

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
ON
SENATE BILL NO. 246, S.D. 1, H.D. 1

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

RELATING TO GOVERNMENT

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 246, S.D. 1, H.D. 1.

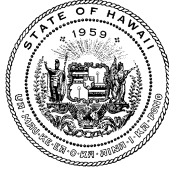
S.B. No. 246, S.D. 1, H.D. 1, amends the HRS by adding a new chapter to Title 4 to establish a State government realignment commission, which shall be placed within the Department of Accounting and General Services for administrative purposes. The commission shall periodically review the State Executive Branch's departments, divisions, and agencies, including functions and services, and submit its findings and recommendations to the Legislature. The seven commission members are to be appointed and confirmed on or before July 1, 2022, and a new commission shall be appointed and confirmed on or before July 1 every ten years thereafter. The commission shall dissolve upon the adjournment sine die of the Legislature to which it submits the required evaluation and recommendations. Departments of the State government shall make available to the commission any data and facilities that are necessary for the commission to perform its duties.

B&F has concerns with S.B. No. 246, S.D. 1, H.D. 1. A periodic, systematic, comprehensive review and report on all the State's Executive Branch departments, divisions, and agencies, including functions and services, could significantly increase staff workload for State departments. It appears that departments will need to provide substantial amounts of information to the commission in order for it to conduct the reviews specified in this bill. State departments may have challenges meeting the potential increased information requirements given their regular workload based on current reduced staffing levels.

B&F believes that it may be more productive to focus limited State department resources on the delivery of critical programs and services rather than periodic reorganizational studies.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

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

WEDNESDAY, MARCH 24, 2021, 2:00 P.M.
CONFERENCE ROOM 29 AND VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 246, S.D. 1, H.D.1

RELATING TO GOVERNMENT.

Chair Johanson, Vice Chair Kitagawa, and members of the Committee, thank you for the opportunity to testify on S.B. 246, S.D. 1, H.D. 1.

The Department of Accounting and General Services (DAGS) appreciates the intent of S.B. 246, S.D. 1, H.D. 1 which establishes a state government alignment commission to periodically review State executive branch's departments, divisions, and agencies, including functions and services, and submit it's findings and recommendations to the legislature. The DAGS offers the following comments:

1. Government needs to get more efficient.
2. Government should re-evaluate functions and duplication of efforts and assess the feasibility to consolidate and eliminate outdated processes.
3. Government should look at how technology can improve workflow and business processes that will mitigate risk and simplify getting things done to better serve the public.

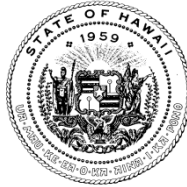
4. Government needs to work with unions and update job descriptions of employees and help improve their knowledge and skills to match today's expectations. Employees should be compensated based on performance and being held accountable to achieve the results the legislature and administration are expecting.

DAGS has the following concerns:

- This bill does not provide for funding to achieve the intended results expected.
- The DAGS believes that the collective bargaining process is excellent to protect employee rights and provides a foundation of security for continued employment. Unfortunately, those same principles may produce counter results when trying to effect change, increasing duties to achieve more efficiency, and challenging employees to accept new and uncharted tasks that introduce risk.
- Consolidation of government to gain efficiency and results is a statewide initiative that will require all branches of government with a unified commitment to accept and practice the same principles of employment and accountability. Without unified support, individual interests may prevail and produce inconsistent results from what the intended intent of this bill is trying to accomplish.

Thank you for the opportunity to testify on this matter.

DAVID Y. IGE
GOVERNOR



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
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STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
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HONOLULU, HAWAII 96813-5097

March 24, 2021
1:30 p.m.
State Capitol, Teleconference

S.B. 246, S.D. 1, H.D. 1
RELATING TO GOVERNMENT.

House Committee on Consumer Protection and Commerce

The Department of Transportation (DOT) **appreciates the intent** of a commission to conduct a systematic review of the state executive branch's departments, divisions, and agencies, including functions and services, that uses standards such as equity, efficiency, and modernization to consolidate, expand, or reassign services.

While the intent is commendable, the establishment of such a commission will add significant staff support responsibilities as it appears that departments, including DOT, will need to provide substantial information to the commission. DOT may have some challenges with the burden of such increased information requirements on their regular workload. The time and resources needed to research and gather information to comply with this measure may be better utilized for critical DOT operations and services.

Thank you for the opportunity to provide testimony.