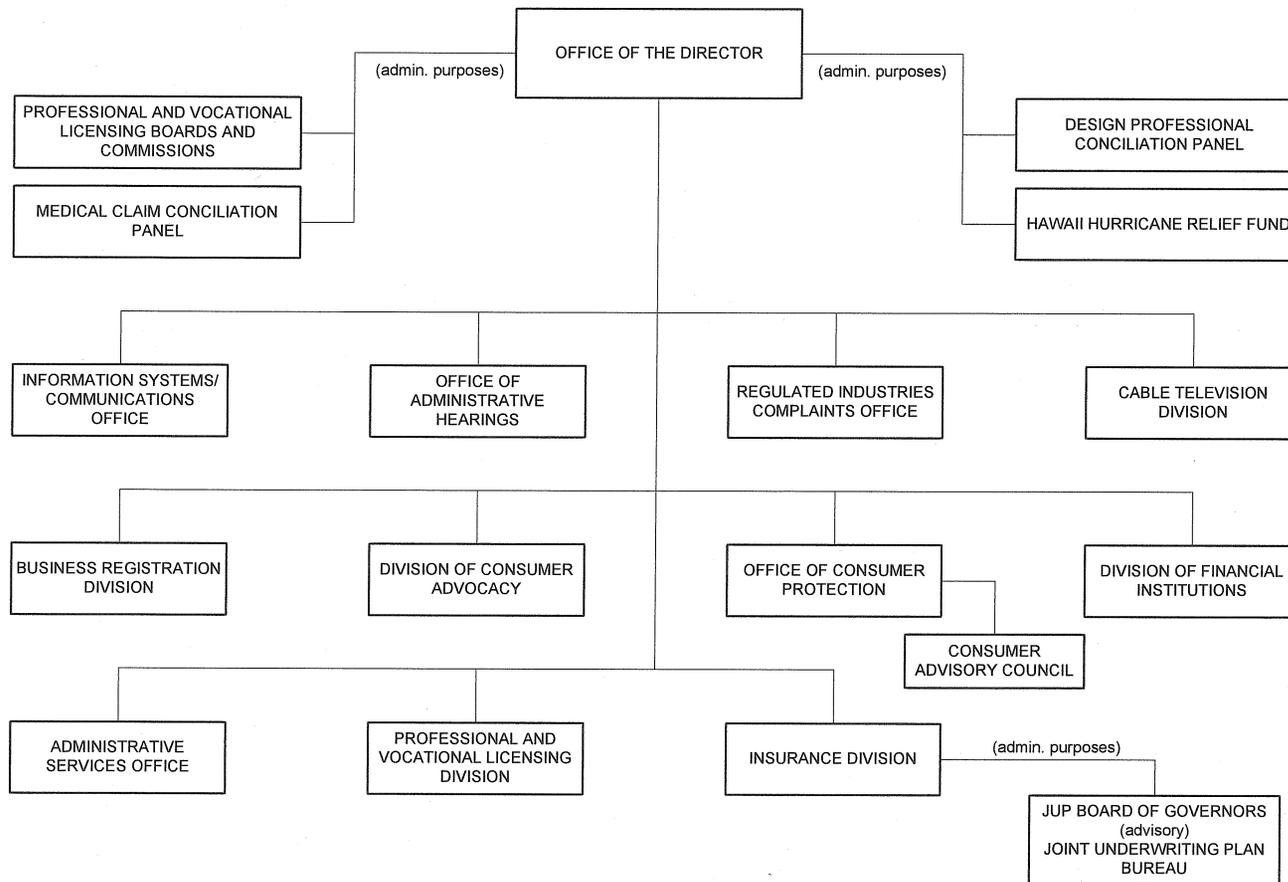


Department of Commerce and Consumer Affairs

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
ORGANIZATION CHART



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

Department Summary

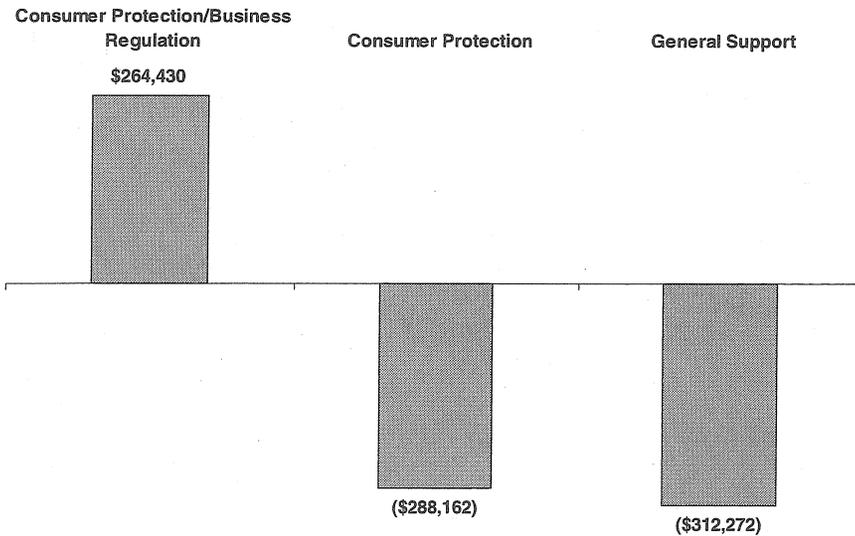
Mission Statement

To fairly regulate business, while ensuring consumer protection in commercial transactions in Hawaii.

