

HOUSE COMMITTEE ON FINANCE
The Honorable Kyle T. Yamashita, Chair
The Honorable Lisa Kitagawa, Vice Chair

**Testimony in SUPPORT of H.B. No. 1514,
Making Appropriations to Provide for the Expenses
of the Legislature, the Auditor, the Legislative Reference Bureau,
the Ombudsman, and the Ethics Commission.**

Hearing: Wednesday, February 8, 2023, 2:00 p.m.

Thank you for the opportunity to testify in **support** of H.B. No. 1514.

The bill provides appropriations for the Legislature and its legislative service agencies which includes the Office of the Auditor. Sections 6, 7, 8, and 12 of the bill appropriate to the Office of the Auditor for FY2023-24: **\$3,324,364** for expenses, including personnel and operational; **\$150,000** for special studies and other legislative requests; **\$2,800,000** to be deposited in the Audit Revolving Fund to cover the cost of the financial audits of state departments and political subdivisions performed by independent certified public accountants; and **\$68,106** for employees' accrued vacation payments and vacation transfer payments. The bill also provides for **\$6,300,000** to be appropriated out of the Audit Revolving Fund to conduct or complete our audit functions as provided by law.

The Office of the Auditor

The position of Auditor is established by Art. VII, section 10 of the State Constitution. The Office of the Auditor is responsible for conducting post audits of, among other things, the accounts and performance of State departments, agencies, and programs. We report our audit findings and recommendations to the Governor and the Legislature as well as to the audited entity. We also perform other work as directed by the Legislature.

Our audits are conducted in accordance with Government Auditing Standards promulgated by the Comptroller General of the United States, which require that we be independent and free of undue influence threats that impair – or can be seen as impairing – that independence.

We provide nonpartisan, unbiased, and objective assessments of State programs. More specifically, we assess whether programs are effectively and efficiently achieving their statutory purposes, providing valuable transparency into those programs and helping to answer questions the Legislature may have about how those programs are performing. And, we offer meaningful recommendations to address audit findings and to improve program performance.

Operating Budget

The Office of the Auditor requests an overall budget of **\$3,474,364**, which includes both the personnel and operating expenses of \$3,324,364, as well as an amount for special studies and other legislative requests of \$150,000. Exhibit 1 presents the budget request by objects of expenditure. Exhibit 2 shows the current appropriation and estimated expenditures.

Audit Revolving Fund

The Office of the Auditor contracts with independent certified public accountants for the financial audits of 20 departments, agencies, and programs as well as the State of Hawai'i's Annual Comprehensive Financial Report (ACFR). We strongly support the independent audits of departments, agencies, and programs' financial statements. Among other things, independent audits provide assurance that their respective financial statements are presented fairly in accordance with generally accepted accounting principles. State departments, agencies, and programs must be accountable for their use of public funds, and the financial audit is one aspect of that accountability. Moreover, the State's ACFR is reviewed by credit-rating agencies in evaluating the State's credit risk. The State's credit rating has a significant impact on how much money the State can borrow to finance projects and the cost of that financing.

State departments, agencies, and programs receiving federal grants and other awards are also required to have financial audits as well as reviews of their respective compliance with the terms of those grants and awards. The contracts issued by the Office of the Auditor include those compliance reviews, referred to as single audits, for those departments, agencies, and programs that require single audits, including the single audit of the State of Hawai'i. The cost of financial and single audits contracted by the State Auditor are paid through the Audit Revolving Fund, and some departments, agencies, and programs reimburse all or part of those costs, which are deposited into the fund.

The financial statement audit contracts that we administer through our Audit Revolving Fund are listed on Exhibit 3.¹ The proposed sum of \$2,800,000 will ensure sufficient funds to pay for these financial and single audits.

Our Work

Exhibit 4 is a list of the reports that we issued to the Legislature in 2022 and 2023. The work includes audits of the Department of Public Safety and the Office of Language Access. We also completed statutorily required reviews of the special, revolving, trust funds, and trust accounts maintained by the Department of Human Resources Development, the Department of Taxation, and the Department of Public Safety. We additionally issued reports on statutorily required reviews of assessments of whether the state should require health insurers to provide coverage for fertility preservation services for cancer patients, hearing aids, and early access breast cancer

¹ The cost for financial audits of the Office of the Auditor, the Hawai'i State Ethics Commission, the Legislative Reference Bureau, and the Office of the Ombudsman are paid from our operating budget.

screening. Assessments of proposed regulation for school psychologists and community health worker professions were also issued.

We are in the process of completing statutorily required reviews of tax credits and tax exemptions and exclusions. Sections 23-72, et seq. and 23-91, et seq., Hawai'i Revised Statutes, require us to review a number of different tax exemptions, exclusions, credits, and deductions each year.

We paused the status of the implementation of audit recommendations contained in a report relating to the Disease Outbreak Control Division of the Department of Health (Report No. 17-14), to allow that division to continue its work during the pandemic. We completed similar assessments of the implementation status of the audit recommendations relating to the Office of Hawaiian Affairs, Hawai'i Tourism Authority, and the Department of Land and Natural Resources' Land Conservation Fund. Generally, we conduct active follow-up on the status of an agency's implementation of our audit recommendations two to three years after issuance of an audit report. An omnibus report on the general implementation of recommendations from 2017 through 2020 was issued separately in December 2022.

The ACFR was issued on December 30, 2022. Last year, the State of Hawai'i earned the coveted Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting, an award given to individual governments that succeed in preparing ACFRs that evidence the spirit of transparency and full disclosure; we hope the State earns that same award this year. On-time issuance of the ACFR and achievement of GFOA's award can positively affect the State's ability to issue general obligation bonds to fund capital improvement projects. The coronavirus pandemic continues to present state agencies and their auditors with significant changes and challenges. We are working to provide support and expect the statewide Single Audit to issue by its March 31, 2023 deadline.

We are reviewing bills that propose creating new special or revolving funds and will be providing the Legislature with a report no later than 30 days prior to *sine die* assessing whether those proposed funds meet certain statutory criteria as required by Section 23-11, Hawai'i Revised Statutes. We expect the reviews to be completed before the end of February.

Thank you for your continued support of the Office of the Auditor and for your consideration of our testimony in support of the appropriations to the Office of the Auditor in H.B. No. 1514.

OFFICE OF THE AUDITOR
Statement Showing Budget for Office Operations
By Object of Expenditure for FY2023-2024

Exhibit 1

Operating Budget

Personal services:

Staff salaries	\$2,926,700
Salary Commission Increase	14,664
Total personal services	<u>2,941,364</u>
Contractual Services	194,916
	<u>3,136,280</u>

Other expenses:

Office expenses	47,500
Intrastate transportation and travel	4,800
Out-of-state travel	42,000
Training	20,000
Printing	5,000
Rental and maintenance of equipment	20,000
Books	500
Equipment	46,284
Miscellaneous	2,000
	<u>188,084</u>
Total other expenses	<u>188,084</u>

Total Operating Budget **\$3,324,364**

Special Studies Appropriation **\$150,000**

Vacation Payments Appropriation **\$68,106**

Audit Revolving Fund **\$2,800,000**

OFFICE OF THE AUDITOR
Statement Showing Budget and Estimated Expenditures
By Object of Expenditure for FY2022-2023

Exhibit 2

	Budget	Estimated	Variance
Personal services:			
Staff salaries	\$ 2,902,608	\$ 2,046,392	\$ 856,216
Contractual services	194,916	194,916	-
Total personal services	\$ 3,097,524	\$ 2,241,308	\$ 856,216
Other expenses:			
Office expenses	\$ 47,500	\$ 47,500	\$ -
Intrastate transportation and travel	4,800	4,800	-
Out-of-state travel	42,000	42,000	-
Training	13,200	22,000	(8,800)
Printing	5,000	5,000	-
Rental and maintenance of equipment	20,000	20,000	-
Books	500	500	-
Equipment	46,284	46,284	-
Advertising	-	500	(500)
Miscellaneous	2,000	2,000	-
Total other expenses	\$ 181,284	\$ 190,584	\$ (9,300)
TOTAL	\$ 3,278,808	\$ 2,431,892	\$ 846,916
Special Studies Appropriation (Act 1, SLH 2022)	\$ 150,000	\$ -	\$ 150,000
Vacation Payments Appropriation (Act 1, SLH 2022)	\$ 68,106	\$ 68,106	\$ -
Audit Revolving Fund Appropriation (Act 1, SLH 2022)	\$ 2,800,000	\$ 2,800,000	\$ -

**OFFICE OF THE AUDITOR
AUDIT REVOLVING FUND
FY2024 - BUDGET REQUEST**

# of Contracts	Department - Agency Financial Statement (and Single Audits, as applicable) Audits	Expenditure Ceiling Request Projected FYE 2023 Fees	Funding Source Breakdown			General Fund Request (General Fund portion of fees)
			General Fund	Non-GF (Reimbursement)		
	Department of Accounting and General Services					
1	ACFR-Combined Single Audits	\$ 1,525,000	100.0%	0.0%	n/a	\$ 1,525,000
	ICSD - SSAE 16: IT Controls					
2	Department of the Attorney General	\$ 108,000	55.0%	45.0%	Federal	\$ 59,400
	Department of Budget and Finance					
3	Hawaii Employer - Union Health Benefits Trust Fund	\$ 278,200	0.0%	100.0%	Trust	\$ -
4	Employees' Retirement System	\$ 245,475	0.0%	100.0%	Other Non-GF	\$ -
	Department of Business, Economic Development & Tourism					
5	Stadium Authority	\$ 61,500	0.0%	100.0%	Special	\$ -
6	Hawaii Housing Finance & Development Corporation	\$ 224,100	0.0%	100.0%	Special	\$ -
7	HTA - Hawaii Tourism Authority	\$ 125,000	0.0%	100.0%	Special	\$ -
	Hawaii Convention Center - Special Purpose F/S					\$ -
8	Hawaii Community Development Authority	\$ 44,000	0.0%	100.0%	Special	\$ -
9	Department of Education	\$ 500,000	90.0%	10.0%	Federal	\$ 450,000
10	Department of Hawaiian Home Lands	\$ 150,000	0.0%	100.0%	Trust	\$ -
	Department of Health					
11	Water Pollution Control Revolving Fund	\$ 402,000	70.0%	30.0%	Federal	\$ 281,400
	Drinking Water Treatment Revolving Loan Fund					
	Deposit Beverage Container Program	\$ -	Charge back 100% to DBC program			\$ -
12	Department of Human Services	\$ 445,000	47.38%	52.62%	Federal	\$ 210,856
13	Hawaii Public Housing Authority	\$ 335,000	0.0%	100.0%	Various	\$ -
14	Department of Land and Natural Resources	\$ 127,300	0.0%	100.0%	Special	\$ -
	Department of Transportation					
15	Administration	\$ 41,000	0.0%	100.0%	Special	\$ -
16	Airports	\$ 415,000	0.0%	100.0%	Special	\$ -
17	Harbors	\$ 250,000	0.0%	100.0%	Special	\$ -
18	Highways	\$ 355,000	0.0%	100.0%	Special	\$ -
19	Oahu Metropolitan Planning Organization	\$ 47,500	0.0%	100.0%	Special	\$ -

