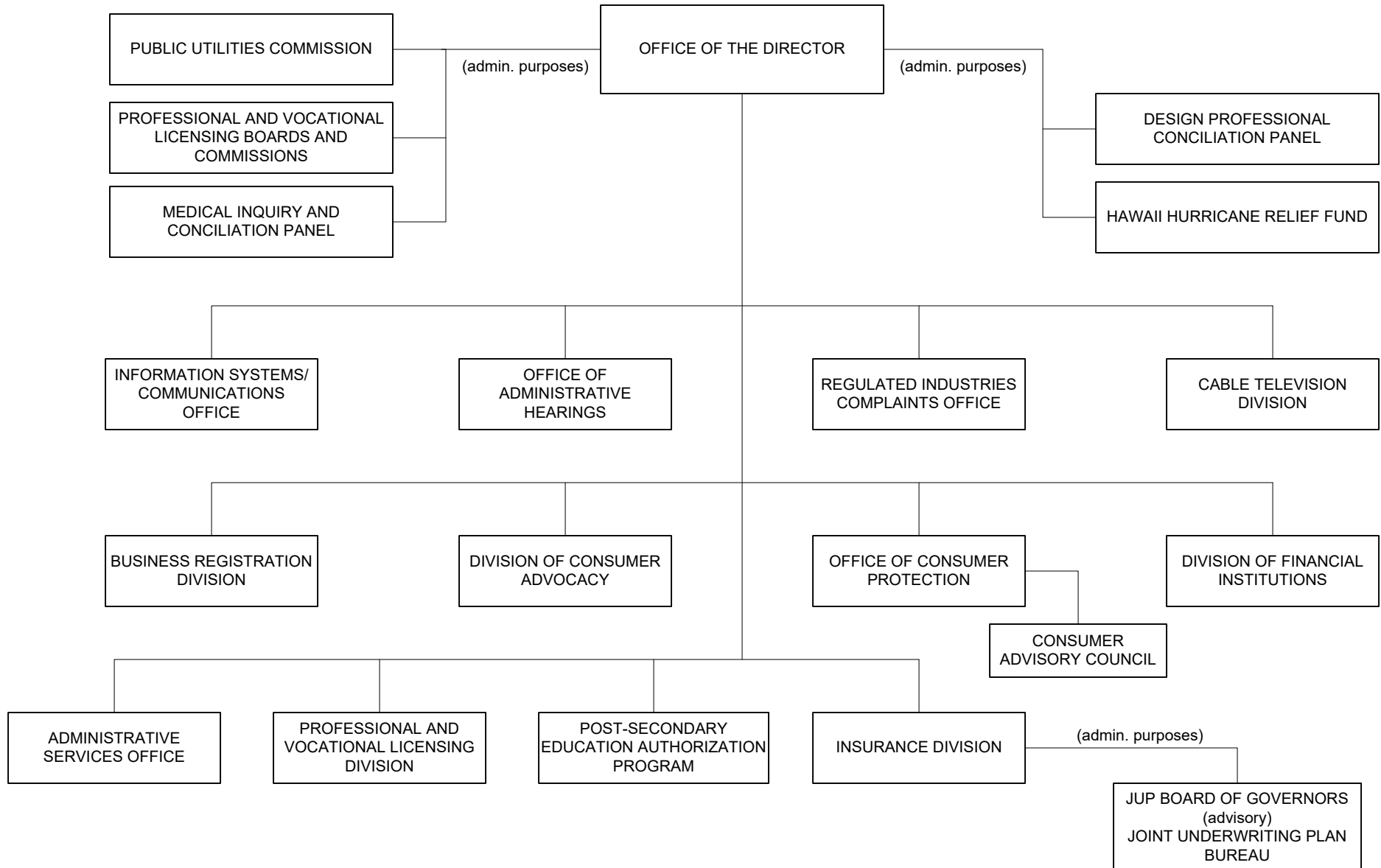




Department of Commerce and Consumer Affairs

**STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
ORGANIZATION CHART**



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

Department Summary

Mission Statement

To promote a strong and healthy business environment by upholding fairness and public confidence in the marketplace, and by increasing knowledge and opportunity for our businesses and citizens.