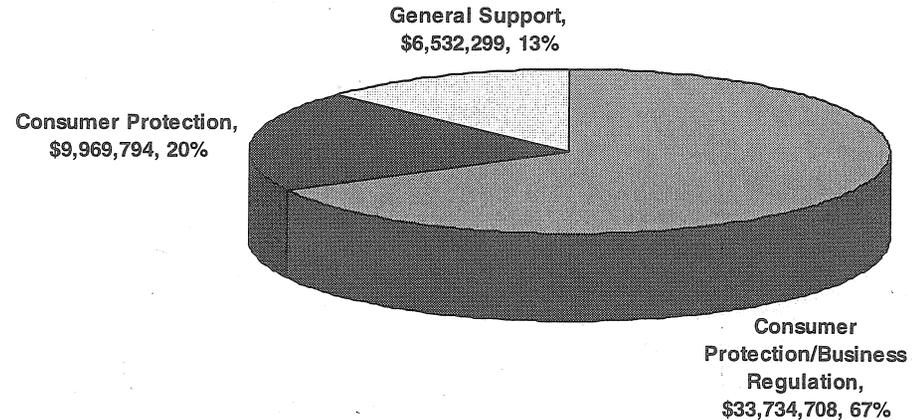
Department Goals

To develop, promote, and implement rational business regulation; to consider the public interest and increase the opportunity for public involvement in the regulatory process; and to ensure fairness in the conduct of administrative hearings that address decisions made by department regulators.

FY 2013 Supplemental Operating Budget Adjustments by Major Program



FY 2013 Supplemental Operating Budget



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS MAJOR FUNCTIONS

- Develops standards relating to the licensing of and general supervision over the conduct of the financial services industry, professions, businesses, trades, and insurance companies.
- Grants or denies the issuance of professional, business and trade licenses; directs investigations, holds hearings, and suspends, revokes or reinstates licenses; makes, amends or repeals such rules and regulations deemed necessary to fully effectuate the provisions of the laws within the Department's scope and jurisdiction.
- Represents, protects, and advances the interest of consumers of utility services; conducts investigations; assists and cooperates with Federal, State, and local agencies to protect the consumer's interests in the public utilities fields.
- Coordinates consumer protection activities in the State; conducts investigations, research, and enforces laws, rules, and regulations in the area of consumer protection; provides consumer education services and programs.
- Administers the laws of the State relating to corporations; partnerships; sales of securities; registration of trademarks, tradenames, prints and labels; miscellaneous business registrations; financial services industry; the insurance industry; and provides advice on business formation.
- Ensures that cable subscribers are provided with services that meet acceptable standards of quality, dependability, and fair rates; maintains surveillance over filed rates, charges, terms, and conditions of services; and monitors the operations and management of cable television operators and public access television entities.

MAJOR PROGRAM AREAS

The Department of Commerce and Consumer Affairs has programs in the following major program areas:

Individual Rights

Protection of the Consumer/Regulation of Services

CCA 102	Cable Television
CCA 103	Consumer Advocate for Communication, Utilities, and Transportation Services
CCA 104	Financial Services Regulation
CCA 105	Professional and Vocational Licensing
CCA 106	Insurance Regulatory Services

Protection of the Consumer/Enforcement of Fair Bus.

Practices

CCA 110	Office of Consumer Protection
CCA 111	Business Registration and Securities Regulation
CCA 112	Regulated Industries Complaints Office

General Support

CCA 191	General Support
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**Department of Commerce and Consumer Affairs
Operating Budget**

			Act 164/2011 FY 2012	Act 164/2011 FY 2013	FY 2013 Adjustments	Total FY 2013
Funding Sources:	Positions	Perm	386.00	386.00	10.00	396.00
		Temp	38.00	38.00	-8.00	30.00
	Special Funds	\$	47,916,365	48,100,813	-301,159	47,799,654
		Perm	5.00	5.00	3.00	8.00
		Temp	6.00	6.00	-3.00	3.00
	Trust Funds	\$	2,496,992	2,471,992	-34,845	2,437,147
		Perm	391.00	391.00	13.00	404.00
		Temp	44.00	44.00	-11.00	33.00
Total Requirements		\$	50,413,357	50,572,805	-336,004	50,236,801