TOTAL Managed 19 Contracts:	\$ 5,679,075		\$ 2,526,656
Reserve for Estimated Adjustments/Overages:	\$ 620,925		\$ 273,344
TOTAL Requested Budget Amounts:	<u>\$ 6,300,000</u>		<u>\$ 2,800,000</u>

Office of the Auditor
Current Projects and Reports Submitted to the 2022 and 2023 Legislatures

Performance audits, studies, and other projects

Report No.	Title
Performance audits and other reports issued in 2022	
22-01	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Education and the Hawai'i State Public Library System
--	2021 Annual Report
22-02	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Office of Hawaiian Affairs
22-03	Analyses of Proposed Special and Revolving Funds 2022
22-04	Follow-Up on Recommendations from Report No. 18-03, <i>Audit of the Office of Hawaiian Affairs</i>
22-05	Audit of the Department of Public Safety
22-06	Review of Tax Provisions Pursuant to Section 23-74, Hawai'i Revised Statutes
22-07	Review of Income and Financial Institutions Tax Provisions Pursuant to Section 23-93, Hawai'i Revised Statutes
22-08	Sunrise Analysis: Regulation of Community Health Workers
22-09	Follow-Up on Recommendations from Report No. 18-04, <i>Audit of the Hawai'i Tourism Authority</i>
22-10	Audit of the Office of Language Access
22-11	Follow-Up on Recommendations from Report No. 19-01, <i>Audit of the Department of Land and Natural Resources' Land Conservation Fund</i>
22-12	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Human Resources Development
22-13	Sunrise Analysis: Regulation of School Psychologists
22-14	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Taxation
22-15	Report on the Implementation of State Auditor's Recommendations 2017-2020
22-16	Proposed Mandatory Health Insurance for Fertility Preservation Procedures for Cancer Patients

Office of the Auditor
Current Projects and Reports Submitted to the 2022 and 2023 Legislatures

Report No.	Title
Performance audits and other reports issued and to be issued in 2023	
23-01	Sunset Evaluation: Regulation of Appraisal Management Companies
23-02	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Public Safety
23-03	Study of Proposed Mandatory Health Insurance Coverage for Early Access Breast Cancer Screening
23-xx	Audit of the Office of Hawaiian Affairs
23-xx	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Labor and Industrial Relations
23-xx	Audit of the Department of Human Services' Child Welfare Services Branch
23-xx	Audit of the Department of Health, Hawai'i State Hospital, and Hawai'i Information Portal
23-xx	Audit of the Driver Education Program
23-xx	Audit of the Hawai'i Tourism Authority
23-xx	Review of Tax Incentives
23-xx	Financial Audit of the Deposit Beverage Container Deposit Program
23-xx	Follow-Up on Recommendations from Report No. 17-14, <i>Audit of the Disease Outbreak Control Division of the Department of Health</i>
23-xx	Follow-Up on Recommendations from Report No. 18-18, <i>Audit of the Office of Health Care Assurance's Adult Residential Care Homes Program</i>
23-xx	Follow-Up on Recommendations from Report No. 19-12, <i>Audit of the Department of Land and Natural Resources' Special Land and Development Fund</i>
23-xx	Follow-Up on Recommendations from Report No. 19-13, <i>Audit of the Department of Education's Administration of School Impact Fees</i>
23-xx	Follow-Up on Recommendations from Report No. 21-01, <i>Audit of the Agribusiness Development Corporation</i>
23-xx	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Accounting and General Services
23-xx	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Agriculture
23-xx	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Budget and Finance
23-xx	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Land and Natural Resources

Office of the Auditor
Current Projects and Reports Submitted to the 2022 and 2023 Legislatures

Report No.	Title
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Performance audits and other reports issued and to be issued in 2023 (cont.)

23-xx	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Transportation
23-xx	Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Defense
--	2022 Annual Report

Proposed fund reviews

--	We expect to perform approximately 60 - 70 reviews of proposed special and revolving funds during the 2023 legislative session.
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Office of the Auditor
Current Projects and Reports Submitted to the 2022 and 2023 Legislatures

Financial Statements and Single Audit Report

Financial statement audits issued in 2022	Performed by:
State of Hawai'i Annual Comprehensive Financial Report – June 30, 2021	Accuity LLP
State of Hawai'i Single Audit Report – June 30, 2021	Accuity LLP
Agribusiness Development Corporation – June 30, 2019 Financial Statements	Accuity LLP
Department of Budget and Finance, Employees' Retirement System of the State of Hawai'i – June 30, 2021 Financial Statements	KPMG LLP
Department of Business, Economic Development and Tourism, Hawai'i Convention Center – June 30, 2021 Special-Purpose Financial Statements	Accuity LLP
Department of Business, Economic Development and Tourism, Hawai'i Housing Finance and Development Corporation – June 30, 2021 Financial Statements and Single Audit Report	Accuity LLP
Department of Education – June 30, 2021 Financial Statements and Single Audit Report	Accuity LLP
Department of Hawaiian Home Lands – June 30, 2021 Financial Statements and Single Audit Report	Akamine, Oyadomari & Kosaki CPA's, Inc.
Department of Health – June 30, 2021 Financial Statements and Single Audit Report	KMH LLP
Department of Human Services – June 30, 2021 Financial Statements and Single Audit Report	KMH LLP
Department of Human Services, Hawai'i Public Housing Authority – June 30, 2021 Single Audit Report	KMH LLP
Department of Transportation, Administration Division – June 30, 2021 Financial Statements	Egami and Ichikawa CPAs, Inc.
Department of Transportation, Airports Division – June 30, 2021 Financial Statements	KPMG LLP
Department of Transportation, Airports Division – June 30, 2021 Single Audit Report	KPMG LLP
Department of Transportation, Highways Division – June 30, 2021 Financial Statements	Accuity LLP
Department of Transportation, Highways Division – June 30, 2021 Single Audit Report	Accuity LLP

Office of the Auditor
Current Projects and Reports Submitted to the 2022 and 2023 Legislatures

Financial statement audits issued and to be issued in 2023	Performed by:
State of Hawai'i Annual Comprehensive Financial Report – June 30, 2022	Accuity LLP
State of Hawai'i Single Audit Report – June 30, 2022*	Accuity LLP
Department of Accounting and General Services, Stadium Authority – June 30, 2022 Financial Statements and Single Audit Report	N&K CPAs, Inc.
Department of the Attorney General – June 30, 2021 Financial Statements and Single Audit Report*	KPMG LLP
Department of the Attorney General – June 30, 2022 Financial Statements and Single Audit Report*	KPMG LLP
Department of Budget and Finance, Employees' Retirement System of the State of Hawai'i – June 30, 2022 Financial Statements*	Eide Bailly LLP
Department of Budget and Finance, Hawai'i Employer-Union Health Benefits Trust Fund of the State of Hawai'i – June 30, 2022 Financial Statements	KKDLY LLC
Department of Business, Economic Development and Tourism, Hawai'i Community Development Authority – June 30, 2022 Financial Statements	KKDLY LLC
Department of Business, Economic Development and Tourism, Hawai'i Convention Center – June 30, 2022 Special-Purpose Financial Statements	Accuity LLP
Department of Business, Economic Development and Tourism, Hawai'i Housing Finance and Development Corporation – June 30, 2022 Financial Statements and Single Audit Report	Accuity LLP
Department of Business, Economic Development and Tourism, Hawai'i Tourism Authority – June 30, 2022 Financial Statements	Accuity LLP
Department of Education – June 30, 2022 Financial Statements and Single Audit Report*	Accuity LLP
Department of Hawaiian Home Lands – June 30, 2022 Financial Statements and Single Audit Report*	Akamine, Oyadomari & Kosaki CPA's, Inc.
Department of Health – June 30, 2022 Financial Statements and Single Audit Report*	KMH LLP
Department of Human Services – June 30, 2022 Financial Statements and Single Audit Report*	Accuity LLP
Department of Human Services, Hawai'i Public Housing Authority – June 30, 2022 Financial Statements	KMH LLP
Department of Human Services, Hawai'i Public Housing Authority – June 30, 2022 Single Audit Report*	KMH LLP
Department of Land and Natural Resources – June 30, 2021 Financial Statements*	N&K CPAs, Inc.

Office of the Auditor
Current Projects and Reports Submitted to the 2022 and 2023 Legislatures

Financial statement audits issued and to be issued in 2023 (cont.)	Performed by:
Department of Land and Natural Resources – June 30, 2022 Financial Statements*	N&K CPAs, Inc.
Department of Transportation, Administration Division – June 30, 2022 Financial Statements and Single Audit Report	KKDLY LLC
Department of Transportation, Airports Division – June 30, 2022 Financial Statements	KPMG LLP
Department of Transportation, Airports Division – June 30, 2022 Single Audit Report*	KPMG LLP
Department of Transportation, Harbors Division – June 30, 2022 Financial Statements	Accuity LLP
Department of Transportation, Highways Division – June 30, 2022 Financial Statements*	Accuity LLP
Department of Transportation, Highways Division – June 30, 2022 Single Audit Report*	Accuity LLP
Department of Transportation, O’ahu Metropolitan Planning Organization – June 30, 2022 Financial Statements and Single Audit Report*	Accuity LLP

*Financial Statements and/or Single Audit Reports have not yet been submitted to the Legislature.

