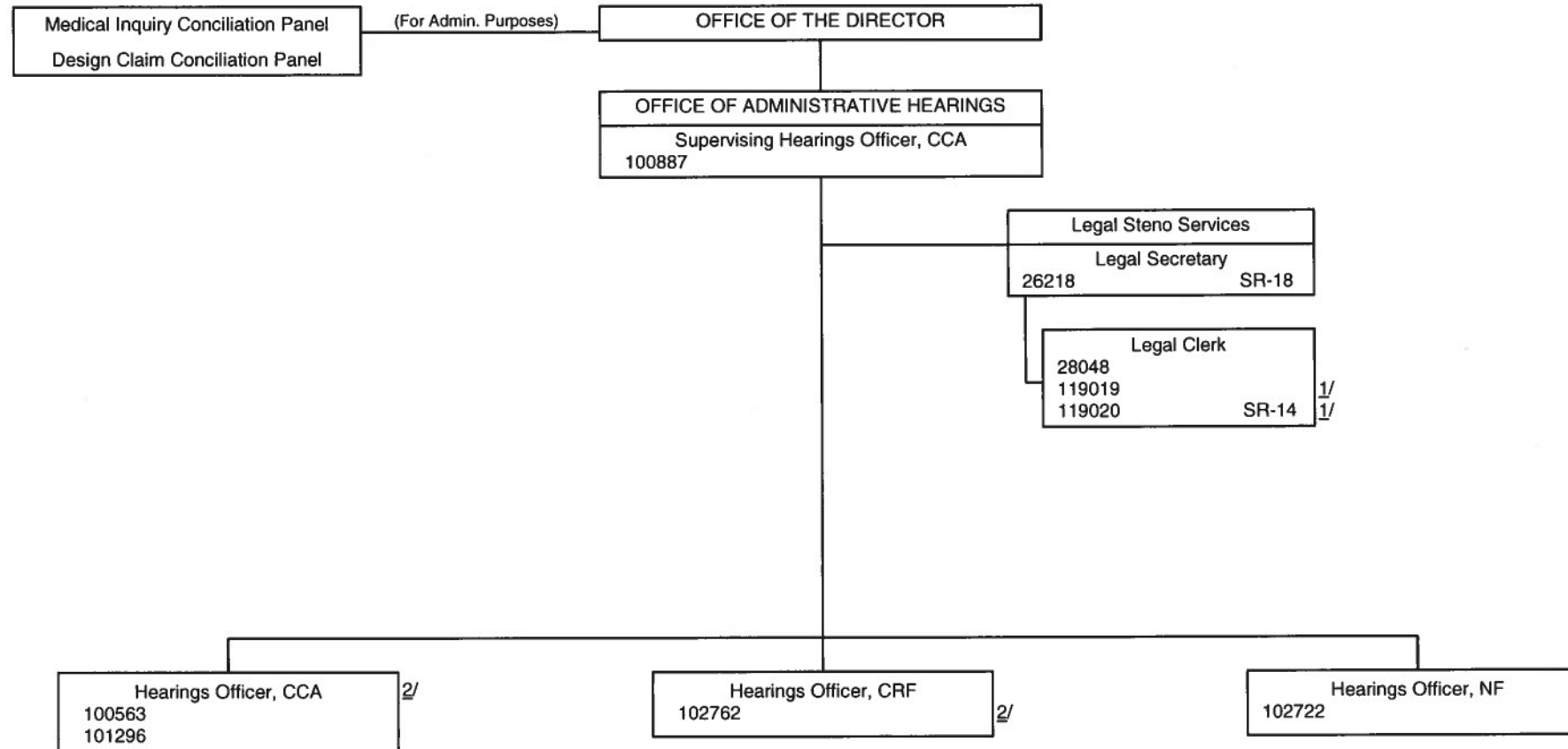
STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND
 CONSUMER AFFAIRS
 INFORMATION SYSTEMS/COMMUNICATIONS
 OFFICE

POSITION ORGANIZATION CHART



1/ ISCO Computer Technician II, exempt, Position No. 113112, redescribed to ISCO Computer Technician III, effective July 16, 2017.

STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND
 CONSUMER AFFAIRS
 OFFICE OF ADMINISTRATIVE HEARINGS
 POSITION ORGANIZATION CHART

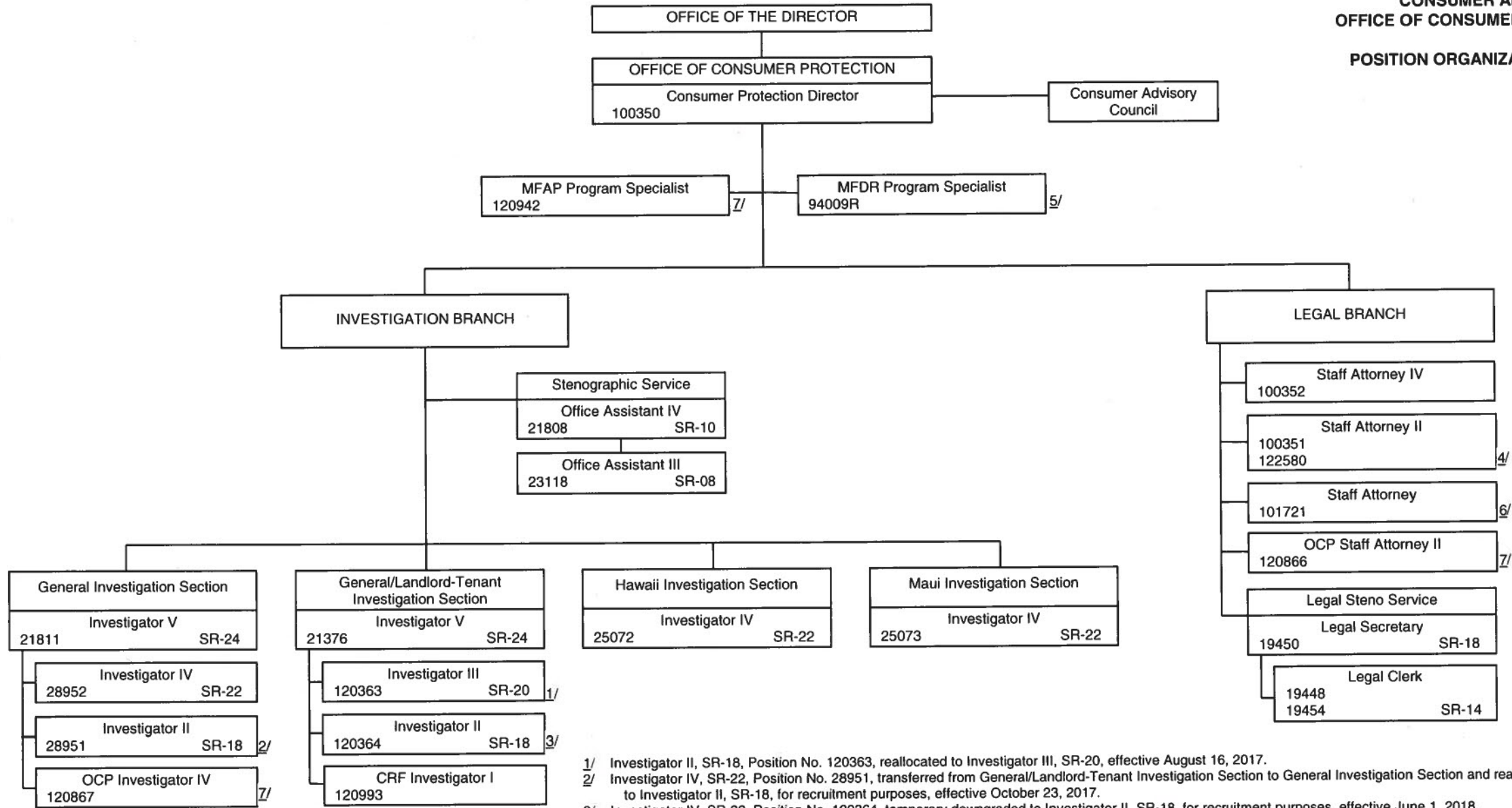


1/ Temporary civil service position, NTE June 30, 2019.
 2/ Temporary exempt position, NTE June 30, 2019.