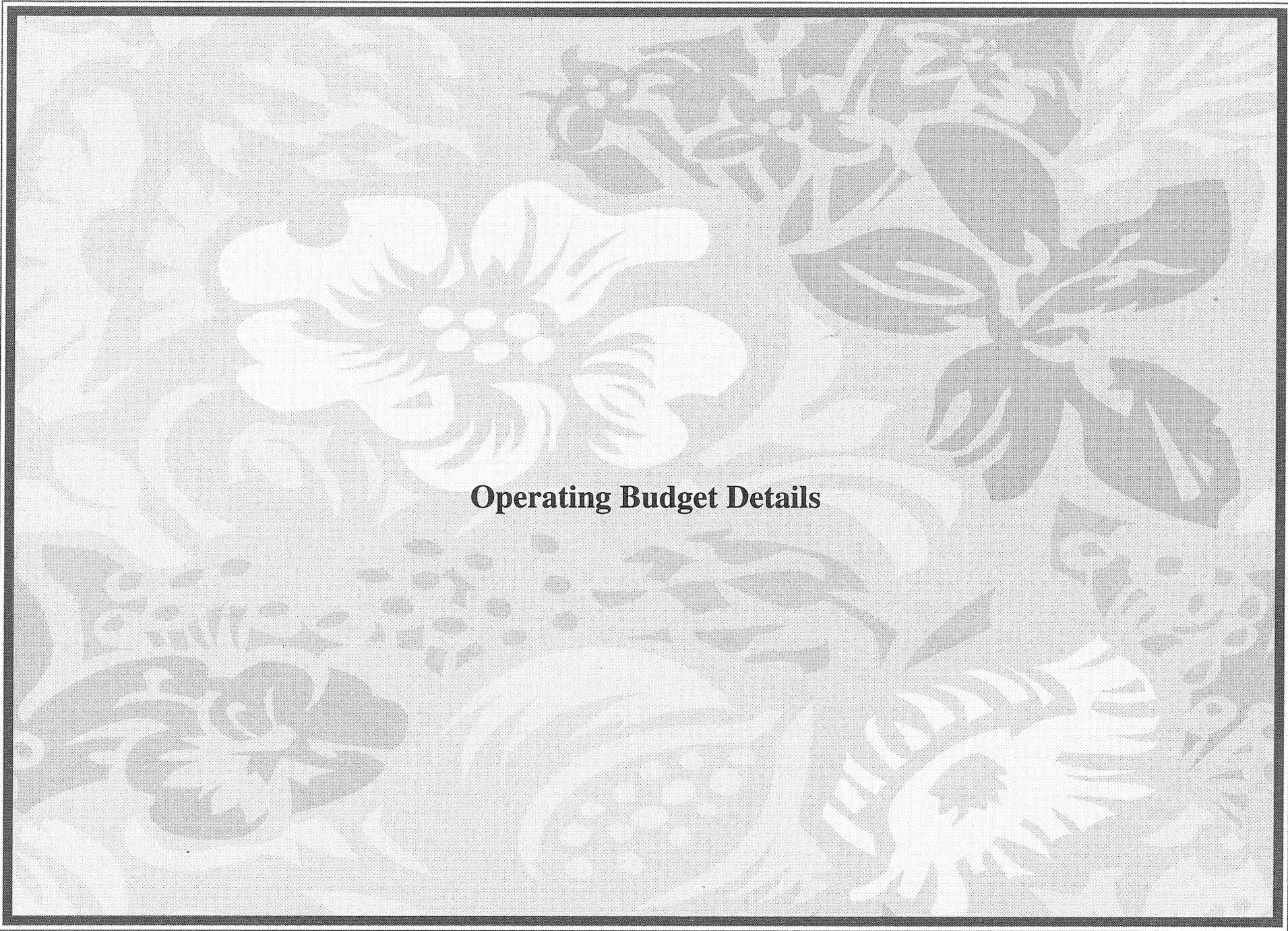
Comments: (general funds unless otherwise noted)

1. Reduces \$1,165,877 in special funds for labor savings pursuant to collective bargaining agreements and Section 96 of Act 164, SLH 2011.
2. Adds \$400,000 in special funds to upgrade the Applicant/Licensing Fee Integrated Automated System (ALIAS) system to conform to the new version of Microsoft Windows 7 for the Professional and Vocational Licensing Division (PVLD).
3. Adds 2.00 temporary positions and \$114,532 in special funds to register security guards pursuant to Act 208, SLH 2010 for the PVLD.
4. Adds \$205,000 in special funds to purchase replacement hardware, software, and back-up electronic information services for the Information Communications Services Office.
5. Adds \$115,341 in special funds for additional building maintenance fees assessed by the Department of Accounting and General Services.

**Department of Commerce and Consumer Affairs
Capital Improvements Budget**

	Act 164/2011 FY 2012	Act 164/2011 FY 2013	FY 2013 Adjustments	Total FY 2012	Total FY 2013
Funding Sources:					
General Obligation Bonds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Total Requirements	0	0	0	0	0

Comments on Dept CIP Budget Request: (general obligation bonds unless otherwise noted)
None.



Operating Budget Details

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

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PROGRAM ID: **CCA-**
PROGRAM STRUCTURE NO: **10**
PROGRAM TITLE: **INDIVIDUAL RIGHTS**

PROGRAM COSTS	FY 2012			FY 2013			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	391.00*	*	391.00*	391.00*	13.00*	404.00*	*	*	*
PERSONAL SERVICES	32,830,740		32,830,740	33,132,874	1,089,145-	32,043,729	65,963,614	64,874,469	
OTH CURRENT EXPENSES	17,467,017		17,467,017	17,439,931	578,141	18,018,072	34,906,948	35,485,089	
EQUIPMENT	115,600		115,600		175,000	175,000	115,600	290,600	
TOTAL OPERATING COST	50,413,357		50,413,357	50,572,805	336,004-	50,236,801	100,986,162	100,650,158	.33-
BY MEANS OF FINANCING									
SPECIAL FUND	386.00*	*	386.00*	386.00*	10.00*	396.00*	*	*	*
	47,916,365		47,916,365	48,100,813	301,159-	47,799,654	96,017,178	95,716,019	
TRUST FUNDS	5.00*	*	5.00*	5.00*	3.00*	8.00*	*	*	*
	2,496,992		2,496,992	2,471,992	34,845-	2,437,147	4,968,984	4,934,139	
TOTAL POSITIONS	391.00*	*	391.00*	391.00*	13.00*	404.00*			
TOTAL PROGRAM COST	50,413,357		50,413,357	50,572,805	336,004-	50,236,801	100,986,162	100,650,158	.33-

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

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PROGRAM ID: **CCA-102**
PROGRAM STRUCTURE NO: **10010301**
PROGRAM TITLE: **CABLE TELEVISION**