Charlotte A. Carter-Yamauchi
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LEGISLATIVE REFERENCE BUREAU
State of Hawaii
State Capitol, Room 446
415 S. Beretania Street
Honolulu, Hawaii 96813

TESTIMONY IN SUPPORT

HB1514

MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES OF THE LEGISLATURE, THE AUDITOR, THE LEGISLATIVE REFERENCE BUREAU, THE OMBUDSMAN, AND THE ETHICS COMMISSION.

Charlotte A. Carter-Yamauchi, Director
Legislative Reference Bureau

Presented to the House Committee on Finance

Wednesday, February 8, 2023, 2:00 p.m.
Conference Room 308

Chair Yamashita and Members of the Committee:

I am Charlotte Carter-Yamauchi, Director of the Legislative Reference Bureau (LRB). Thank you for this opportunity to provide testimony in **support** of on H.B. No. 1514, which contains the LRB's budget for fiscal year 2023-2024.

The LRB provides comprehensive, impartial research and reference services on legislative matters, primarily for the Legislature, but occasionally for other governmental agencies, other entities, and the general public.

The LRB's major functions include:

- Providing research and drafting services, including drafting bills and other legislative documents, such as bill reviews and committee reports, at the request of the Legislature, legislative committees, and individual legislators. We prepare studies, reports, and memoranda on various issues. We strive to maintain a standard of being objective, impartial, nonpartisan, and fair in all of our work and treatment of clients.
- Engaging in statutory revision, including the publication of the Session Laws of Hawaii, the Hawaii Revised Statutes and all cumulative Supplements thereto, and annual Replacement Volumes to the Hawaii Revised Statutes. We also establish the format for administrative agency rules and compile and publish a table indicating those administrative rules that implement state laws.

- Maintaining a reference library as an information resource primarily for the Legislature and legislative staff, but which is also used by other government agencies and the general public. Our library provides outstanding services, including online information services, and maintains the LRB's website, which is designed to facilitate legislative research by providing links to other important resources.
- Maintaining a legislative systems office that purchases, maintains, and provides technical support for the computer hardware, software, and other equipment for the LRB and coordinates the integration of the LRB's computer system with the House and Senate information systems. In addition, the systems office maintains the LRB's data management system, which is used by LRB staff and other legislative research offices to electronically access information and data on the subject matter and status of legislative documents and is also used for critical LRB operations, such as managing internal documents and workload tracking.
- Maintaining the Public Access Room, which was established by the Legislature to facilitate public participation in the legislative process. Our Public Access Room staff have expanded the availability of legislative information, materials, and services, most notably through ongoing webinars, use of social media, and maintaining a robust website and growing library of videos.

We have attached an exhibit that provides more detailed information on the functions and services provided by LRB.

H.B. No. 1514, proposes a Bureau budget for Fiscal Year 2023-2024 that is \$174,325 more than its Fiscal Year 2022-2023 budget. This total increase consists of carryover personnel costs of \$53,075 that were initiated pursuant to the appropriation for personnel costs in Act 276, Session Laws of Hawaii 2022, \$23,526 for Director and First Assistant Director personnel costs established by the 2019 Commission on Salaries, and a \$97,724 cost adjustment to cover an increase in personnel costs to match an anticipated Bargaining Unit 13 salary increase occurring on July 1, 2023.

Thank you for the opportunity to testify in support of H.B. No. 1514.

Exhibit

THE LEGISLATIVE REFERENCE BUREAU

The Legislative Reference Bureau is a nonpartisan legislative service agency that provides a wide variety of comprehensive impartial research and reference services to the Legislature as a whole and to individual Legislators and legislative committees. In some cases, the Bureau also provides nonpartisan services for other government agencies, other entities, and the general public. Presently, the Bureau consists of five separate and distinct divisions: Research, Statute Revision, Systems Office, Library, and the Public Access Room. By law, the services provided by the Bureau to Legislators are confidential, unless the confidentiality is waived by the requestor.¹

It is important to note that the Bureau as a whole, and the Research Division in particular, has no control over the amount of work assigned to it from either house of the Legislature. The decision to utilize the services of the Bureau is left entirely to the discretion of the individual Legislators. The preference of Legislators to use a particular research/drafting agency may fluctuate over time based upon any number of factors. Further, many Legislators often use the services of more than one research/drafting agency.

What follows is a detailed description of the work of each division of the Bureau. Recognizing that workloads fluctuate from session to session for a variety of reasons, an effort has been made to present detailed workload statistics for a five-year period, to the extent available, to provide a more comprehensive picture of the LRB's operations.

Research Division

The Research Division assists the Legislature through comprehensive, nonpartisan research memoranda and reports and drafting of various legislative documents. The Research Division's work includes drafting bills, resolutions, bill reviews and legal checks, committee reports and bill amendments, floor amendments, draft language, letters and memoranda, and published reports and studies. In addition, Research Division staff members are sometimes tasked with supporting legislatively created task forces and working groups and preparing various operational documents such as Requests for Proposals and procurement contracts for the Legislature.²

Between fiscal years 2017-2018 and 2021-2022, the Research Division responded to 19,580 requests for services.³ In each year, the Research Division responded to an average of 3,916 requests for services. (See Table 1 for year-by-year totals.)

Table 1. Research Division Requests (FY 2017-2018 - FY 2021-2022)

	FY 17-18 (2018)				FY 18-19 (2019)				FY 19-20 (2020)				FY 20-21 (2021)				FY 21-22 (2022)			
	House		Senate		House		Senate		House		Senate		House		Senate		House		Senate	
	Number of Requests	Percent by Chamber	Number of Requests	Percent by Chamber	Number of Requests	Percent by Chamber	Number of Requests	Percent by Chamber	Number of Requests	Percent by Chamber	Number of Requests	Percent by Chamber	Number of Requests	Percent by Chamber	Number of Requests	Percent by Chamber	Number of Requests	Percent by Chamber	Number of Requests	Percent by Chamber
Bills for Introduction	718	64%	411	36%	953	66%	489	34%	799	56%	617	44%	544	54%	471	46%	588	53%	519	47%
Bill Drafts (HDs, SDs, CDs) & Floor Amendments	77	13%	523	87%	75	14%	469	86%	61	15%	354	85%	28	8%	320	92%	30	7%	379	93%
Committee Reports	14	2%	585	98%	36	6%	614	94%	10	3%	322	97%	5	1%	401	99%	4	1%	428	99%
Resolutions	203	65%	109	35%	242	67%	117	33%	189	43%	251	57%	147	49%	155	51%	112	49%	117	51%
Certificates	26	100%	0	0%	21	100%	0	0%	10	100%	0	0%	2	100%	0	0%	16	100%	0	0%
Language--Bills, Resos, Legal Checks	9	69%	4	31%	5	100%	0	0%	6	55%	5	45%	6	29%	15	71%	8	100%	0	0%
Bill Reviews	463	48%	504	52%	513	50%	515	50%	322	50%	321	50%	360	50%	356	50%	525	56%	411	44%
Research Memos	72	84%	14	16%	42	86%	7	14%	30	79%	8	21%	64	76%	20	24%	50	75%	17	25%
TOTAL HOUSE & SENATE REQUESTS	1582	42%	2150	58%	1887	46%	2211	54%	1427	43%	1878	57%	1156	40%	1738	60%	1,333	42%	1871	58%
Administration Measures (formatting and proofing; preparation for Legislature's website) ⁴	228		246		236		215		258											
Formatting Acts (preparation for publisher--session laws and supplements) ⁵	220		286		82		239		317											
Miscellaneous (projects, studies, task force reports, RFPs, etc.)	8		8		1		1		2											
TOTAL ALL REQUESTS	4188		4638		3624		3349		3,781											

This table shows the distribution of the various types of requests for services completed by the Research Division. Requests completed for the House appear in the orange column, along with the corresponding percentage of the total. Requests for the Senate appear in the blue column, along with the corresponding percentage of the total. Administration measures (which are assigned by legislative leadership to the Bureau for electronic formatting), formatting acts, and miscellaneous requests are not allocated to either house, but appear in the overall total of requests handled by the Research Division.

Over the course of a two-year legislative biennium, the Research Division historically handles more requests in the first year of the biennium than in the second year of the biennium. As an aside, we note that the number of requests for FY 19-20 and FY 20-21 have been generally trending down due in very large part to the COVID-19 pandemic. As to be expected, the volume of requests is highest immediately before and during the legislative session (October to May).

Over the past five fiscal years, the Research Division has completed an average of 1,477 requests for services for the House and 1,970 requests for services for the Senate each year.⁶ Of these requests received by the Research Division, a five-year average of 42.8% come from the House and 57.2% come from the Senate (other requests such as formatting Administration bills on behalf of the Legislature and other tasks are not included in this calculation). To offer another perspective on the breakdown of requests for services completed for each house, if the foregoing figures are divided by each member of each respective house of the Legislature (per capita) over the five-year period, they would equate to the Research Division completing an average of 29 requests for each Representative and 79 requests for each Senator each year.

Revision of Statutes Division

Chapter 23G, part II, Hawaii Revised Statutes (HRS), addresses the Bureau's statute revision and publication functions.⁷ Under section 23G-11, HRS, the Director, or a Bureau member designated by the Director, serves as the Revisor of Statutes. The Revision of Statutes Division reviews the laws enacted each session and is responsible for several publications that are published annually during the interim:

- The Session Laws of Hawaii, containing all the laws enacted and any constitutional amendments proposed during a legislative session, along with an index, a table showing what statutes have been affected, and a list of committee reports pertaining to the laws enacted;
- The HRS, containing all of Hawaii's laws that are of a general and permanent nature, which consists of:
 - The annual cumulative supplements to the HRS, containing all subsequent amendments or repeals that have been made to those statutory sections appearing in the most recent hardbound volumes and any new statutory sections that have been subsequently enacted into law; and
 - Hardbound replacement volumes to the HRS.⁸

The Revision of Statutes Division also engages in the continuous review of existing law to identify errors or inconsistencies in the HRS and session laws. As necessary, the Division prepares a statutory revision bill that is "housekeeping" in nature to correct the technical or nonsubstantive errors found in the HRS or session laws. The Division also is statutorily charged with prescribing and distributing a uniform format for all state agencies for the compiling and publication of their rules;⁹ and annually publishes the Hawaii Administrative Rules Table of Statutory Sections Implemented and Directory, indicating administrative agency rules that

implement state laws.¹⁰ To facilitate the perceived intent of the Legislature and to assist the agencies in meeting the mandated rules format, the Division staff, upon request, review state agencies' proposed administrative rules for conformance with the uniform format. Finally, during the legislative session, staff members from the Division frequently assist Research Division researchers with requests for legislative drafting.

