



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  
Wednesday, March 24, 2021  
2:00 p.m.  
Via Videoconference**

**On the following measure:  
S.B. 82, S.D. 2, H.D. 1, RELATING TO GOVERNMENT OPERATION AND POLICY**

Chair Johanson 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 appreciates the intent of this bill and offers comments.

The purpose of this bill is to require: (1) each new member of a board or commission to participate in an orientation and training session with the head of the department with jurisdiction of that member's board or commission or their designee; and (2) each department and agency to train their members at least once per calendar year.

Over 50 boards and commissions are administratively attached to the DCCA, including numerous professional and vocational licensing boards, and the board of directors of the Hawaii Hurricane Relief Fund. As such, this bill could have a significant impact on the DCCA. The Department recognizes and appreciates that this bill is intended to ensure that board members have appropriate training to effectively fulfill

their board responsibilities and agrees that board members should receive training. To that end, the Department offers the following suggestion:

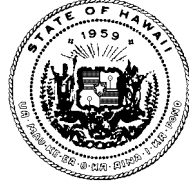
Page 2, lines 8 through 12, provides that the annual training must pertain to “the mission, roles, and responsibilities under applicable federal, state, and local laws; programs; processes and procedures; and statutes relevant to the work of the board or commission on which the member sits.” The Department is concerned that this requirement may be unnecessarily complex and suggests simplifying this phrase as follows: “the mission, roles, responsibilities, laws, programs, and procedures relevant to the work of the board or commission.”

In the Department’s experience, effective board training could include training that is appropriate for any board member, such as sunshine law, administrative rulemaking, and ethics training, as well as training specific to the particular board or commission. Recognizing the significant time requirements already placed on volunteer board members by virtue of participating in board meetings, the Department urges the Committee to support online, on-demand training, where feasible, to reduce travel and per diem costs and to minimize inconvenience to board members. In addition, because this bill places additional burdens on departments that house boards and commissions, as well as agencies that must conduct training, it would be important to provide adequate funding to all affected departments and agencies.

Should this measure pass, the Department would request additional funding and an additional position to implement the requisite training for the boards and commissions that the DCCA regulates. For the Committee’s information, one to two members of each board and commission are typically replaced annually. In addition, the Department would request a delayed effective date to ensure sufficient time for implement this measure.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE  
GOVERNOR



CATHY BETTS  
DIRECTOR

JOSEPH CAMPOS II  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

P. O. Box 339  
Honolulu, Hawaii 96809-0339

March 22, 2021

TO: The Honorable Representative Aaron Ling Johanson, Chair  
House Committee on Consumer Protection & Commerce

FROM: Cathy Betts, Director

SUBJECT: **SB 82 SD2 HD1 – RELATING TO GOVERNMENT OPERATION AND  
POLICY.**

Hearing: March 24, 2021, 2:00 p.m.  
Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of this measure and provides comments.

DHS appreciates the amendments of the Senate Committees on Government Operations and Ways and Means that amended the measure by:

- (1) Moving the proposed language from section 26-35.5, Hawaii Revised Statutes, relating to liability matters of members of boards and commissions, to section 26-34, Hawaii Revised Statutes, relating to the selection and terms of members of boards and commissions;
- (2) Clarifying each new board and commission member shall participate in an orientation and training session;
- (3) Allowing the designee of the head of the department or agency to conduct the training;
- (4) Removing the requirement for members to complete training before receiving voting rights;
- (5) Specifying that the initial training include the mission, roles, and responsibilities under applicable federal, state, and local laws; programs; processes and procedures; and statutes relevant to the work of the board or commission on which the member sits;
- (6) Requiring the annual training to supplement the initial training; and

- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

The House Committee on Government Reform amended the measure by defecting the effective date.

**PURPOSE:** Requires each new member of a board or commission to participate in an orientation and training session with the head of the department with jurisdiction of that member's board or commission or their designee. Requires each department and agency to train their members at least once per calendar year. Effective 7/1/2112. (HD1)

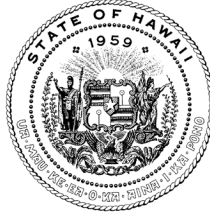
DHS agrees that training resources should be available to new members as well as interested applicants to boards and commissions. DHS respectfully suggests that training mandates and resources be centralized and on-line, and perhaps be made available during the application process, so that applicants understand more fully their role, responsibilities, and time commitment when becoming a member of a State board or commission. The ability to record course completion for core curriculum would also be a benefit.

For commissions or councils that do not have paid staff, the administrative tasks of these commissions or councils are often left to the agency staff to perform. As administrative staff resources are limited, and in the case of DHS are more often cost-allocated to program funding streams, these unfunded responsibilities will require additional general funded resources to support these training modules and mandates. Additional resources should be made available to the boards or commissions directly so that they may develop their own training curriculum.

DHS also requests clarification of the required training subject matter. While commissions may be attached for administrative purposes, unless the Legislature has provided it, the agency may not necessarily have any controls, supervisory authority, or subject matter knowledge over the mission, or the work of the attached commission, board, or council. Depending upon the backgrounds and interests of the members, the statutory mission can be interpreted broadly and differently from previous board or commission leadership.

Thank you for the opportunity to provide comments on this measure.

DAVID Y. IGE  
GOVERNOR OF  
HAWAII



SUZANNE D. CASE  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA  
FIRST DEPUTY

M. KALEO MANUEL  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

Testimony of  
SUZANNE D. CASE  
Chairperson

Before the House Committee on  
CONSUMER PROTECTION & COMMERCE

Wednesday, March 24, 2021  
2:00 PM

State Capitol, Videoconference, Conference Room 329

In consideration of  
SENATE BILL 82, SENATE DRAFT 2, HOUSE DRAFT 1  
RELATING TO GOVERNMENT OPERATION AND POLICY.