Department Goals

To develop rational business regulation; to achieve fairness and public confidence in the marketplace; and to foster sound consumer practices.

Significant Measures of Effectiveness

1. Percent of homes where cable TV service is available in the state
2. Percent of alternate energy sources used by electric utilities
3. Average number of days to process corporation, partnership, LLC, tradenames with regular handling

FY 2024

99

FY 2025

99

39

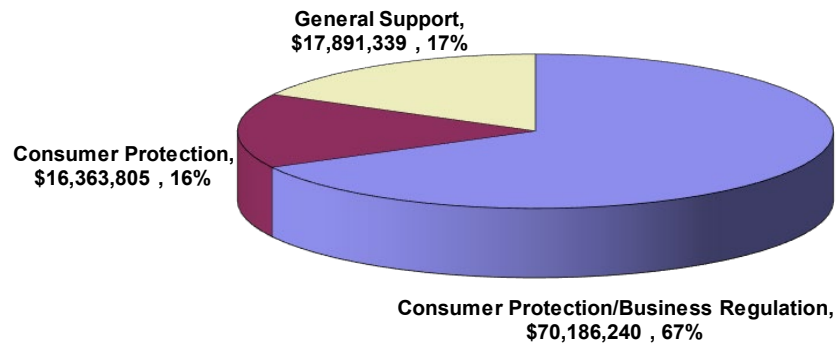
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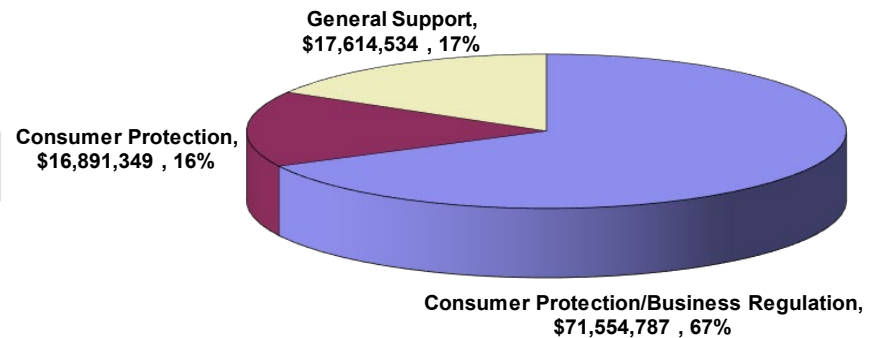
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FB 2023-2025 Operating Budget by Major Program Area

FY 2024



FY 2025



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, the securities industry, professions, businesses, trades, and insurance companies.
- 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.
- Represents, protects, and advances the interest of consumers of utility and interisland water carrier services; conducts investigations; assists and cooperates with Federal, State, and local agencies to protect the consumer's interests.
- Regulates public utilities to ensure regulated companies efficiently and safely provide customers with adequate and reliable services at just and reasonable rates while providing regulated companies with a fair opportunity to earn a reasonable rate of return.
- Grants or denies the issuance of financial services industry, professional, business and trade licenses and registrations; directs investigations or examinations, holds hearings, and suspends, revokes or reinstates licenses and registrations; adopts, amends or repeals such rules as deemed necessary to fully effectuate the provisions of the laws within the Department's scope and jurisdiction.
- Administers the laws of the State relating to corporations; partnerships; companies; trademarks, tradenames; miscellaneous business registrations; the financial services industry; the securities 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; monitors the operations and management of cable television operators; administers the public access television entities' contracts; and promotes the adoption and deployment of broadband services throughout the State.