Note: CRF denotes Compliance Resolution Fund

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS
OFFICE OF CONSUMER PROTECTION

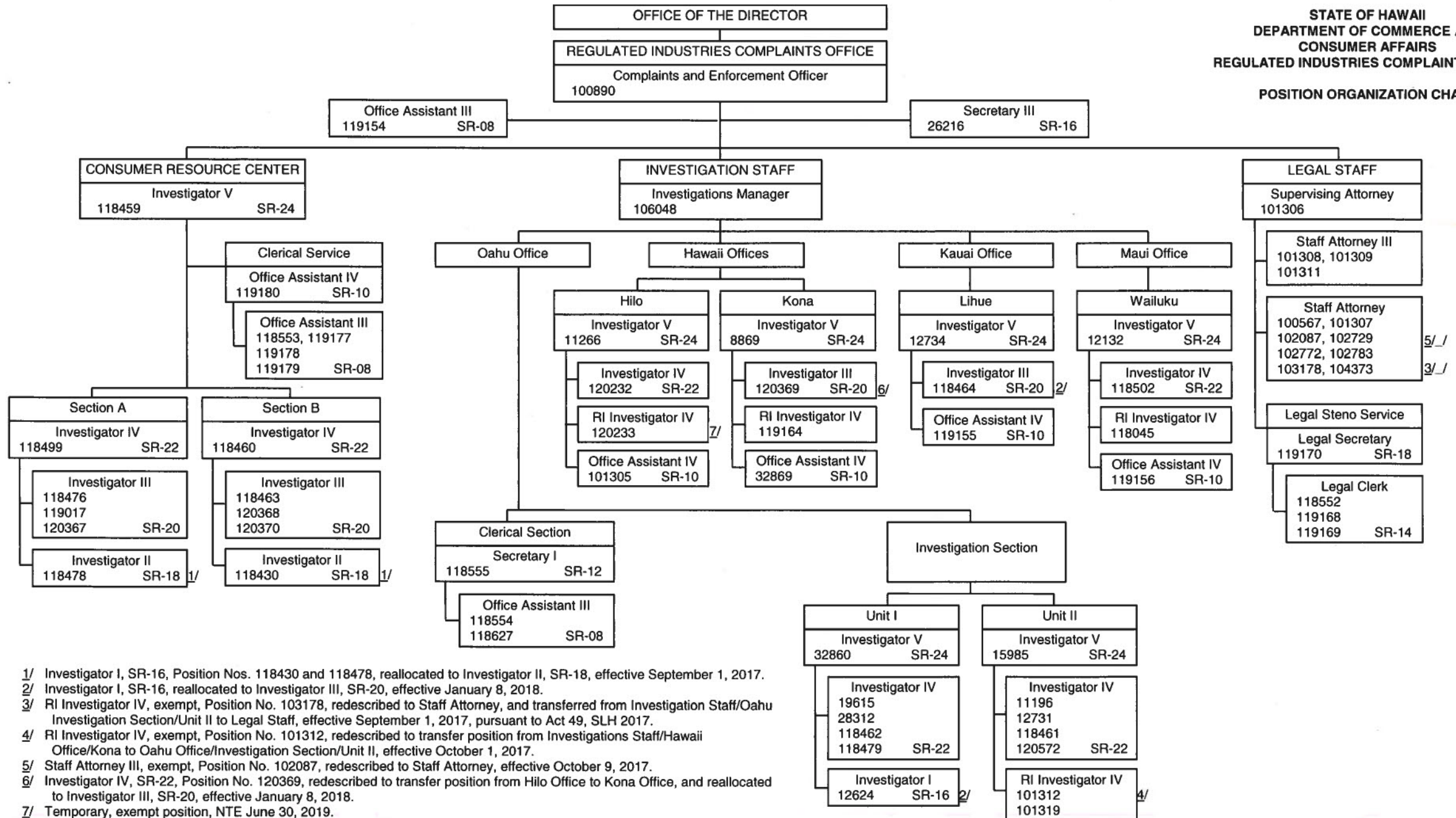
POSITION ORGANIZATION CHART



- 1/ Investigator II, SR-18, Position No. 120363, reallocated to Investigator III, SR-20, effective August 16, 2017.
- 2/ Investigator IV, SR-22, Position No. 28951, transferred from General/Landlord-Tenant Investigation Section to General Investigation Section and reallocated to Investigator II, SR-18, for recruitment purposes, effective October 23, 2017.
- 3/ Investigator IV, SR-22, Position No. 120364, temporary downgraded to Investigator II, SR-18, for recruitment purposes, effective June 1, 2018.
- 4/ New, permanent exempt position, Staff Attorney II, (Pseudo No. 98001R) established February 1, 2018, as authorized by Act 49, SLH 2017.
- 5/ Unestablished, temporary position, transferred from Office of the Director, effective July 1, 2017, NTE June 30, 2019, pursuant to Act 49, SLH 2017.
- 6/ Temporary, exempt position, NTE June 30, 2019.
- 7/ Temporary, unbudgeted, trust-funded position, NTE June 30, 2019.