Table 2. Revision of Statutes Division Requests					
Requests for Assistance	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Hawaii State Government	89	125	46	76	75
Other Governments*	9	2	3	2	4
Private	14	15	7	19	12
Materials Sent	0	0	0	0	0
Review of Administrative Rules	32	20	13	16	7
TOTALS	144	162	69	113	98

*Includes counties, other states, federal and foreign governments.

Systems Office

The LRB's Systems Office procures and maintains the computer hardware, software, and peripheral devices for the Legislative Reference Bureau and coordinates the integration of the Bureau's computer systems with the House and Senate information systems. Pursuant to statute,¹¹ the Systems Office is also responsible for maintaining the Bureau's data management system, which is used by the Bureau staff to electronically access data relating to legislative documents, Legislators, and the Legislature and for critical Bureau operations such as managing internal documents and workload tracking.

Using the data management software Concordance,¹² the Systems Office creates and maintains searchable databases of information on measures considered each session by the Legislature (since 1983) and builds and maintains databases of the Hawaii Revised Statutes and the Session Laws of Hawaii (since 1991).¹³ Using these databases, the Systems Office is able to provide information on the subject matter, status, and history of legislation and laws back to those database inception dates. In addition, the Systems Office produces and disseminates bill status information during session via various annual publications (Crossover Bills, Bills Passed, Resolutions Adopted, etc.), which are also made available on the LRB's website. A significant portion of the work performed by the Systems Office, in creating and maintaining databases, tracking legislation, and customizing bill status reports, supports the work of Legislators, their staff, and legislative research offices, as well as the other divisions of the Bureau, particularly the Research Division. The Systems Office also assists others in the use of Concordance and the databases. For example, research offices of the House of Representatives and the Senate frequently use Concordance to access information on current and past legislation, as well as to conduct searches in the Hawaii Revised Statutes and the Session Laws of Hawaii databases.

Requests for services of the Systems Office are captured according to five broad categories: information from computer, technical assistance, printouts, training, and general information. Requests for information from computer are requests for information maintained in the Concordance databases that may include bill status or bill tracking. These requests are generally handled over the phone or by email. Requests for technical assistance require Systems Office staff to assist with either hardware or software issues. Requests for printouts are requests for more extensive information for which a report is generated and provided to the requestor. Finally, general information requests involve Systems Office staff responding to inquiries that do not require access to the Concordance database. Over the past five fiscal years, the Systems Office has responded to an average of 431 requests each year. Requests for computer and technical assistance make up the majority of the Systems Office's requests in any given year. (See Table 3.)

Table 3. LRB Systems Office Requests						
Request Type	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Average per year
Information from Computer	74	52	31	30	31	44
Technical Assistance	310	375	294	306	284	314
Printouts	50	54	32	34	36	41
Training	10	17	21	9	6	13
General Information	45	22	21	2	8	20
TOTALS	489	520	399	381	365	431

The Systems Office maintains requestor data only for printout type requests. Over the past five years, an average of 43% of printout reports generated by the Systems Office have been at the request of members of the Senate. House members requested an average of 36% of report requests, and the remainder was provided to other governmental agencies. (See Table 4.)

Table 4. LRB Systems Office Requests for Printouts				
Year	For House (%)	For Senate (%)	Other	Total Printouts
FY 17-18	23 (46%)	24 (48%)	3 (6%)	50
FY 18-19	17 (31%)	19 (36%)	18 (33%)	54
FY 19-20	11 (34%)	12 (38%)	9 (28%)	32
FY 20-21	10 (29%)	16 (47%)	8 (24%)	34
FY 21-22	13 (36%)	18 (50%)	5 (14%)	36

Library

The Legislative Reference Bureau is statutorily charged with maintaining a reference library as an information resource to serve and support the Legislature and legislative staff, including the other divisions within the Legislative Reference Bureau.¹⁴ In addition, the Library is available for use by other government agencies and the general public.¹⁵ Furthermore, the Bureau's Library is a major repository for government reports to the Legislature.¹⁶ We note that with the closure of the DBEDT's reference library in 2009 and the limited availability of materials from the Honolulu Municipal Reference Center, the Bureau's Library is one of the few remaining providers of resources of this nature. The Library's collection consists of over 123,000 volumes, including Hawaii statutes and case law, electronic and hard copies of reports to the Legislature, and other state documents. House and Senate journals dating back to 1901, Session Laws of Hawaii back to 1848, and numerous other reference volumes and reports. In addition, the collection contains hundreds of volumes of law reviews, scholarly journals, magazines, and other periodicals. The Library staff includes five research librarians who provide reference and research assistance, as well as assistance with Westlaw, and develop web content. Several research librarians also provide technical assistance to the website and the library catalog.

The Library card catalog is available on the Internet, using the open source software Koha. In 2016, the Library contracted with a new vendor to provide the Library with a modernized Integrated Library System (ILS). The catalog was announced in May 2016, and through the new ILS, the Library has an improved online public catalog, updated cataloging modules, and a more streamlined circulation process. The previous catalog, which was created in 1983, started with mainframe computing and received its last major update in 1999, when it was migrated to a web-based platform. However, that system did not meet the current library cataloging standard. Accordingly, we have updated our Library's cataloging practices to conform to the current library cataloging standard. The Library's online catalog contains thousands of bibliographic records and has added over 18,500 electronic files in the past few years. In FY 2021-2022, there were over 800 electronic document views from the Library's online catalog.

The Library has historically maintained the Legislative Reference Bureau's and Public Access Room websites. In 2019, both websites completed a full rebuild and redesign through a private vendor; the websites had last been redesigned in 2004 and, among other inherent deficiencies, were not compliant with existing security protocols established by the State's Office of Enterprise Technology Services.¹⁷ In 2020, the LRB websites received the Outstanding Website award by the Web Marketing Association. *iClips*, an electronic news headline service that has been emailed to Legislators and legislative staff every weekday morning since 2003, has been resurrected into a new format and is available each weekday. In addition, the Library has responsibility for distributing all LRB publications, except the Hawaii Revised Statutes, its supplements, and the Session Laws of Hawaii, which, by law, are required to be distributed or sold by the Lieutenant Governor.¹⁸

The Library maintains records on several types of service requests: reference and research assistance, online database research (this involves more extensive research, including

Westlaw searches, and is done only for Legislators or legislative staff), legislative staff orientation and training, distribution of publications, and documents borrowed. In addition, the Library keeps records of photocopying and printouts that it prepares in response to the various requests. Over the past five years, the Library has responded to an average of over 1,900 informational and research requests each year, not including requests for photocopying or computer printouts. (See Table 5.) We are including the Bureau's website statistics in Table 6, which reflects the statistics for FY 20-21 and FY 21-22. We are also including the *iClips* statistics in Table 7, which reflects the statistics for FY 20-21 and FY 21-22.

Table 5. LRB Library Requests for Services							
Request Type	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Average per Year	
Reference/Research	1183	1128	783	868	1005	993	
Online Database Research	24	21	7	6	12	14	
Orientation/Training	30	83	67	12	31	45	
Publications Distributed ¹⁹	964	489 ²⁰	690	947	621	742	
Documents Borrowed	263	101	89	81	96	126	
TOTALS	2464	1822	1636	1914	1765	1920	
Photocopying (pages)	861	1136	624	51	296	594	
Comp. printouts (pages)	115	83	83	0	120	80	
TOTALS	976	1219	707	51	416	674	

Table 6. LRB Library Website Statistics								
Month	Users ¹		New Users ²		Number of Sessions ³		Pageviews ⁴	
	FY 20-21	FY 21-22	FY 20-21	FY 21-22	FY 20-21	FY 21-22	FY 20-21	FY 21-22
July	2,122	2,280	1,801	1,887	2,919	3,248	6,210	6,920
August	2,328	2,402	2,036	2,050	2,973	3,196	5,986	6,269
September	2,309	3,006	2,018	2,609	3,056	4,190	5,721	7,847
October	2,409	3,153	2,116	2,782	3,166	4,132	6,088	7,497
November	2,285	2,966	1,987	2,589	3,112	3,969	6,508	7,416
December	2,409	2,597	2,028	2,232	3,426	3,620	7,700	7,109
January	4,033	4,623	3,566	4,102	6,213	6,707	14,620	14,019
February	4,435	4,711	3,819	4,015	6,373	6,620	13,251	12,583
March	3,699	4,101	3,107	3,396	5,313	6,000	10,632	11,794
April	3,261	3,523	2,671	2,841	4,817	5,249	9,793	9,970
May	2,293	2,982	1,903	2,441	3,232	4,212	6,433	8,494
June	2,171	2,545	1,780	2,147	3,280	3,528	6,938	6,956

(Continued)
*Launched our new website on 12/18/2019
¹ Users who have initiated at least one session during the date range.
² The number of first-time users during the selected date range.
³ A session consists of a single visit to the website, consisting of one or more pageviews.
⁴ Pageviews is the total number of pages viewed. Repeated views of a single page are counted.
https://www.lovesdata.com/blog/universal-analytics-glossary

Table 7. iClips Statistics for FY 20-21*								
Month	Subscribers		Percentage Opened ¹		Clicks per unique opens ²		Pageviews of iClips on website	
	FY 20-21	FY 21-22	FY 20-21	FY 21-22	FY 20-21	FY 21-22	FY 20-21	FY 21-22
July	65	123	21.1%	24%	37.9%	46%	152	161
August	69	123	22.6%	25%	46.1%	52%	138	157
September	70	127	21.6%	25%	43.1%	54%	118	204
October	70	139	23.1%	27%	38.7%	55%	170	197
November	87	142	26.2%	27%	38.5%	51%	263	220
December	91	146	27.0%	26%	35.0%	45%	177	233
January	115	155	30.5%	39%	42.5%	48%	191	340
February	124	155	29.3%	48%	44.2%	47%	209	220
March	126	156	29.2%	48%	46.5%	45%	247	296
April	126	156	30.0%	52%	51.3%	45%	194	285
May	126	156	26.1%	44%	48.9%	43%	180	314
June	123	154	25.2%	42%	51.2%	44%	199	373
*We launched the iClips email newsletter on 1/9/2020								
¹ The percentage of recipients who opened the email any number of times.								
² The percentage of subscribers who opened and clicked a link in the iClips email newsletter.								
https://mailchimp.com/help/about-open-and-click-rates/								