MAJOR PROGRAM AREAS

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

Individual Rights

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

CCA 107	Post-Secondary Education Authorization
CCA 110	Office of Consumer Protection
CCA 111	Business Registration and Securities Regulation
CCA 112	Regulated Industries Complaints Office
CCA 191	General Support
CCA 901	Public Utilities Commission

Department of Commerce and Consumer Affairs
(Operating Budget)

		Budget Base FY 2024	Budget Base FY 2025	FY 2024	FY 2025
Funding Sources:	Perm Positions	-	-	-	-
	Temp Positions	-	-	-	-
General Funds	\$	-	-	-	-
	Perm Positions	525.00	525.00	525.00	525.00
	Temp Positions	14.00	14.00	14.00	14.00
Special Funds	\$	90,975,593	92,811,442	101,000,525	102,580,626
	Perm Positions	8.00	8.00	8.00	8.00
	Temp Positions	4.00	4.00	4.00	4.00
Trust Funds	\$	3,440,859	3,480,044	3,440,859	3,480,044
		533.00	533.00	533.00	533.00
		18.00	18.00	18.00	18.00
Total Requirements		94,416,452	96,291,486	104,441,384	106,060,670

Major Adjustments in the Executive Budget Request: (general funds unless noted)

1. Adds \$7,560,000 in special funds in FY 24 and FY 25 for payments to the King Kalakaua Building's management association for repairs and renovations.
2. Adds \$750,000 in special funds in FY 24 and FY 25 for the Public Utilities Commission for the Electric Vehicle Charging System Subaccount.
3. Adds \$750,000 in special funds in FY 24 and FY 25 for the Public Utilities Commission for the Hydrogen Fueling System Subaccount.
4. Adds \$450,000 in special funds in FY 24 and FY 25 for consultant services for the Professional and Vocational Licensing Division's licensing database.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

DEPT OF COMMERCE & CONSUMER AFFAIRS

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	522.00*	533.00*	533.00*	533.00*	533.0*	533.0*	533.0*	533.0*
	20.00**	19.00**	18.00**	18.00**	18.0**	18.0**	18.0**	18.0**
PERSONAL SERVICES	48,049,515	60,545,750	64,135,087	65,754,373	65,753	65,753	65,753	65,753
OTHER CURRENT EXPENSES	26,363,776	32,351,334	40,306,297	40,306,297	32,748	32,748	32,748	32,748
TOTAL OPERATING COST	74,413,291	92,897,084	104,441,384	106,060,670	98,501	98,501	98,501	98,501
BY MEANS OF FINANCING	514.00*	525.00*	525.00*	525.00*	525.0*	525.0*	525.0*	525.0*
	15.00**	15.00**	14.00**	14.00**	14.0**	14.0**	14.0**	14.0**
SPECIAL FUND	72,463,726	89,516,277	101,000,525	102,580,626	95,021	95,021	95,021	95,021
	8.00*	8.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
	5.00**	4.00**	4.00**	4.00**	4.0**	4.0**	4.0**	4.0**
TRUST FUNDS	1,949,565	3,380,807	3,440,859	3,480,044	3,480	3,480	3,480	3,480
TOTAL PERM POSITIONS	522.00*	533.00*	533.00*	533.00*	533.0*	533.0*	533.0*	533.0*
TOTAL TEMP POSITIONS	20.00**	19.00**	18.00**	18.00**	18.0**	18.0**	18.0**	18.0**
TOTAL PROGRAM COST	74,413,291	92,897,084	104,441,384	106,060,670	98,501	98,501	98,501	98,501

Department of Commerce and Consumer Affairs
(Capital Improvements Budget)

	<u>FY 2024</u>	<u>FY 2025</u>
Funding Sources:		
General Funds		
General Obligation Bonds		
	<hr/>	
Total Requirements	<hr/>	<hr/>
	-	-
	<hr/>	

Highlights of the Executive CIP Budget Request: (general obligation bonds unless noted)
None.