PROGRAM COSTS	FY 2012			FY 2013			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
CURR LEASE PAYMENTS									
OPERATING	4.00*	*	4.00*	4.00*	3.00*	7.00*	*	*	*
PERSONAL SERVICES	730,175		730,175	730,175	25,728-	704,447	1,460,350	1,434,622	
OTH CURRENT EXPENSES	1,056,362		1,056,362	1,056,362		1,056,362	2,112,724	2,112,724	
TOTAL OPERATING COST	1,786,537		1,786,537	1,786,537	25,728-	1,760,809	3,573,074	3,547,346	.72-
BY MEANS OF FINANCING									
SPECIAL FUND	4.00*	*	4.00*	4.00*	3.00*	7.00*	*	*	*
	1,786,537		1,786,537	1,786,537	25,728-	1,760,809	3,573,074	3,547,346	
TOTAL POSITIONS	4.00*	*	4.00*	4.00*	3.00*	7.00*			
TOTAL PROGRAM COST	1,786,537		1,786,537	1,786,537	25,728-	1,760,809	3,573,074	3,547,346	.72-

**Narrative for Supplemental Budget Requests
FY 2013**

Program ID: CCA 102
Program Structure Level: 10 01 03 01
Program Title: Cable Television

A. Program Objective

To foster the development of responsive and reliable cable television communications services for the people of Hawaii by promoting the public interest in authorizations by the State regarding cable television franchises; regulate basic cable television rates and service to ensure compliance with applicable State and Federal law; expand and enhance the Statewide Institutional Network ("INET"); and continue the availability of Public, Education and Government ("PEG") cable access.

B. Description of Request

Request a reduction of \$25,728 in special funds for labor savings pursuant to collective bargaining agreements and Section 96 of Act 164, SLH 2011.

Request to convert 3.00 temporary special fund positions to permanent positions.

C. Reasons for Request

The labor savings reduction is necessary to reflect payroll costs under current collective bargaining agreements.

Pursuant to Act 199, SLH 2010, broadband responsibilities were added to the Cable Television Division (HRS 440G), and per 440G-12(d), positions were authorized by the Director to carry out these responsibilities. These positions were initially established as temporary positions; however, the duties that are required of these positions, such as establishing telework initiatives,

coordinating the Broadband Assistance Advisory Council, and managing work groups to streamline permitting functions, are of a permanent nature. The Cable Television Division was recently named one of the leads in the Governor's Broadband Initiative Program. In order to perform these responsibilities and meet the goals mandated by the Governor under the Broadband Initiative Program, there is a need to convert these positions to permanent status. The workload will remain, or increase through FY14 and beyond, and unless these positions are converted to a permanent status, it would be difficult to find and retain qualified persons. The vacant positions may jeopardize the Governor's Broadband Initiative Goals of providing broadband services into the 21st century. Of equal importance, the program will not be able to fulfill the requirements of the federal grant awarded to the program for broadband mapping and planning projects by the benchmark dates.

D. Significant Changes to Measures of Effectiveness and Program Size

None

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

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PROGRAM ID: CCA-103
PROGRAM STRUCTURE NO: 10010302
PROGRAM TITLE: CONSUMER ADVOCATE FOR COMM, UTIL & TRAN SVC

PROGRAM COSTS	FY 2012			FY 2013			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
CURR LEASE PAYMENTS									
OPERATING	23.00*	*	23.00*	23.00*	*	23.00*	*	*	*
PERSONAL SERVICES	1,579,753		1,579,753	1,881,887	64,812-	1,817,075	3,461,640	3,396,828	
OTH CURRENT EXPENSES	1,121,712		1,121,712	1,121,712		1,121,712	2,243,424	2,243,424	
TOTAL OPERATING COST	2,701,465		2,701,465	3,003,599	64,812-	2,938,787	5,705,064	5,640,252	1.14-
BY MEANS OF FINANCING									
SPECIAL FUND	23.00*	*	23.00*	23.00*	*	23.00*	*	*	*
	2,701,465		2,701,465	3,003,599	64,812-	2,938,787	5,705,064	5,640,252	
TOTAL POSITIONS	23.00*	*	23.00*	23.00*	*	23.00*			
TOTAL PROGRAM COST	2,701,465		2,701,465	3,003,599	64,812-	2,938,787	5,705,064	5,640,252	1.14-

**Narrative for Supplemental Budget Requests
FY 2013**

Program ID: CCA 103

Program Structure Level: 10 01 03 02

Program Title: Consumer Advocate for Communication, Utilities, and Transportation

A. Program Objective

Through advocacy, education, and long range planning, to ensure sustainable, reliable, safe, and quality communications, utility and transportation services at a fair cost for Hawaii's consumers for the short and long term.

B. Description of Request

Request a reduction of \$64,812 in special funds for labor savings pursuant to collective bargaining agreements and Section 96 of Act 164, SLH 2011.