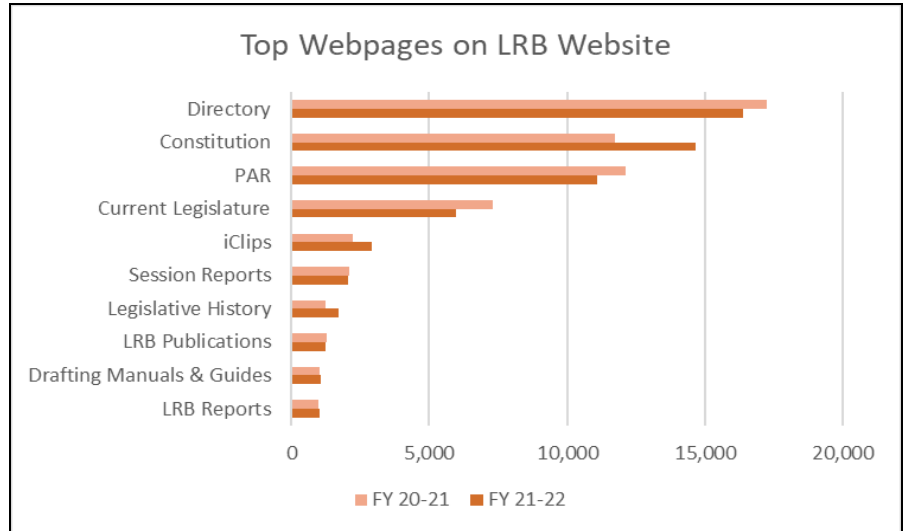
A review of the Library's requests for services reveals that its resources are heavily used by both houses of the Legislature, legislative agencies, other agencies, and the public. Relative use among requestors varies depending upon the type of request. One pattern is clear however: the Library provides services to both the Senate and House in similar percentages across all categories of service requests in most years. (See Table 8.)

Table 8. LRB Library Requests by Requestor										
Documents Borrowed										
	FY 17-18	%	FY 18-19	%	FY 19-20	%	FY 20-21	%	FY 21-22	%
House	104	39%	25	25%	6	7%	15	19%	56	58%
Senate	25	10%	16	16%	5	6%	31	38%	8	8%
Legislative Agencies	20	8%	1	1%	0	0%	0	0%	9	10%
Other Gov't. Agencies	26	10%	21	21%	38	43%	0	0%	2	2%
Public	88	33%	38	37%	40	45%	35	43%	21	22%
TOTAL	263		101		89		81		96	
Reference/Research										
	FY 17-18	%	FY 18-19	%	FY 19-20	%	FY 20-21	%	FY 21-22	%
House	117	10%	120	11%	90	11%	96	11%	86	9%
Senate	76	6%	94	8%	60	8%	48	6%	65	6%
Legislative Agencies	50	4%	51	4%	32	4%	46	5%	67	7%
Other Gov't. Agencies	255	22%	256	23%	192	25%	168	19%	256	25%
Public	685	58%	607	54%	409	52%	510	59%	531	53%
TOTAL	1183		1128		783		868		1005	
Publications Distributed										
	FY 17-18	%	FY 18-19	%	FY 19-20	%	FY 20-21	%	FY 21-22	%
House	280	29%	51	10%	134	19%	173	18%	78	13%
Senate	142	15%	40	8%	97	14%	146	15%	99	16%
Legislative Agencies	57	6%	73	15%	88	13%	133	14%	113	18%
Other Gov't. Agencies	471	49%	291	60%	367	53%	479	51%	296	48%
Public	14	1%	34	7%	4	1%	16	2%	35	5%
TOTAL	964		489		690		947		621	
Online Database Research										
	FY 17-18	%	FY 18-19	%	FY 19-20	%	FY 20-21	%	FY 21-22	%
House	5	21%	3	14%	4	57%	1	17%	1	8%
Senate	3	12%	3	14%	0	0%	2	33%	2	17%
Legislative Agencies	16	67%	15	72%	3	43%	3	50%	9	75%
TOTAL	24		21		7		6		12	

Table 8 illustrates the total number of each type of request responded to by the library in each of the past five years. The table also breaks the data down by the type of request for service provided to a requesting entity and the percentage of the total.

Table 9, reflects the Bureau's top ten webpages for FY 20-12 and FY 21-22.

Table 9. Top Webpages on LRB Website		
Webpage	FY 21-22	FY 20-21
Directory	16,383	17,256
Constitution	14,674	11,735
PAR	11,094	12,145
Current Legislature	5,949	7,296
iClips	2,902	2,238
Session Reports	2,037	2,091
Legislative History	1,727	1,251
LRB Publications	1,220	1,286
Drafting Manuals & Guides	1,065	1,000
LRB Reports	1,021	984



Public Access Room (PAR)

Originally staffed by community volunteers, the Public Access Room (PAR) began operations in 1990 and was statutorily established in 1994 as part of a permanent public access program to enhance the ability of the public to participate in the legislative process. It was made part of the Legislative Reference Bureau in 1996,²¹ and it is one of the few full-service taxpayer-funded resources of its kind in the country. Like all parts of the Bureau, PAR is nonpartisan. It provides members of the public with access to:

- Computers with internet access for drafting and submitting testimony, working on correspondence, and researching legislative issues;
- Workspace for individuals and/or small groups and a charging station for phones and laptops;
- Legislative volumes and reference materials;
- Photocopying services for testimony and meeting materials;
- Televisions for viewing legislative proceedings;
- Wide variety of handouts to aid in legislative participation;
- Videos of "how to" tutorials, PAR workshops, and descriptions of legislative process and procedure;
- Workshops covering introduction to the legislature or focusing on participation, deadlines, and various aspects of the legislative process; and
- Website with up-to-date resources to facilitate participation and in-depth information on the legislative process.

The Public Access Room is staffed year-round by two full-time specialists who provide research assistance, training, and outreach to members of the public who wish to understand the legislative process and to participate more effectively in their own governance. Up to two temporary full-time staff members have been added during legislative sessions.

PAR staff members conduct numerous workshops and tutorials throughout the year. Due to COVID-19, rather than traveling to communities on Oahu and the neighbor islands, almost all PAR workshops since FY 20-21 have continued to be conducted remotely. Staff members respond to email, telephone, and walk-in inquiries regarding specific aspects of legislative process; teach people how to use various websites relevant to legislative matters; and photocopy testimony for walk-in patrons, as necessary. Staff also produce and distribute numerous newsletters, each designed around whichever aspect of the legislative calendar is relevant at the time of publication (current circulation @ 3000/issue). Numerous handouts, publications, videos, and workshops are written and produced for the public by the PAR staff members. Popular handouts include "District Maps," "Pictures and Profiles," and the "Website Guide."

As part of the Bureau's website redesign project, the PAR's website was dramatically redesigned to present a wealth of new information and resources to the public. It now consists of over three dozen pages and presents convenient handouts, "how-to" guides and videos, and an array of other learning material (including a keiki page for students). During FY 21-22, the PAR website recorded over 54,000 visits (sessions).

Like many legislative agencies, the Public Access Room sees its number of requests for services peak during the legislative session. In addition to assisting members of the public, PAR staff responds to numerous requests for information from legislative offices, executive branch agencies, and the media. While the capitol was closed, PAR staff continued to staff the office and respond remotely to phone calls and email messages. Upon reopening in March 2022, PAR began once again assisting walk-in patrons. PAR staff began offering remote workshops in the fall of 2020. This allows many of these sessions to be recorded and subsequently emailed or posted to the website, furthering their reach. PAR continues to offer only remote workshops due to persisting health concerns.

Table 9. LRB Public Access Room Requests for Services					
Request Type	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Email Inquiries	346	310	499	469	699
Printing/Copying ²²	80,460	83,364	66,835	17,535	15,960
Workshop Participants <i>(Participants on Neighbor Islands)</i>	1,145 <i>(212)</i>	1,530 <i>(113)</i>	1,156 <i>(79)</i>	1,064 <i>(344)</i>	883
Telephone Inquiries ²³	1,044 ²⁴	2,203	1776	2,228	2,208
PAR walk-in patrons ²⁵	1,713 ²⁶	5,776	2,873	117	580
Broadcasts ²⁷	149	156	230	49	17

In addition to the abovementioned duties, PAR staff has acted as the contract administrator for the Legislature's Legislative Broadcast Project, the responsibilities of which have generally included selecting events to broadcast, monitoring production activity, and approving all contractor billing. However, the advent of COVID-19 and the move to livestream all legislative proceedings has greatly reduced PAR's workload in this regard.

Public Access Room (PAR) Website Statistics for FY 2021-22

<u>Month</u>	<u>Users¹</u>	<u>New Users²</u>	<u>Number of Sessions³</u>
July 2021	2,280	1,887	3,248
August 2021	2,402	2,051	3,196
September 2021	3,006	2,612	4,190
October 2021	3,153	2,782	4,132
November 2021	2,966	2,589	3,969
December 2021	2,597	2,232	3,620
January 2022	4,623	4,103	6,707
February 2022	4,711	4,016	6,620
March 2022	4,101	3,397	6,000
April 2022	3,523	2,843	5,249
May 2022	2,982	2,441	4,212
June 2022	2,545	2,147	3,528
		<i>Total Sessions:</i>	54,671 (An increase of 6,791 from FY 2020-21)

¹ Users who have initiated at least one session during the date range.

² Number of first-time users during the selected date range.

³ A session is the period time a user is actively engaged with the website (essentially, a visit to the website consisting of one or more pageviews).