Operating Budget Details

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

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

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	522.00*	533.00*	533.00*	533.00*	533.0*	533.0*	533.0*	533.0*
	20.00**	19.00**	18.00**	18.00**	18.0**	18.0**	18.0**	18.0**
PERSONAL SERVICES	48,049,515	60,545,750	64,135,087	65,754,373	65,753	65,753	65,753	65,753
OTHER CURRENT EXPENSES	26,363,776	32,351,334	40,306,297	40,306,297	32,748	32,748	32,748	32,748
TOTAL OPERATING COST	74,413,291	92,897,084	104,441,384	106,060,670	98,501	98,501	98,501	98,501
BY MEANS OF FINANCING	514.00*	525.00*	525.00*	525.00*	525.0*	525.0*	525.0*	525.0*
	15.00**	15.00**	14.00**	14.00**	14.0**	14.0**	14.0**	14.0**
SPECIAL FUND	72,463,726	89,516,277	101,000,525	102,580,626	95,021	95,021	95,021	95,021
	8.00*	8.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
	5.00**	4.00**	4.00**	4.00**	4.0**	4.0**	4.0**	4.0**
TRUST FUNDS	1,949,565	3,380,807	3,440,859	3,480,044	3,480	3,480	3,480	3,480
TOTAL PERM POSITIONS	522.00*	533.00*	533.00*	533.00*	533.0*	533.0*	533.0*	533.0*
TOTAL TEMP POSITIONS	20.00**	19.00**	18.00**	18.00**	18.0**	18.0**	18.0**	18.0**
TOTAL PROGRAM COST	74,413,291	92,897,084	104,441,384	106,060,670	98,501	98,501	98,501	98,501

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO: **1001**
PROGRAM TITLE: **PROTECTION OF THE CONSUMER**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	522.00*	533.00*	533.00*	533.00*	533.0*	533.0*	533.0*	533.0*
	20.00**	19.00**	18.00**	18.00**	18.0**	18.0**	18.0**	18.0**
PERSONAL SERVICES	48,049,515	60,545,750	64,135,087	65,754,373	65,753	65,753	65,753	65,753
OTHER CURRENT EXPENSES	26,363,776	32,351,334	40,306,297	40,306,297	32,748	32,748	32,748	32,748
TOTAL OPERATING COST	74,413,291	92,897,084	104,441,384	106,060,670	98,501	98,501	98,501	98,501
BY MEANS OF FINANCING	514.00*	525.00*	525.00*	525.00*	525.0*	525.0*	525.0*	525.0*
	15.00**	15.00**	14.00**	14.00**	14.0**	14.0**	14.0**	14.0**
SPECIAL FUND	72,463,726	89,516,277	101,000,525	102,580,626	95,021	95,021	95,021	95,021
	8.00*	8.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
	5.00**	4.00**	4.00**	4.00**	4.0**	4.0**	4.0**	4.0**
TRUST FUNDS	1,949,565	3,380,807	3,440,859	3,480,044	3,480	3,480	3,480	3,480
TOTAL PERM POSITIONS	522.00*	533.00*	533.00*	533.00*	533.0*	533.0*	533.0*	533.0*
TOTAL TEMP POSITIONS	20.00**	19.00**	18.00**	18.00**	18.0**	18.0**	18.0**	18.0**
TOTAL PROGRAM COST	74,413,291	92,897,084	104,441,384	106,060,670	98,501	98,501	98,501	98,501

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:
PROGRAM STRUCTURE NO: **100103**
PROGRAM TITLE: **REGULATION OF SERVICES**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	307.00*	318.00*	317.00*	317.00*	317.0*	317.0*	317.0*	317.0*
	17.00**	16.00**	15.00**	15.00**	15.0**	15.0**	15.0**	15.0**
PERSONAL SERVICES	29,545,971	37,848,381	39,662,551	41,159,741	41,159	41,159	41,159	41,159
OTHER CURRENT EXPENSES	17,680,552	24,515,928	25,965,358	25,965,358	25,966	25,966	25,966	25,966
TOTAL OPERATING COST	47,226,523	62,364,309	65,627,909	67,125,099	67,125	67,125	67,125	67,125
BY MEANS OF FINANCING								
	299.00*	310.00*	309.00*	309.00*	309.0*	309.0*	309.0*	309.0*
	12.00**	12.00**	11.00**	11.00**	11.0**	11.0**	11.0**	11.0**
SPECIAL FUND	45,545,144	59,084,183	62,287,731	63,745,736	63,746	63,746	63,746	63,746
	8.00*	8.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
	5.00**	4.00**	4.00**	4.00**	4.0**	4.0**	4.0**	4.0**
TRUST FUNDS	1,681,379	3,280,126	3,340,178	3,379,363	3,379	3,379	3,379	3,379
TOTAL PERM POSITIONS	307.00*	318.00*	317.00*	317.00*	317.0*	317.0*	317.0*	317.0*
TOTAL TEMP POSITIONS	17.00**	16.00**	15.00**	15.00**	15.0**	15.0**	15.0**	15.0**
TOTAL PROGRAM COST	47,226,523	62,364,309	65,627,909	67,125,099	67,125	67,125	67,125	67,125