C. Reasons for Request

The labor savings reduction is necessary to reflect payroll costs under current collective bargaining agreements.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

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PROGRAM ID: **CCA-104**
 PROGRAM STRUCTURE NO: **10010303**
 PROGRAM TITLE: **FINANCIAL SERVICES REGULATION**

PROGRAM COSTS	FY 2012			FY 2013			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
CURR LEASE PAYMENTS									
OPERATING	34.00*	*	34.00*	34.00*	*	34.00*	*	*	*
PERSONAL SERVICES	2,971,144		2,971,144	2,971,144	107,326-	2,863,818	5,942,288	5,834,962	
OTH CURRENT EXPENSES	525,862		525,862	523,776		523,776	1,049,638	1,049,638	
TOTAL OPERATING COST	3,497,006		3,497,006	3,494,920	107,326-	3,387,594	6,991,926	6,884,600	1.53-
BY MEANS OF FINANCING									
SPECIAL FUND	34.00*	*	34.00*	34.00*	*	34.00*	*	*	*
TRUST FUNDS	3,387,006		3,387,006	3,384,920	107,326-	3,277,594	6,771,926	6,664,600	
	110,000		110,000	110,000		110,000	220,000	220,000	
TOTAL POSITIONS	34.00*	*	34.00*	34.00*	*	34.00*			
TOTAL PROGRAM COST	3,497,006		3,497,006	3,494,920	107,326-	3,387,594	6,991,926	6,884,600	1.53-

**Narrative for Supplemental Budget Requests
FY 2013**

Program ID: CCA 104
Program Structure Level: 10 01 03 03
Program Title: Financial Services Regulation

A. Program Objective

To ensure the safety and soundness of state-chartered and state-licensed financial institutions by fairly administering applicable statutes and rules in order to protect the rights and funds of depositors, borrowers, consumers, and other members of the community, and to supervise escrow depositories, and money transmitters, and mortgage servicers.

coupled with the increasing regulatory oversight required by a new federal regulatory agency, continuing changes in the other financial service providers licensed by the program, the ongoing financial crisis, the increasing complexity of issues the program deals with as the financial services industry evolves, and the enactment of new laws, rules and regulations require more comprehensive and enhanced examinations and supervisory efforts.

B. Description of Request

Request a reduction of \$107,326 in special funds for labor savings pursuant to collective bargaining agreements and Section 96 of Act 164, SLH 2011.

C. Reasons for Request

The labor savings reduction is necessary to reflect payroll costs under current collective bargaining agreements.

D. Significant Changes to Measures of Effectiveness and Program Size

The program's work load has increased substantially as evidenced by the increased number of institutions and offices regulated, and applications, complaints and inquiries received. It should be noted that the number of mortgage loan originators and mortgage loan originator companies licensed and the number of applications related to those licensees are not included in the program size and measures of effectiveness currently being reported. In addition to the new mortgage loan originator program, the program recently began licensing mortgage servicers. These new regulatory programs,

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

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PROGRAM ID: **CCA-105**
 PROGRAM STRUCTURE NO: **10010304**
 PROGRAM TITLE: **PROFESSIONAL & VOCATIONAL LICENSING**

PROGRAM COSTS	FY 2012			FY 2013			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
CURR LEASE PAYMENTS									
OPERATING	57.00*	*	57.00*	57.00*	5.00*	62.00*	*	*	*
PERSONAL SERVICES	5,253,885		5,253,885	5,253,885	191,161-	5,062,724	10,507,770	10,316,609	
OTH CURRENT EXPENSES	2,405,643		2,405,643	2,380,643	430,800	2,811,443	4,786,286	5,217,086	
TOTAL OPERATING COST	7,659,528		7,659,528	7,634,528	239,639	7,874,167	15,294,056	15,533,695	1.57
BY MEANS OF FINANCING									
SPECIAL FUND	52.00*	*	52.00*	52.00*	2.00*	54.00*	*	*	*
5,573,217	5,573,217		5,573,217	5,573,217	274,484	5,847,701	11,146,434	11,420,918	
TRUST FUNDS	5.00*	*	5.00*	5.00*	3.00*	8.00*	*	*	*
2,086,311	2,086,311		2,086,311	2,061,311	34,845-	2,026,466	4,147,622	4,112,777	
TOTAL POSITIONS	57.00*	*	57.00*	57.00*	5.00*	62.00*			
TOTAL PROGRAM COST	7,659,528		7,659,528	7,634,528	239,639	7,874,167	15,294,056	15,533,695	1.57

**Narrative for Supplemental Budget Requests
FY 2013**

Program ID: CCA 105
Program Structure Level: 10 01 03 04
Program Title: Professional and Vocational Licensing

A. Program Objective

To ensure that the individual is provided with professional, vocational, and personal services meeting acceptable standards of quality, equity and dependability by establishing and enforcing appropriate service standards; to regulate activities for the protection, welfare and safety of the participants as well as the public.

B. Description of Request

1. Request a reduction of \$152,787 in special and \$27,845 in trust funds for labor savings pursuant to collective bargaining agreements and Section 96 of Act 164, SLH 2011.
2. Request \$400,000 in special funds to upgrade the ALIAS Licensing System.
3. Request 2.00 temporary positions and \$114,532 in special funds to implement Act 208, SLH 2010.
4. Request transfer out of 1.00 temporary position and \$87,261 in special funds to General Support program.
5. Request a conversion of 2.00 temporary special fund and 3.00 trust fund positions to permanent positions.
6. Request a reduction of \$7,000 in trust funds for the Travel Agency Education Trust Fund pursuant to Act 124, SLH 2011.