Endnotes

1. See section 23G-4, Hawaii Revised Statutes (HRS).
2. Recent examples of these include the Request for Proposals for Competitive Sealed Proposals to Furnish Services to Plan, Execute, and Evaluate the Legislative Broadcast Project; Invitation for Bid to Conduct Financial Audits of the Senate and the House of Representatives; and Invitation to Bid to Install, Provide, and Maintain High-Speed Wireless Internet Service in Selected Areas of the Hawaii State Capitol Building.
3. This total includes a yearly average of two hundred fifty-one Administrative package measures introduced each year, which the Bureau is requested by legislative leadership to electronically format.
4. The executive departments have always been responsible for drafting their own bills and have never had access to the Legislature's computer bill drafting system. The departments submit identical bills and resolutions (measures) via the Governor's legislative liaison office to both the Senate President and the Speaker of the House of Representatives for signature and introduction. The measures are sent to the respective clerk's office for numbering and these documents become the "official" measures. Every session, there can be anywhere from two hundred to over four hundred measures submitted by the executive branch.

In the late 1970s, legislative leadership tasked the Bureau with duplicating magnetic cards (magcards) containing measures the Administration submitted for introduction. Duplicate sets of the magcards were sent to both the Senate and House clerks. The Bureau was not required to format or proofread measures stored on magcards.

In the 1980s, the executive departments began using word processing software, such as IBM Display Writer, IBM OS6, Wang, Shadow, and Word Perfect, and supplied the Bureau with diskettes containing their measures. The Bureau continued its procedure of duplicating and reformatting the departments' measures, but was then also required to print and proofread them against the official measures before submitting the documents on floppy or 3-1/2" diskettes to the Senate and House clerks.

In the mid-1990s to present, the Legislature and Administration switched to Word software. The Governor's liaison office supplies the Bureau with a USB flash drive containing the measures after they are submitted for introduction. Time and accuracy are very critical since measures are now posted on the Legislature's website. The Bureau continues its procedure of converting the data from the USB flash drive to electronic format by cutting and pasting the departments' measures into the Legislature's drafting templates. Copies are printed and, thereafter, professional and administrative staff must proofread the copies against the official measures and ensure completion in a timely manner. Often, measures are not included on the USB flash drive or do not match the official measures. In those instances, the Bureau contacts the appropriate department and requests submission of a corrected USB flash drive.
5. These statistics appear under the Research Division because the work is done by Research Division Administrative staff for the Statute Revision Division, which has only one administrative staff person assigned to it. It includes formatting of acts from Special Sessions and constitutional amendments.
6. The figures used in this paragraph reflect requests from legislative members and do not include the Administrative package measures. See note 3 *supra* and accompanying text.
7. While the Bureau is responsible for publication functions, the Lieutenant Governor is responsible for all facets of the sale and distribution of the Session Laws of Hawaii, Hawaii Revised Statutes replacement volumes, and HRS supplements, including pricing. See section 23G-18, HRS.
8. The HRS, comprising volumes 1 through 14, was last replaced in its entirety in 1993; the index was last replaced in 1996. Since 2001, individual HRS volumes have been periodically replaced.

9. See sections 23G-12(7) and 91-4.2, HRS.
10. See sections 23G-12(6), 91-4.2(2), and 91-4.4, HRS.
11. See section 23G-3(8), HRS.
12. Concordance is a data management software offered by LexisNexis and used, according to LexisNexis, by over 65,000 litigation professionals to manage high volumes of documents in a cost-efficient manner. Besides managing data, Concordance provides access to the data through full-text searching, use of Boolean logic, print and report creation, and importing and exporting capabilities.
13. The Systems Office also maintains a database of the street addresses within each member's district.
14. See section 23G-3(6), HRS.
15. *Id.*
16. Section 93-16, HRS, mandates that all government agency reports required to be submitted to the Legislature also be submitted to the LRB's library. Further, section 23G-5, HRS, requires the LRB to develop and maintain a system that can track reports by executive agencies and the judiciary that, by law, are required to be submitted to the Legislature.
17. The websites also obtained official .gov addresses, previously, we had a .com address.
18. See section 23G-18, HRS.
19. In an effort to reduce postage costs due to budget cuts in FY 09-10 and FY 10-11, the Bureau was forced to reduce the number of hard copies of printed reports. However, electronic copies of all Bureau publications are available online on the Bureau's website.
20. The publications distribution count for FY 18-19 is significantly less compared to previous fiscal years because it does not include the Directory of State, County and Federal Officials, which was not published and distributed until December/January of FY 19-20.
21. See sections 21G-2 and 23G-3(12), HRS.
22. Does not include pages printed directly from public terminals. Includes copies made for Legislators to distribute to constituents.
23. Actual numbers are estimated to be considerably higher; data has been difficult to capture and reflects only confirmed instances.
24. Data for July through December 2017 has been lost.
25. Actual numbers are estimated to be considerably higher; data has been difficult to capture and reflects only confirmed instances.
26. Data for July through December 2017 has been lost.
27. As contract coordinator for the Legislative Broadcast Program, PAR selects events for broadcast, monitors production activity, and approves all billing. This number reflects the number of hearings, information briefings, sessions, or confirmation hearings that were broadcast.



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**TESTIMONY OF ROBIN K. MATSUNAGA, OMBUDSMAN,
ON H.B. NO. 1514, A BILL FOR AN ACT
MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES
OF THE LEGISLATURE, THE AUDITOR, THE LEGISLATIVE REFERENCE
BUREAU, THE OMBUDSMAN, AND THE ETHICS COMMISSION**

HOUSE COMMITTEE ON FINANCE

FEBRUARY 8, 2023

Chair Yamashita and Members of the Committee on Finance:

Thank you for the opportunity to present testimony in strong support of H.B. No. 1514. The purpose of this bill is to provide appropriations for the legislative branch, including the Office of the Ombudsman. Section 10 of this bill appropriates \$1,527,642 for the operations of the Office of the Ombudsman for FY 2023-2024. Section 12 of this bill appropriates an additional \$84,035 for accrued vacation payments and vacation transfer payments for employees who leave employment with the Office of the Ombudsman prior to June 30, 2024.

As you know, the Office of the Ombudsman was created to receive and investigate complaints about the administrative acts of state executive branch and county government agencies of the State of Hawaii. Although we do not substantiate every complaint that we investigate, by independently and impartially investigating, we level the playing field for Hawaii's citizens who have complaints about their government and ensure that they are being treated lawfully, fairly, and reasonably.

During the past 12 months, we received 3,755 jurisdictional complaints, which is 8.6 percent less than the previous 12 month period, but still 12 percent more than we received during the 12-month period preceding the COVID-19 pandemic. Complainants continue to appear as frustrated as ever with government, and this may at least partly explain why they have been more inappropriate, hostile, and sometimes threatening in their communications with our office. Despite the increase in cases received and the increased frequency of dealing with angry, difficult individuals, my office has been able to effectively investigate complaints at almost pre-pandemic levels of efficiency. Where we have found through our investigations that an agency had not acted properly, we have been able to successfully persuade agencies to take corrective action.

The appropriation in Section 10 of this bill will provide the funding needed for the office to pay for increased operating expenses, as well as salary adjustments for office staff to keep their pay equitable to that of employees in the executive and judicial branches. The appropriation in Section 12 of this bill will provide funding for vacation payouts and transfers, based on the current composition of staff in the office. Attached for your information is a breakdown and comparison of my office's proposed budget for FY 2023-2024 and the current fiscal year.

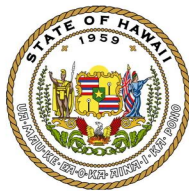
Your support of this bill and the appropriations in Sections 10 and 12 will allow my office to continue to timely, independently, and impartially investigate citizen complaints about the administrative acts of state and county agencies and their employees.

Thank you for your consideration of this testimony and for your support of my office.

Attachment

OFFICE OF THE OMBUDSMAN
OPERATING BUDGET
FY 2023-2024 vs. FY 2022-2023

	<u>FY 2023-2024</u>	<u>FY 2022-2023</u>
A. PERSONAL SERVICES		
Staff Salaries	1,464,442 (14)	1,370,990 (14)
SUBTOTAL PERSONAL SERVICES	1,464,442	1,370,990
B. OTHER CURRENT EXPENSES		
Office Supplies & Postage	6,600	6,600
Telephone	6,500	6,500
Intra-state Transportation & Subsistence	2,000	2,000
Out-of-state Transportation & Subsistence	7,000	5,000
Coronavirus Pandemic Response	200	200
Printing, Advertising & Publications	1,000	1,000
Maintenance - Office Equipment	4,500	4,500
Equipment Rental	4,700	4,700
Training/Subscriptions/Dues	7,000	7,000
Other Miscellaneous Current Expense	1,100	1,100
Computer Services	20,000	19,000
Risk Management	<u>(included w/Other)</u>	<u>(included w/Other)</u>
SUBTOTAL OTHER CURRENT EXPENSES	60,600	57,600
C. EQUIPMENT, FURNISHINGS, & BOOKS		
Equipment	2,000	2,000
Furnishings	0	0
Books	<u>600</u>	<u>600</u>
SUBTOTAL EQUIP, FURNISHINGS, BOOKS	2,600	2,600
TOTAL OPERATING BUDGET	<u>1,527,642</u>	<u>1,431,190</u>
Vacation payout / transfers	84,035	14,035
TOTAL BUDGET REQUEST	<u>1,611,677</u>	<u>1,445,225</u>



HAWAI'I STATE ETHICS COMMISSION

State of Hawai'i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai'i

Committee: House Committee on Finance
Bill Number: H.B. 1514
Hearing Date/Time: February 8, 2023, 2:00 p.m.
Re: Testimony of the Hawai'i State Ethics Commission in **SUPPORT** of H.B. 1514, Making Appropriations to Provide for the Expenses of the Legislature, the Auditor, the Legislative Reference Bureau, the Ombudsman, and the Ethics Commission

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

The Hawai'i State Ethics Commission ("Commission") **supports** HB 1514, which appropriates the amount of \$1,541,514 to the Commission for its operating and other expenses for FY 2023-2024. The Commission likewise supports Section 12, which appropriates an additional \$16,553 for vacation payouts/transfers.