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: CCA102
PROGRAM STRUCTURE NO: 10010301
PROGRAM TITLE: CABLE TELEVISION

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	7.00*	7.00*	7.00*	7.00*	7.0*	7.0*	7.0*	7.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	815,409	1,018,142	1,063,802	1,102,533	1,102	1,102	1,102	1,102
OTHER CURRENT EXPENSES	714,371	1,548,730	1,547,730	1,547,730	1,548	1,548	1,548	1,548
TOTAL OPERATING COST	1,529,780	2,566,872	2,611,532	2,650,263	2,650	2,650	2,650	2,650
BY MEANS OF FINANCING	7.00*	7.00*	7.00*	7.00*	7.0*	7.0*	7.0*	7.0*
	**	**	**	**	**	**	**	**
SPECIAL FUND	1,529,780	2,566,872	2,611,532	2,650,263	2,650	2,650	2,650	2,650
TOTAL PERM POSITIONS	7.00*	7.00*	7.00*	7.00*	7.0*	7.0*	7.0*	7.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	1,529,780	2,566,872	2,611,532	2,650,263	2,650	2,650	2,650	2,650

PROGRAM ID: **CCA102**
 PROGRAM STRUCTURE: **10010301**
 PROGRAM TITLE: **CABLE TELEVISION**

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
MEASURES OF EFFECTIVENESS								
1. % HOMES WHERE CABLE TV SERVICE AVAILABLE IN STATE	99	99	99	99	99	99	99	99
2. %COMPL BY CABLE TV COM SYS W/STATE & REG RPTG REQS	99	99	99	99	99	99	99	99
3. % COMPLAINTS ADDRESSED WITHIN 30 DAYS	99	99	99	99	99	99	99	99
4. % OF BROADBAND PROJECTS/ACTIVITIES COMPLETED	99	99	99	99	99	99	99	99
PROGRAM TARGET GROUPS								
1. HAWAII HOUSEHOLDS (000)	545	545	545	545	545	545	545	545
2. HAWAII BUSINESSES (000)	36	36	36	36	36	36	36	36
3. CABLE TELEVISION SUBSCRIBERS (000)	375	350	345	340	340	340	340	340
4. CABLE TELEVISION COMPANIES	2	2	2	2	2	2	2	2
5. PEG ACCESS ORGANIZATIONS	4	4	4	4	4	4	4	4
6. BROADBAND SUBSCRIBERS (000)	393	395	395	395	395	395	395	395
PROGRAM ACTIVITIES								
1. # OF APPLICATIONS UNDER REVIEW BY CATV	1	6	6	6	6	6	6	6
2. # INSP, TST,INVTGN, COMPL REV BEGUN/ENDED BY CATV	6	6	6	6	6	6	6	6
3. # MTGS ON DEV, CONST, USE OF FACIL REL TO CCS	4	4	4	4	4	4	4	4
4. # OF COMPLAINTS AND INQUIRIES RECEIVED	260	260	260	260	260	260	260	260
5. # OF INET PROJ REQUESTS RECEIVED/PROCESSED	60	40	40	40	40	40	40	40
6. # OF PEG ACCESS RELATED ACTIVITIES	270	200	200	200	200	200	200	200
7. # OF BROADBAND RELATED ACTIVITIES	145	130	120	120	120	120	120	120
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
LICENSES, PERMITS, AND FEES		1	2,500	2,500	2,500	2,500	2,500	2,500
REVENUES FROM THE USE OF MONEY AND PROPERTY	36	50	100	200	200	200	200	200
TOTAL PROGRAM REVENUES	36	51	2,600	2,700	2,700	2,700	2,700	2,700
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	36	51	2,600	2,700	2,700	2,700	2,700	2,700
TOTAL PROGRAM REVENUES	36	51	2,600	2,700	2,700	2,700	2,700	2,700