C. Reasons for Request

1. The labor savings reduction is necessary to reflect payroll costs under current collective bargaining agreements.
2. The increase is requested for the purchase of services and software to upgrade the ALIAS licensing system to a Microsoft Windows 7 compliant version. Microsoft will no longer support Windows XP (which is what ALIAS currently runs on) as of April 2014.
3. Act 208, SLH 2010, requires that all individual guards register with the Board of Private Detectives and Guards. There are an estimated 10,700 individual guards in the State who need to apply for registration and additional resources are needed to fully support and execute the legislative mandate. The only way to accomplish this mandate in a timely manner is to request for two temporary Office Assistant positions.
4. The request proposes to trade-off one temporary position count and special funds to the Director's Office and Administration for a Communications Specialist position.
5. The positions are essential to ensure the continued efficiency and timeliness of the operations of the program. Converting these positions to permanent status is needed for the program to attract and retain qualified personnel.
6. Act 124, SLH 2011, transfers all moneys in the travel agency recovery fund and the travel agency education fund, as of June 30, 2011, to the State's general fund. The remaining funds in the travel agency education fund have been transferred and the account closed.

**Narrative for Supplemental Budget Requests
FY 2013**

Program ID: CCA 105

Program Structure Level: 10 01 03 04

Program Title: Professional and Vocational Licensing

D. Significant Changes to Measures of Effectiveness and Program Size

It is of significant importance that the upgrade to the program's ALIAS licensing system is completed in a timely manner. The program relies on ALIAS to process license applications, renewals, and change transactions received via walk-in, mail, or over the web. Any significant failure or malfunction of ALIAS would halt service to its customers, approximately 335,210 licensees from 47 different professions and vocations, therein negatively impacting Hawaii's economy. ALIAS is used to process 203,365 license transactions per year. Failure to upgrade ALIAS will impact the program's measures of effectiveness, by delaying the standard processing time of 15-20 business days for the issuance of new licenses and renewals.

It is also of significant importance to add the two temporary office assistant positions for the registration of individual guards, pursuant to Act 208, SLH 2010. Without the two new positions, there would be a delay in the processing time of the 10,700 applications in a timely manner, thereby impacting the program's measures of effectiveness, by delaying the standard processing time of 15-20 business days to process and issue registrations for the 10,700 individual guards.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

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PROGRAM ID: **CCA-106**
 PROGRAM STRUCTURE NO: **10010306**
 PROGRAM TITLE: **INSURANCE REGULATORY SERVICES**

PROGRAM COSTS	FY 2012			FY 2013			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
CURR LEASE PAYMENTS									
OPERATING	81.00*	*	81.00*	81.00*	*	81.00*	*	*	*
PERSONAL SERVICES	6,780,368		6,780,368	6,780,368	241,629-	6,538,739	13,560,736	13,319,107	
OTH CURRENT EXPENSES	7,701,387		7,701,387	7,701,387		7,701,387	15,402,774	15,402,774	
TOTAL OPERATING COST	14,481,755		14,481,755	14,481,755	241,629-	14,240,126	28,963,510	28,721,881	.83-
BY MEANS OF FINANCING									
SPECIAL FUND	81.00*	*	81.00*	81.00*	*	81.00*	*	*	*
TRUST FUNDS	14,281,755		14,281,755	14,281,755	241,629-	14,040,126	28,563,510	28,321,881	
	200,000		200,000	200,000		200,000	400,000	400,000	
TOTAL POSITIONS	81.00*	*	81.00*	81.00*	*	81.00*			
TOTAL PROGRAM COST	14,481,755		14,481,755	14,481,755	241,629-	14,240,126	28,963,510	28,721,881	.83-

**Narrative for Supplemental Budget Requests
FY 2013**

Program ID: CCA 106
Program Structure Level: 10 01 03 06
Program Title: Insurance Regulatory Services

A. Program Objective

To ensure that consumers are provided with insurance services meeting acceptable standards of quality, equity, and dependability at fair rates by establishing and enforcing appropriate service standards and fairly administering the Insurance Code.

B. Description of Request

Request a reduction of \$241,629 in special funds for labor savings pursuant to collective bargaining agreements and Section 96 of Act 164, SLH 2011.

C. Reasons for Request

The labor savings reduction is necessary to reflect payroll costs under current collective bargaining agreements.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

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PROGRAM ID: **CCA-110**
PROGRAM STRUCTURE NO: **10010401**
PROGRAM TITLE: **OFFICE OF CONSUMER PROTECTION**

PROGRAM COSTS	FY 2012			FY 2013			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
CURR LEASE PAYMENTS									
OPERATING	14.00*	*	14.00*	14.00*	2.00*	16.00*	*	*	*
PERSONAL SERVICES	1,371,930		1,371,930	1,371,930	49,092-	1,322,838	2,743,860	2,694,768	
OTH CURRENT EXPENSES	302,591		302,591	302,591		302,591	605,182	605,182	
TOTAL OPERATING COST	1,674,521		1,674,521	1,674,521	49,092-	1,625,429	3,349,042	3,299,950	1.47-
BY MEANS OF FINANCING									
SPECIAL FUND	14.00*	*	14.00*	14.00*	2.00*	16.00*	*	*	*
TRUST FUNDS	1,573,840		1,573,840	1,573,840	49,092-	1,524,748	3,147,680	3,098,588	
	100,681		100,681	100,681		100,681	201,362	201,362	
TOTAL POSITIONS	14.00*	*	14.00*	14.00*	2.00*	16.00*			
TOTAL PROGRAM COST	1,674,521		1,674,521	1,674,521	49,092-	1,625,429	3,349,042	3,299,950	1.47-

**Narrative for Supplemental Budget Requests
FY 2013**

Program ID: CCA 110
Program Structure Level: 10 01 04 01
Program Title: Office of Consumer Protection (OCP)

A. Program Objective

To protect the public interest by investigating alleged violations of consumer protection laws, taking legal action to stop unfair or deceptive trade practices in the marketplace, and assisting in educating the public and businesses concerning their respective legal rights and obligations in the marketplace.