Senate Bill 82, Senate Draft 2, House Draft 1 proposes to amend Section 26-35.5, Hawaii Revised Statutes (HRS), to include formal training to all new state board and commission members (members) and to provide annual supplemental updates to all board members at least once a year. **The Department of Land and Natural Resources (Department) offers the following comments.**

The Department supports formalized training for new board and commission members and annual supplemental updates for all board and commission members. However, given that board and commission members are volunteers, and recognizing that scheduling difficulties are likely to occur, the Department would like clarity on how these trainings are delivered. The Department suggests the following language (highlighted in gray) be added to subsection (b) of SECTION 1 on page 3:

(b) Upon appointment, each new member shall participate in an orientation and training session with the head of the department or agency that administratively controls or supervises the member's board or commission, or the designee of the head of the department or agency, regarding the mission, roles, and responsibilities under applicable federal, state, and

local laws; programs; processes and procedures; and statutes relevant to the work of the board or commission on which the member sits. These training sessions can be by video or be modular sessions that board members can review at their convenience, provided the entire training is completed within six months of their appointment. If modular sessions are provided, departments will provide a feedback loop to allow for questions, which will be answered within one week.

The Department also notes that some agencies, such as the Ethics Commission, are best suited to provide trainings on state ethics law. They provide periodic in-person training, as well as online modular training. The Department has encouraged board and commission members to attend these trainings in the past. This bill should encourage agencies to use these types of trainings where possible. The Department suggests adding the following language:

SECTION . Board or commission members may take training courses from other agencies when the content is appropriate for any board or commission member, rather than specifically relevant to the board or commission on which the member sits.

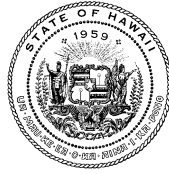
The Department requests that the following language be appropriately inserted and added as a new SECTION on page 3.

SECTION. Departments shall have one (1) year from the approval of this Act to develop training materials.

The Department notes, with regard to process, procedures, and statutes, Deputy Attorney Generals from the Department of the Attorney General are normally on hand to guide the boards and commissions with legal advice.

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE  
GOVERNOR



CURT T. OTAGURO  
COMPTROLLER  
AUDREY HIDANO  
DEPUTY COMPTROLLER

**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY  
OF  
CURT T. OTAGURO, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

WEDNESDAY, MARCH 24, 2021, 2:00 P.M.  
CONFERENCE ROOM 329 VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 82, S.D. 2, H.D. 1

RELATING TO GOVERNMENT OPERATION AND POLICY.

Chair Johanson, Vice Chair Kitagawa, and members of the Committee, thank you for the opportunity to submit testimony of S.B. 82., S.D. 2, H.D. 1.

The Department of Accounting and General Services (DAGS) appreciates the intent of S.B. 82, S.D. 2, H.D. 1, which requires each new member of a board or commission to participate in a formal educational and orientation session with the head of the department with jurisdiction of that member's board or commission to receive voting rights and requires each department and agency to train their members at least once per calendar year. The DAGS has seven (7) attached agencies that have their own boards and commissions. The DAGS offers the following comments:

1. Hawaii Revised Statutes, section 26-35(a)(8) restricts the department head from supervising or controlling the board or commission "in the exercise of its functions, duties and powers".

2. The head of the agency that has direct administrative control or supervision to the board or commission members should confirm with their board/commission chair that all members had the appropriate training.
3. Board or commission chairs should send certifications of completed training to the Office of the Governor's Boards and Commissions Office to track compliance.
4. We recommend that all members of boards and commissions also be required to complete existing training offered by the State Ethics Commission and the Office of Information Practices.

Thank you for the opportunity to submit testimony on this matter.





**STATE OF HAWAII**  
**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**  
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DAMIEN ELEFANTE, *VICE-CHAIRPERSON*  
CHRISTIAN FERN, *SECRETARY-TREASURER*  
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OSA TUI  
RYKER WADA  
JAMES WATARU

**ADMINISTRATOR**  
DEREK M. MIZUNO

**ASSISTANT ADMINISTRATOR**  
DONNA A. TONAKI

**WRITTEN ONLY**

TESTIMONY BY DEREK MIZUNO  
ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
ON SENATE BILL NO. 82 S.D. 2 H.D. 1

**March 24, 2021**  
**2:00 p.m.**  
**Conference Room 329 & Via Videoconference**

RELATING TO GOVERNMENT OPERATION AND POLICY

Chair Johanson, Vice Chair Kitigawa, and Members of the Committees:

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees has not taken a position on this bill. EUTF staff would like to provide comments.

The intent of this bill is to mandate a formal educational and orientation session for new board members and annual training for all board members. New EUTF board members currently receive a formal educational and orientation session with the EUTF Administrator prior to their first Board meeting. EUTF staff would like to raise concerns on the requirement for an annual training session. The EUTF board meets monthly for 2-3 hours and usually has at least one Administrative, Benefits or Investment Committee meeting (another 2-3 hours) each month. During these meetings, the Board and committees discuss the "mission, roles, and responsibilities under federal, state and local laws; programs; processes and procedures; and statutes relevant to the work of the

**EUTF's Mission:** We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.

board". Additionally, most EUTF board members serve long tenures with many serving the full two, four-year terms. Annual mandatory training on the basic functions and rules of the EUTF does not seem to be necessary.

Thank you for the opportunity to testify.