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS
REGULATED INDUSTRIES COMPLAINTS OFFICE

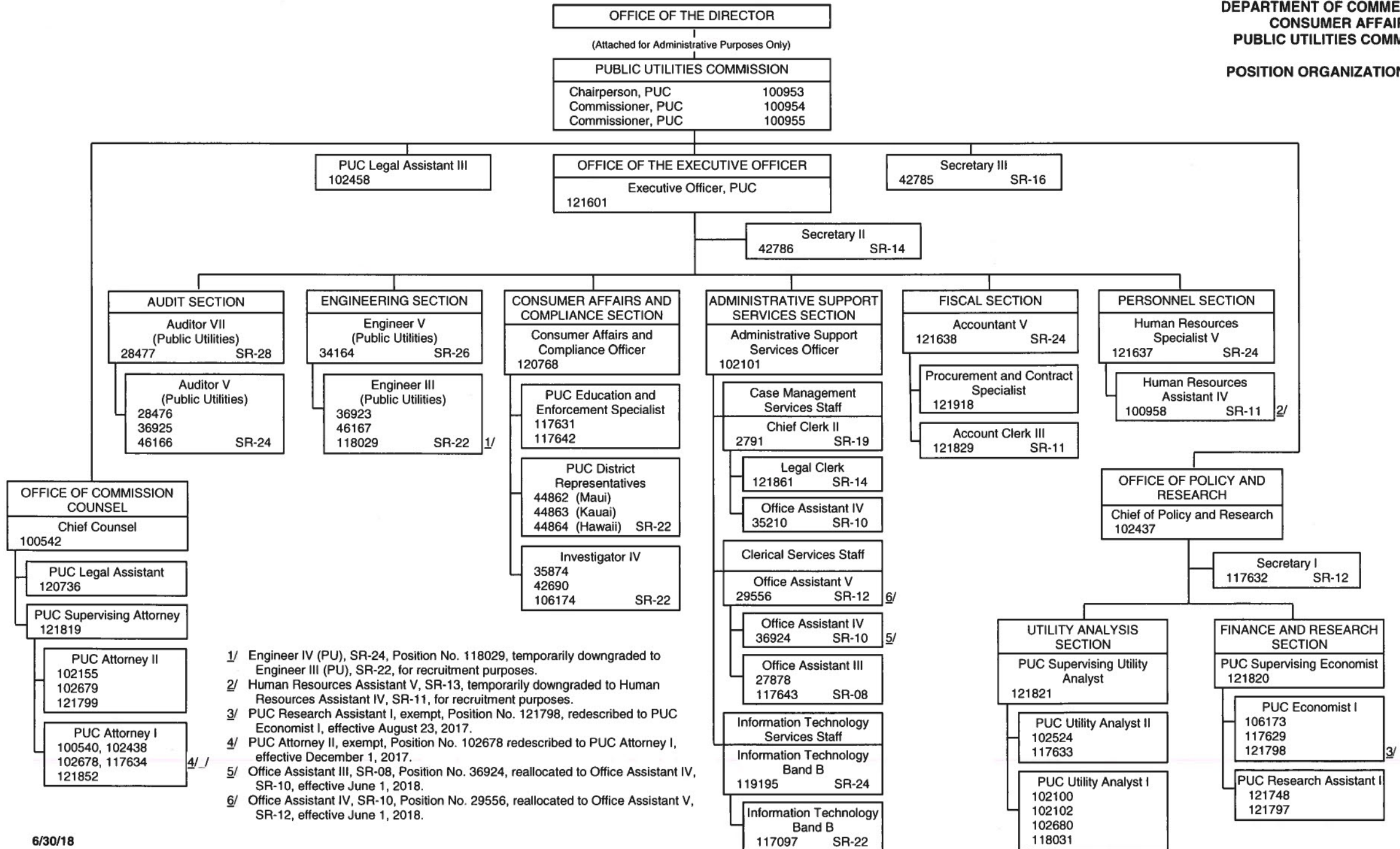
POSITION ORGANIZATION CHART



- 1/ Investigator I, SR-16, Position Nos. 118430 and 118478, reallocated to Investigator II, SR-18, effective September 1, 2017.
- 2/ Investigator I, SR-16, reallocated to Investigator III, SR-20, effective January 8, 2018.
- 3/ RI Investigator IV, exempt, Position No. 103178, redescribed to Staff Attorney, and transferred from Investigation Staff/Oahu Investigation Section/Unit II to Legal Staff, effective September 1, 2017, pursuant to Act 49, SLH 2017.
- 4/ RI Investigator IV, exempt, Position No. 101312, redescribed to transfer position from Investigations Staff/Hawaii Office/Kona to Oahu Office/Investigation Section/Unit II, effective October 1, 2017.
- 5/ Staff Attorney III, exempt, Position No. 102087, redescribed to Staff Attorney, effective October 9, 2017.
- 6/ Investigator IV, SR-22, Position No. 120369, redescribed to transfer position from Hilo Office to Kona Office, and reallocated to Investigator III, SR-20, effective January 8, 2018.
- 7/ Temporary, exempt position, NTE June 30, 2019.

Note: RI denotes Regulated Industries

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS
PUBLIC UTILITIES COMMISSION
POSITION ORGANIZATION CHART



- 1/ Engineer IV (PU), SR-24, Position No. 118029, temporarily downgraded to Engineer III (PU), SR-22, for recruitment purposes.
- 2/ Human Resources Assistant V, SR-13, temporarily downgraded to Human Resources Assistant IV, SR-11, for recruitment purposes.