B. Description of Request

Request a reduction of \$49,092 in special funds for labor savings pursuant to collective bargaining agreements and Section 96 of Act 164, SLH 2011.

Request to convert 2.00 special fund Investigator IV temporary positions to permanent positions.

C. Reasons for Request

The labor savings reduction is necessary to reflect payroll costs under current collective bargaining agreements.

The two temporary positions to permanent status will provide the program with adequate staff to carry out its statutory responsibilities on behalf of the consumers of the State of Hawaii.

OCP is the primary governmental agency in the State of Hawaii responsible for enforcement of Hawaii's consumer protection statutes. OCP investigates an average of 1,800 consumer complaints a year. These complaints often involve complex facts and claims involving multiple parties. In the event a

complaint is referred to legal staff to initiate appropriate legal action, these investigators continue to work closely with the OCP's staff attorneys to secure appropriate legal enforcement action against the offending business or individual. OCP also responds to an average of 7,600 calls and inquiries annually from the general public regarding the Hawaii Residential Landlord-Tenant Code. The OCP staff investigators review and investigate each of the complaints for unfair or deceptive trade practices in consumer transactions and answer all of the landlord tenant inquiries in addition to their other duties.

In order to attract and retain experienced and qualified investigators, OCP must offer permanent civil service status and the job security and promotion opportunities that come with such status. OCP's ability to fulfill its consumer protection responsibilities will be adversely affected if OCP cannot hire and retain qualified experienced investigators. Therefore, to assure continuing service and provide OCP with the stability it needs to fulfill its statutory obligations, it is essential that these two temporary positions be made permanent. The two positions were established in 1993 and are located in the Honolulu Office.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

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PROGRAM ID: **CCA-111**
PROGRAM STRUCTURE NO: **10010403**
PROGRAM TITLE: **BUSINESS REGISTRATION & SECURITIES REGULATN**

PROGRAM COSTS	FY 2012			FY 2013			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
CURR LEASE PAYMENTS									
OPERATING	70.00*	*	70.00*	70.00*	1.00*	71.00*	*	*	*
PERSONAL SERVICES	5,131,685		5,131,685	5,131,685	177,228-	4,954,457	10,263,370	10,086,142	
OTH CURRENT EXPENSES	1,517,555		1,517,555	1,517,555		1,517,555	3,035,110	3,035,110	
TOTAL OPERATING COST	6,649,240		6,649,240	6,649,240	177,228-	6,472,012	13,298,480	13,121,252	1.33-
BY MEANS OF FINANCING									
SPECIAL FUND	70.00*	*	70.00*	70.00*	1.00*	71.00*	*	*	*
	6,649,240		6,649,240	6,649,240	177,228-	6,472,012	13,298,480	13,121,252	
TOTAL POSITIONS	70.00*	*	70.00*	70.00*	1.00*	71.00*			
TOTAL PROGRAM COST	6,649,240		6,649,240	6,649,240	177,228-	6,472,012	13,298,480	13,121,252	1.33-

**Narrative for Supplemental Budget Requests
FY 2013**

Program ID: CCA 111
Program Structure Level: 10 01 04 03
Program Title: Business Registration and Securities Regulation

A. Program Objective

To ensure that business registration information is accurately maintained for corporations, partnerships, limited liability companies, trade names, trademarks, and service marks; to run business centers to provide personalized assistance to small and startup businesses; and to ensure compliance with and enforcement of securities and franchise laws.

B. Description of Request

Request a reduction of \$177,228 in special funds for labor savings pursuant to collective bargaining agreements and Section 96 of Act 164, SLH 2011.

Request to convert 1.00 special fund civil service temporary legal clerk position to permanent status.

C. Reasons for Request

The labor savings reduction is necessary to reflect payroll costs under current collective bargaining agreements.

The position is needed to support the ongoing and long-term work of the attorneys and investigators in the Securities Enforcement Branch to quickly and efficiently resolve cases. The position provides legal clerical support to both the attorneys and investigators as they process their cases. The position has been continuously staffed for the past 19 years. The need for the clerical support has not decreased over the years and it can be estimated that the workload of the legal clerical staff is not expected to decrease in the

future, especially given the recent addition of two new staff attorneys to the Branch. In addition, having the position converted to permanent will help the program maintain the institutional memory regarding clerical processing and provide consistency and stability in staffing.

D. Significant Changes to Measures of Effectiveness and Program Size

None.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

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PROGRAM ID: **CCA-112**
 PROGRAM STRUCTURE NO: **10010404**
 PROGRAM TITLE: **REGULATED INDUSTRIES COMPLAINTS OFFICE**

PROGRAM COSTS	FY 2012			FY 2013			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
CURR LEASE PAYMENTS									
OPERATING	65.00*	*	65.00*	65.00*	1.00*	66.00*	*	*	*
PERSONAL SERVICES	4,881,827		4,881,827	4,881,827	174,258-	4,707,569	9,763,654	9,589,396	
OTH CURRENT EXPENSES	698,009		698,009	698,009		698,009	1,396,018	1,396,018	
TOTAL OPERATING COST	5,579,836		5,579,836	5,579,836	174,258-	5,405,578	11,159,672	10,985,414	1.56-
BY MEANS OF FINANCING									
SPECIAL FUND	65.00*	*	65.00*	65.00*	1.00*	66.00*	*	*	*
	5,579,836		5,579,836	5,579,836	174,258-	5,405,578	11,159,672	10,985,414	
TOTAL POSITIONS	65.00*	*	65.00*	65.00*	1.00*	66.00*			
TOTAL PROGRAM COST	5,579,836		5,579,836	5,579,836	174,258-	5,405,578	11,159,672	10,985,414	1.56-

**Narrative for Supplemental Budget Requests
FY 2013**

Program ID: CCA 112
Program Structure Level: 10 01 04 04
Program Title: Regulated Industries Complaints Office

A. Program Objective

To assist the general public by providing consumer education outreach activities, investigating complaints from the public and enforcing the licensing laws.

