

ACT 297

S.B. NO. 2552

A Bill for an Act Relating to State Departments.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the State is faced with continuing fiscal constraints that must be approached with the realization that state government needs to be restructured to promote more efficient and cost-effective delivery of public services. The 1993 interim commission on government redesign issued a report to the legislature supporting the need to redesign the delivery of state government services. While the legislature acknowledges that the current state administration has taken certain actions to respond to the State's current fiscal crisis and to restructure state government agencies for more efficient and effective delivery of government services, the task of reorganizing state government falls jointly on the legislature and the governor: the legislature to set policies and the governor to develop an action plan to implement the policies.

Due to the current fiscal crisis and the need for government agencies to adapt to the ever-changing needs and demands of the public they serve, state agencies must revise and retool their concepts of public service. The legislature also believes that many departmental missions and programs have expanded to the point where they have strayed from what has been perceived as services provided by state government, but instead have resulted in the duplication of effort among state agencies, as well as encroachment into the functions of the private sector. Many state government services, even though well-meaning, may have placed increased strain on a weak state fiscal situation.

The purpose of this Act is to effectuate the reorganization of state government by:

- (1) Establishing legislative policies for reorganization; and
- (2) Mandating the governor to develop implementation strategies that focus on the feasibility of:
  - (a) Consolidating specified administrative and business departments; and
  - (b) Reorganizing the remaining departments and offices of state government listed under section 26-4, Hawaii Revised Statutes, for future implementation.

SECTION 2. The legislature declares that the reorganization of state government shall commence upon the effective date of this Act under the following guiding principles and goals:

- (1) The creation of a clear sense of mission for reorganizing state government;
- (2) The avoidance of making changes to reorganize state government for the sake of change only;
- (3) The development of government which provides "user-friendly" services in and out of state government;
- (4) The adoption of "best practices" of management and operations;
- (5) The search for economies of scale;
- (6) The elimination of duplicative or outmoded functions and activities;

- (7) The enhancement of productivity by consolidating functions;
- (8) The elimination of unnecessary regulation;
- (9) The redesigning of processes to increase efficiency, cut costs, and reduce public inconvenience;
- (10) The exposure of government operations to competition;
- (11) The guarantee of effective, efficient government operations; and
- (12) The realization of significant long-term savings.

SECTION 3. During fiscal year 1996-1997, the governor shall formulate a strategy to consolidate administrative departments. The focus of the consolidation shall include but not be limited to:

- (1) The department of human resources development; and
- (2) The department of accounting and general services.

SECTION 4. During fiscal year 1996-1997, the governor shall formulate a strategy to consolidate the business departments. The focus of the consolidation shall include but not be limited to:

- (1) The department of business, economic development, and tourism;
- (2) The department of commerce and consumer affairs; and
- (3) The department of agriculture.

SECTION 5. During fiscal year 1996-1997, the governor shall further facilitate the reorganization of state government by examining the possible reorganization of the following departments and offices of state government listed under section 26-4, Hawaii Revised Statutes, for future implementation:

- (1) The department of the attorney general;
- (2) The department of budget and finance;
- (3) The department of taxation;
- (4) The University of Hawaii;
- (5) The department of education;
- (6) The department of health;
- (7) The department of human services;
- (8) The department of land and natural resources;
- (9) The department of Hawaiian home lands;
- (10) The department of transportation;
- (11) The department of labor and industrial relations;
- (12) The department of defense; and
- (13) The department of public safety.

SECTION 6. The governor shall submit a report on the following to the legislature no later than twenty days before the convening of the regular session of 1997:

- (1) A detailed plan, which includes redefining department roles, their proposed budgets, and projected savings expected from the reorganization of the specified administrative and business departments of the executive branch listed under sections 3 and 4 of this Act;
- (2) Findings and recommendations for the possible reorganization of the remaining departments and offices of state government listed under section 5 of this Act; and
- (3) The effect of reorganization on state government services.

SECTION 7. This Act shall take effect upon its approval.

(Approved July 1, 1996.)