The Commission's 2022 Annual Report is attached. Some highlights include a significant increase in the number of trainings (nearly three times the number of participants compared to the prior year) with 9,199 individuals taking either a web-based training or on-demand training module in 2022. In addition, the Commission – with a commitment to fiscal prudence – was able to return approximately \$35,000 of its allocated budget to the State in calendar year 2022.

Budget for FY 2023-2024

The bulk of the Commission's budget request is related to staff salaries (\$1,178,224) and rental expenses (\$158,331). Additional expenses include: (1) a new analyst position (\$71,000) to address compliance and enforcement needs; (2) computer consulting time to support online filing and case management software (\$42,000); (3) funding to support enhanced ethics training support (\$4,500); and (4) support to host a statewide ethics conference (\$1,000). More detail can be found in the Commission's attached budget table for fiscal year 2023-24. Please note that the attached budget table does not include proposed salary increases, which are reflected in HB 1514.

The Commission appreciates the Legislature's continuing support of the Commission's work to ensure that public officers and employees exhibit the highest standards of ethical conduct as mandated by Article XIV of Hawaii's Constitution.

Thank you for your continuing support of the Commission's work.

Very truly yours,

/S/ Robert D. Harris
Robert D. Harris
Executive Director and General Counsel

Attachments:

1. Budget table, FY 2023-2024
2. Hawai'i State Ethics Commission, 2022 Annual Report

Hawai'i State Ethics Commission - Budget Projections for FY 2023-2024

	2022-2023 Base Budget	2023-2024 Estimated Budget	Increases/ Decreases From FY23	% Increase/ Decrease From FY23
TOTAL BUDGET (excluding vacation payouts)	\$ 1,419,815	\$ 1,490,115	\$ 70,300	5.0%
PERSONNEL				
Staff Salaries ¹	1,061,285	1,178,224	116,939	11.0%
Cost Adjustments for staff salaries	-			
Vacation Payouts/Transfer	16,553	16,553		
TOTAL PERSONNEL (excluding vacation payouts)	1,061,285	1,178,224	116,939	11.0%
MATERIALS AND SUPPLIES				
Office Expenses:				
Office Supplies	3,500	3,500	-	0.0%
Postage	1,500	1,500	-	0.0%
Telephone & Internet	9,500	11,640	2,140	22.5%
Subtotal:	14,500	16,640	2,140	14.8%
Intrastate Transportation and Travel				
Commissioners / Staff	8,500	8,500	-	0.0%
Car Mileage and Parking	750	750	-	0.0%
Subtotal:	9,250	9,250		0.0%
Out-of-State Travel				
Airfare (6 @ \$1,000 ea.)	6,000	6,000	-	0.0%
Lodging and per diem for 5.5 days (6 @ \$145/day x 5.5 days)	4,800	4,800	-	0.0%
Excess Hotel and Increases in per diem/airfare	1,700	1,700	-	0.0%
Taxi/bus fare	160	160	-	0.0%
Subtotal:	12,660	12,660	-	0.0%
Equipment Rental and Maintenance				
Postage Meter	-	-	-	0.0%
Copier	3,600	3,600	-	0.0%
ReporterDeck Recorder	200	-	(200)	-100.0%
Computer Equipment Maintenance	3,500	3,500	-	0.0%
Misc. (time clock, projector, etc.)	700	700	-	0.0%
Investigation Software	3,100	3,100	-	0.0%
Software License Renewals	22,000	22,000	-	0.0%
Videoconferencing software for training	600	1,200	600	100.0%
Subtotal:	33,700	34,100	400	1.2%
Dues, Subscriptions, Training				
COGEL Membership	470	470	-	0.0%
COGEL Registration (6 x \$600)	3,600	3,600	-	0.0%
Attorney Registration Fees	3,400	3,400	-	0.0%
Training Expenses ²	3,000	7,500	4,500	150.0%
Legal Reference Publications	4,900	4,900	-	0.0%
Newspapers Subscriptions, etc.	240	240	-	0.0%

	2022-2023 Base <u>Budget</u>	2023-2024 Estimated <u>Budget</u>	Increases/ Decreases <u>From FY23</u>	% Increase/ Decrease <u>From FY23</u>
Disruptive Behavior Training	800	800	-	0.0%
Subtotal:	16,410	20,910	4,500	27.4%
Newspaper Advertisements	1,100	1,100	-	0.0%
	1,100	1,100	-	0.0%
Commission Meetings, Investigations and Hearings				
Subpoena Fees	900	900	-	0.0%
Court Reporter	7,500	7,500	-	0.0%
Witness Fees, Travel, Mileage	600	1,500	900	150.0%
Hearings Officer	1,500	1,500	-	0.0%
Commission Meeting Expenses ³	-	1,000	1,000	0.0%
Subtotal:	10,500	12,400	1,900	18.1%
Consulting Services				
Computer Consulting ⁴	26,500	42,000	15,500	58.5%
Other Services (Interpreting, shredding)	500	500	-	0.0%
Subtotal:	27,000	42,500	15,500	57.4%
Office Rent⁵	154,410	158,331	3,921	2.5%
TOTAL MATERIALS AND SUPPLIES:	279,530	307,891	28,361	10.1%
CAPITAL OUTLAY				
Office Furniture & Equipment	79,000	4,000	(75,000)	-94.9%
TOTAL CAPITAL OUTLAY:	79,000	4,000	(75,000)	-94.9%
GRAND TOTAL:	\$ 1,419,815	\$ 1,490,115	\$ 70,300	5.0%

¹ The Commission proposes to hire an analyst to audit financial disclosures and assist with investigations.

² The Commission requests funding to develop video trainings to complement existing mandatory ethics training materials for all state employees, board members, and legislators.

³ The Commission plans to hold an ethics conference with county officials in an effort to improve ethics training, uniformity of laws, and enforcement on a statewide basis.

⁴ Additional expenses are slated to improve existing software that manages public-facing filings, as well as contingency funds to update new file and case management software.

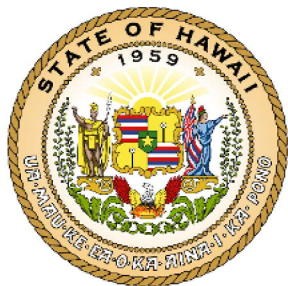
⁵ Lease rent increases 2.5% each fiscal year, CAM increases 2.68% each calendar year and fluctuates. Building management performs reconciliations and issues credits or charges accordingly.

HAWAI'I STATE ETHICS COMMISSION

2022 ANNUAL REPORT



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Hawai'i State Ethics Commission

2022 ANNUAL REPORT

MISSION & DUTIES

Established in 1968, the Hawai'i State Ethics Commission – the first state ethics commission in the United States – represents a commitment by the people of Hawai'i to the principles that “public officers and employees must exhibit the highest standards of ethical conduct[,] and that these standards come from the personal integrity of each individual in government.” Hawai'i Constitution, article XIV. The constitution further requires that the State, and each of its subdivisions, establish a code of ethics for public officers and employees.

Pursuant to this constitutional mandate, the Commission is responsible for the administration and enforcement of the State Ethics Code and the State Lobbyists Law, chapters 84 and 97, Hawai'i Revised Statutes (“HRS”), respectively. The Ethics Code includes laws relating to the acceptance and reporting of gifts, confidential information, fair treatment (the prohibited misuse of official position), conflicts of interests, state contracts, and post-employment restrictions, along with a requirement that state legislators, candidates for state elective office, and certain state employees file financial disclosure statements.

For purposes of the State Ethics Code, the Commission has jurisdiction over more than 50,000 state officials and employees. This includes state legislators and other elected state officials, employees of the legislative, executive, and judicial branches of government (except for judges and justices), and members of all state boards and commissions. The State Ethics Code's financial disclosure law also applies to all candidates for state elective office.

The Commission also administers the State Lobbyists Law, HRS chapter 97, which applies to lobbying activities at the state level. The Lobbyists Law requires lobbyists to register with the Commission and requires lobbyists and organizations that lobby to report lobbying expenditures and contributions on forms filed with the Commission. The Commission has jurisdiction over nearly 500 lobbyists representing more than 400 organizations that lobby the state legislature or executive branch.

ETHICS ADVICE

The Commission issues advisory opinions and other types of guidance (including written staff opinion letters by the Commission's attorneys) about the application of the State Ethics Code and the State Lobbyists Law. In 2022, the Commission's attorneys received and responded to 1,129 requests for advice from state legislators, state employees, lobbyists, members of the public, and candidates for state elective office. The Commission considers its ability to provide timely and meaningful guidance and advice to be one of its most essential functions.

In 2022, the Commission issued two formal Advisory Opinions, all of which are available via the Commission's public data website and on Westlaw, a legal research platform:

1. [Advisory Opinion 2022-1](#), addressed whether a state employee could apply to her own state agency for a license to operate a private business. Because the employee was directly involved in regulating this industry, the Commission concluded that the State Ethic Code prohibited the employee from applying for and obtaining the requested license while being employed by that agency.
2. [Advisory Opinion 2022-2](#), advising whether state employees may own a business and, through that business, procure the services of an Agency research facility. The Commission concluded that the State Ethics Codes does not prohibit this, provided the employees abided by certain restrictions. The Commission provided guidance to avoid potential conflicts of interest and noted the employees could not use their state position to obtain unwarranted advantages or benefits for themselves, their business, or any of its clients.

ETHICS EDUCATION

The Commission is charged with educating state officials and employees about ethics in government, HRS § 84-31(a)(7). To fulfill this mandate, the Commission conducts in-person and videoconference trainings, and offers self-directed online training modules throughout the year.

In 2022, the Commission conducted twenty-seven training sessions via videoconference with a total of 3,157 participants. In addition to offering general ethics trainings, the Commission scheduled several specialized trainings targeted towards lobbyists, board & commission members, and legislators. The Commission also offered two sessions with Continuing Legal Education credits for government attorneys.

As a change in 2022, the Commission moved towards a set calendar of trainings. While the Commission will consider requests for tailored agency trainings, the Commission encourages participants to sign up for one of the regularly scheduled trainings. The Commission's videoconference training calendar can be found at <https://ethics.hawaii.gov/training/#signup>.