B. Description of Request

Request a reduction of \$174,258 in special funds for labor savings pursuant to collective bargaining agreements and Section 96 of Act 164, SLH 2011.

Request to convert 1.00 special fund Investigator IV position from temporary to a permanent position.

C. Reasons for Request

The labor savings reduction is necessary to reflect payroll costs under current collective bargaining agreements.

This program is responsible for enforcing many of the State's professional licensing laws, including the laws that govern unlicensed contracting activity. The program has offices in Oahu, Kauai, Maui, Hilo and Kona. The Kona office has one Investigator V (Supervising Investigator) position, and one permanent Investigator IV position and one temporary Investigator IV position. The temporary position was created to address an existing backlog in case investigations in the Kona office and to provide for a more timely response to unlicensed activity site inspections. The addition of the temporary position has improved timely case processing and has provided

much-needed investigative resources to a neighbor island office that is responsible for a large geographic area. The program does not anticipate that these needs will lessen in the foreseeable future and therefore requests that the temporary position be made permanent.

D. Significant Changes to Measures of Effectiveness and Program Size

Providing for a permanent staff of three investigators in the Kona office will mean that the program will be able to assist more consumers, conduct more investigations of businesses, bring more legal actions, assess more fines, and provide more assistance to the Kona community.

**EXECUTIVE SUPPLEMENTAL BUDGET
(IN DOLLARS)**

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PROGRAM ID: **CCA-191**
PROGRAM STRUCTURE NO: **100105**
PROGRAM TITLE: **GENERAL SUPPORT**

PROGRAM COSTS	FY 2012			FY 2013			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
CURR LEASE PAYMENTS									
OPERATING	43.00*	*	43.00*	43.00*	1.00*	44.00*	*	*	*
PERSONAL SERVICES	4,129,973		4,129,973	4,129,973	57,911-	4,072,062	8,259,946	8,202,035	
OTH CURRENT EXPENSES	2,137,896		2,137,896	2,137,896	147,341	2,285,237	4,275,792	4,423,133	
EQUIPMENT	115,600		115,600		175,000	175,000	115,600	290,600	
TOTAL OPERATING COST	6,383,469		6,383,469	6,267,869	264,430	6,532,299	12,651,338	12,915,768	2.09
BY MEANS OF FINANCING									
SPECIAL FUND	43.00*	*	43.00*	43.00*	1.00*	44.00*	*	*	*
	6,383,469		6,383,469	6,267,869	264,430	6,532,299	12,651,338	12,915,768	
TOTAL POSITIONS	43.00*	*	43.00*	43.00*	1.00*	44.00*			
TOTAL PROGRAM COST	6,383,469		6,383,469	6,267,869	264,430	6,532,299	12,651,338	12,915,768	2.09

**Narrative for Supplemental Budget Requests
FY 2013**

Program ID: CCA 191
Program Structure Level: 10 01 05
Program Title: General Support

A. Program Objective

To uphold fairness and public confidence in the marketplace, promote sound consumer practices, and increase knowledge, opportunity, and justice in our community by enhancing program effectiveness and efficiency.

B. Description of Request

1. Request a reduction of \$145,172 in special funds for labor savings pursuant to collective bargaining agreements and Section 96 of Act 164, SLH 2011.
2. Request \$205,000 in special funds to purchase replacement hardware, software and services to backup electronic information.
3. Request \$117,341 in special funds to cover Department of Accounting and General Services (DAGS) building maintenance fee increases.
4. Request transfer in of 1.00 temporary position and \$87,261 in special funds from Professional Vocational and Licensing Division for a Communication Specialist position.
5. Request a conversion of 1.00 temporary Data Processing System Analyst IV to a permanent status.

C. Reasons for Request

1. The labor savings reduction is necessary to reflect payroll costs under current collective bargaining agreements.

2. The request is to: a) replace G4 model servers which will reach the manufacturer's end-of-life on February 12, 2012. The servers provide Lotus Notes email, Lotus Notes applications, file and print servers, active directory and desktop management system; b) upgrade Microsoft Office 2002 to Office 2010 to avoid compatibility problems and support issues as support for Microsoft Office 2002 XP ended on July 12, 2011; and c) provide for a disaster recovery solution during major catastrophe.
3. The request is for building maintenance payments to DAGS for repairs and building maintenance services at the King David Kalakaua Building and the 8th and 9th floors of the Leiopapa A Kamehameha building.
4. The Department of Commerce and Consumer Affairs (DCCA) serves a broad range of constituents throughout the public sector. Much of the interaction is tied to the ability of these businesses and individuals being able to conduct business in the State. Therefore, a need exists for DCCA to have someone to provide the skills and abilities to assist with strategic communication needs for the department.
5. This position, established and filled in 2005, provides analysis and programming of systems that are designed for the 17 custom-built unique DCCA systems. The permanent in-house positions are needed to ensure that resources are ready and available to provide continual support of existing systems and handling of new projects.

D. Significant Changes to Measures of Effectiveness and Program Size

None.