- 3/ PUC Research Assistant I, exempt, Position No. 121798, redescribed to PUC Economist I, effective August 23, 2017.
- 4/ PUC Attorney II, exempt, Position No. 102678 redescribed to PUC Attorney I, effective December 1, 2017.
- 5/ Office Assistant III, SR-08, Position No. 36924, reallocated to Office Assistant IV, SR-10, effective June 1, 2018.
- 6/ Office Assistant IV, SR-10, Position No. 29556, reallocated to Office Assistant V, SR-12, effective June 1, 2018.

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

TO THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE

January 31, 2019
2:00 p.m.

Chair Takumi and Members of the Committee:

MEASURE: H.B. No. 759

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

DESCRIPTION: Appropriates funds for the fiscal biennium 2019-2021 operating budget of the Department of Commerce and Consumer Affairs programs under the purview of the House of Representatives Standing Committee on Consumer Protection and Commerce.

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. As an agency administratively attached to the Department of Commerce and Consumer Affairs, the Commission respectfully recommends the bill ensure the Commission’s base budget of \$15,470,219 for both fiscal year 2020 and fiscal year 2021 is included in the appropriation for the Department of Commerce and Consumer Affairs.

The Commission has separately provided testimony for HB No. 1360 that includes a detailed description of the functions of the Commission, organizational structure, sources of revenue, special fund balance, positions, vacancies, and requested budget additions.

Thank you for the opportunity to testify on this measure.