The Commission also offers on-demand, on-line training modules for (1) state employees; (2) board and commission members; and (3) charter schools. These on-demand training modules take around 35-minutes to complete and are intended to be a flexible and easy way for state employees to take an ethics training at their convenience. They can be accessed from any device with an internet connection. These modules are available on the Commission's website at <https://ethics.hawaii.gov/ethiconlinetraining/>. A total of

ETHICS EDUCATION MANDATE:

Starting on January 1, 2023, all state employees will be required to take either a live or online ethics training course within ninety days of becoming an employee and at least once every four years thereafter. The Commission is meeting this new requirement by, among other things, collaborating with the University of Hawai'i, the Judiciary, and the Department of Human Resources Development to incorporate its on-demand, on-line training modules into their existing on-line training platforms.

6,042 employees completed an on-demand training module with the Commission in 2022.

Cumulatively, a total of 9,199 individuals were trained by the Commission through its in-person training, web-based training, and videoconference training programs in 2022.

LEGISLATION

In 2022, the Commission successfully advocated for the passage of Act 165 (H.B. 1475), which mandates ethics training for all State employees. This new law requires state employees to complete a live or online ethics training course within ninety days of becoming an employee and at least once every four years thereafter. Existing employees, if they have not taken an ethics training within three years, must take a new ethics training by January 1, 2024.

In addition, the Commission, through its Executive Director, actively participated in the Commission to Improve Standards of Conduct. Approximately 10 ethics-related policy proposals were drafted, considered, and recommended by the Standards Commissions for consideration by the 2023 Legislature.

ENFORCEMENT

The Commission enforces the State Ethics Code, HRS chapter 84, and the State Lobbyists Law, HRS chapter 97. The Commission receives and reviews complaints and conducts investigations on a confidential basis concerning alleged violations of the law. When appropriate, the Commission initiates formal charges against individuals who appear to have violated the law. If there is probable cause to believe that a violation of the law has occurred, the Commission may hold a contested case hearing in accordance with HRS chapter 91, Hawaii's Administrative Procedure Act.

In 2022, the Commission received 240 new complaints of violations of the Ethics Code and Lobbyists Law. The Commission issued fifteen Resolutions authorizing staff to conduct investigations, issued three Charges, and closed 169 cases. The Commission publicly resolved three Charges and investigations (including those below) by issuing a Resolution of Investigation/Charge document. The Commission resolved another 10

matters by issuing ethics guidance and closed 140 other matters for lack of jurisdiction, lack of supporting evidence, or another reason. Many of those cases were referred to other government agencies for action. The Commission assessed a total of \$2,550 in administrative penalties, payable to the General Fund, in addition to \$16,600 in restitution in one matter. Notable enforcement actions include:

Hawai'i State Senate, Senator Jarrett Keohokalole: Resolution of Investigation 2022-1



The Commission resolved an Investigation of Jarrett Keohokalole, Senator, Hawai'i State Senate. On two occasions, Senator Keohokalole used campaign funds to pay for travel expenses (\$894.89 and \$303.60, respectively). He later requested, and received, reimbursement from the state for the same expenses. The money was deposited to his personal account instead of reimbursing his campaign account. Similarly, Senator Keohokalole used campaign funds to purchase food for a town hall meeting (\$65.55). He also received reimbursement from the state, and those funds were put into his personal account instead of going to his campaign account. The respondent admitted to violating the Fair Treatment law (Haw. Rev. Stat. § 84-13) and agreed to repay the \$1,264.05 to the State of Hawai'i and pay an additional administrative penalty of \$1,500.

Hawai'i State Senate, Senator Maile Shimabukuro: Resolution of Investigation 2022-2

The Commission resolved an Investigation of Maile Shimabukuro, Senator, Hawai'i State Senate. Senator Shimabukuro participated, in her official capacity, in a parade to celebrate several Nanakuli School student athletic teams. At the event, small goodie bags were passed out that included the name of her campaign committee and contact information for the campaign committee. Senator Shimabukuro did not suggest or direct the placement of these cards, but she accepted responsibility for the occurrence.

Respondent admitted to violating the Fair Treatment law (Haw. Rev. Stat. § 84-13) and agreed to pay an administrative penalty of \$300.

Department of Education, Moanalua Elementary School: Resolution of Investigation 2022-3

The Commission resolved an investigation of a teacher, Irene Bayudan, at Moanalua Elementary School. Respondent participated in a training where she was told that money or checks could not be personally accepted by teachers. Nonetheless, Respondent accepted six checks from an elderly volunteer at the school totalling \$16,600. These funds were deposited into a personal bank account, and not used for school-related purposes. Respondent knew the donor solely because of her position as a teacher at Moanalua Elementary. Respondent acknowledged she violated the Fair Treatment law and the Gifts law. She agreed to pay an administrative penalty of \$750 to the State of Hawai'i and pay restitution of \$16,600 to the donor.

FINANCIAL & GIFTS DISCLOSURES

The Commission administers the filing requirements of the financial disclosure law and the gifts disclosure law, which help provide accountability and transparency in government. In 2022, the Commission received 1,872 financial disclosure statements, including 263 disclosure statements for candidates of state elective office. Public disclosure statements (for elected officials, department directors, and other designated state officials) are available on the Commission's public data website. The Commission

2022 LOBBYING REPORTS AND FINANCIAL/GIFTS DISCLOSURES

Lobbyist Registration Statements Filed	552
Lobbying Expenditure Reports Filed	1,217
Total Number of Registered Lobbyists	529
Lobbying Organizations Represented	428
Financial Disclosure Statements Filed	1,872
Gifts Disclosure Statements Filed	151

received and published 151 gifts disclosure statements, all of which are available on the Commission's public data website.

LOBBYISTS REGISTRATION & EXPENDITURE REPORTS

The Commission administers HRS chapter 97, the Lobbyists Law, which requires lobbyists to register with the Commission and file periodic expenditure reports. In 2019, the Commission launched its new electronic filing system for lobbying registration and reporting, allowing lobbyists to register and file their periodic expenditure reports electronically. The Commission is continually upgrading and improving the e-filing system for lobbying, financial disclosures, and gifts disclosures; the Commission launched a series of enhancements in 2022 to make it easier for filers to complete their forms.

In 2022, the Commission received and published 552 lobbyist registration statements from 529 lobbyists, representing 428 organizations, along with 1,217 lobbyist expenditure reports.

FRAUD, WASTE, AND ABUSE

The Commission partnered with the Department of the Attorney General to launch an anti-fraud hotline aimed at identifying fraud, waste, and abuse of government funds. The agencies developed a website and online complaint form (antifraud.hawaii.gov), dedicated phone hotline (808.587.0000), and dedicated email address (antifraud@hawaii.gov) where individuals can confidentially report suspected violations. These anti-fraud resources were created to complement the state's efforts to use CARES Act funds responsibly and empower the public with confidential, easy-to-use methods to report potential violations.

COMMISSIONERS AND STAFF

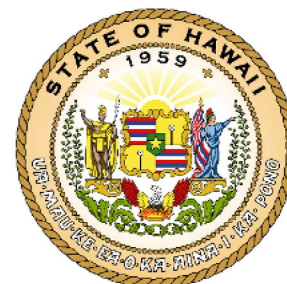
The Commission is comprised of five members nominated by the State Judicial Council and appointed by the Governor for four-year terms. The Commission welcomed one new member in 2022. The current members of the Commission are Wesley Fong

(Chairperson), Reynard Gaulty (Vice Chairperson), Harry McCarthy, Beverley Tobias, and Robert Hong.

As of December 2022, the Commission employs a staff of nine: Executive Director Robert D. Harris; Associate Director Susan Yoza; four staff attorneys (Nancy Neuffer, Bonita Chang, Kee Campbell, and Jennifer Yamanuha); Computer Specialist Patrick Lui; Office Manager Caroline Choi; and Secretary Lynnette Santiago. The Commission is in the process of hiring an administrative assistant and an investigator.

The Commission prioritizes fiscal prudence and efficiency. In 2022, the Commission was able to return approximately \$35,000 of its allocated budget back to the General Fund.

For quick, confidential ethics advice, or to lodge a confidential complaint, please contact the Commission at ethics@hawaiiethics.org or 587-0460.





COMMITTEE ON FINANCE

Chair Kyle Yamashita, Vice Chair Lisa Kitagawa
February 8, 2023, 2:00 PM via VIDEOCONFERENCE

H.B. 1514 MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES OF THE
LEGISLATURE, THE AUDITOR, THE LEGISLATIVE REFERENCE BUREAU, THE
OMBUDSMAN AND THE ETHICS COMMISSION

TESTIMONY

Donna Oba, Legislative Committee, League of Women Voters of Hawaii

Chair Yamashita, Vice-Chair Kitagawa, and Committee Members:

The League of Women Voters of Hawaii **supports** HB1514.

The League of Women Voters of Hawaii supports an adequate appropriation for the operational costs of the Senate, the House of Representatives, the State Auditor, the Legislative Reference Bureau, the Ombudsman, and the State Ethics Commission for the fiscal year ending June 30, 2024. We think it only reasonable that you pass an appropriation for the State agencies identified in this measure.

Inflation in the past year has increased operating costs in Hawaii. Materials, supplies, services, and hiring and retention of qualified employees cost more this year than last. We appreciate that inflation is recognized in the budget increases.

However, the League notes that not all proposed budgets reflect the effects of inflation. For example, the proposed 3.3% increase in the budget of the Office of the Auditor (Section 6) is about half of Hawaii's 6.5% consumer inflation rate in 2022. Also, the budgets for the legislative information system and broadcasting program are not increasing. These services and equipment investment were very important during the COVID-19 shutdown and continue to be important to many residents.

The League encourages a transparent budgeting process so that the public will be able to offer more informed opinions about the adequacy of appropriations. The State entities in this bill provide services that are critical to making democracy work.

Thank you for the opportunity to submit testimony.

HB-1514

Submitted on: 2/6/2023 1:24:56 PM

Testimony for FIN on 2/8/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Alan Urasaki	Individual	Support	Written Testimony Only

Comments:

I urge the members to pass this measure to insure the important work that these agencies provide for our citizens can continue. Thank you.

HB-1514

Submitted on: 2/6/2023 7:36:24 PM

Testimony for FIN on 2/8/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

Wast of Tax Payer Moneys!!!!