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

CCA102: CABLE TELEVISION

10 01 03 01

A. Statement of Program Objectives

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; regulating basic cable television rates (to the extent authorized by federal law) and service to ensure compliance with applicable State and federal law; expanding the statewide institutional network (INET); continuing the availability of public, educational and governmental (PEG) cable access; and engaging in activities promoting the expansion of, and accelerating, the deployment of broadband infrastructure.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Transfers \$1,000 in special funds in FY 24 and FY 25 for insurance to General Support.

C. Description of Activities Performed

1. Franchising is the single most important tool by which the division can determine and build in requirements for quality services. This applies to new franchises, franchise renewals, and transfers of franchises.
2. Technical reviews and reporting requirements are an important means by which quality cable communications services can be assured. The program continues to enforce and monitor compliance with applicable orders, laws, and rules.
3. Long-range planning to enhance the division's ability to identify new and improved services, future community needs and interests, and enhancing technologies.
4. Monitor complaint responses and complaint resolution to ensure improved consumer service.
5. Support PEG access to promote diversity of programming while procuring contracts for PEG services pursuant to Act 93, SLH 2014.
6. Advocate for Hawaii's broadband future pursuant to Act 199, SLH 2010, and Act 151, SLH 2011, as amended; continue to utilize work

groups to develop applicable procedures and to facilitate expansion of broadband services and technologies throughout the State, especially in unserved and underserved areas.

7. Expansion of the State's INET to meet the communications needs of the State in an efficient and effective manner.

D. Statement of Key Policies Pursued

1. To continue the policy of greater access to cable and broadband services to the extent possible in light of the State's topography, economics, and changing laws and technologies.
2. To meet community needs and interests by encouraging the continued accessibility of local educational, governmental, and public programming to all cable systems and broadband services.
3. To promote a coordinated approach to planning the State's future cable communication infrastructure, in part, by monitoring and participating in proceedings at federal and State levels.
4. To use cable communications to bring Hawaii's geographically dispersed communities closer together and to enrich Hawaii's diverse ethnic and cultural groups.
5. To encourage the cable industry to take a significant role in business development and expansion in Hawaii.
6. To pursue broadband policy and funding opportunities for the State of Hawaii.

E. Identification of Important Program Relationships

1. In cable regulation, federal and State laws must be applied together. Communications and working relationships with the Federal Communications Commission (FCC) and members of Congress will continue to be developed and maintained. For the broadband advisory assistance council, working relationships have been developed with various federal, State and county agencies, and representatives from the private sector.

Program Plan Narrative

CCA102: CABLE TELEVISION

10 01 03 01

2. Education and government institutions are important constituencies of cable regulation due to a federal law promoting access to programming. Independent public producers and the cable advisory committee continue to provide input and advice to the division.

3. Consumers continue to have high priority in the cable regulatory program.

4. The incumbent cable operator in the State is large, operates multiple systems in the State, and has a national footprint. In 2011, the incumbent telephone service provider was granted a franchise to provide cable service on the island of Oahu.

F. Description of Major External Trends Affecting the Program

Rate regulation of cable services by the State has been limited pursuant to federal laws and orders. The Cable Communications Policy Act of 1984, Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996 continue to spawn litigation and uncertainty in cable regulation and broadband services. The Telecommunications Act of 1996, which allows cable operators to develop advanced informational services and to enter local telephone and communications markets, also fosters entry by communication providers to the cable market. Local providers have already crossed over into these markets, consistent with national trends. As communications and cable television services migrate to Internet Protocol-based technologies, wireless broadband will enable these and more services for portable devices, blurring the lines between cable television services and informational services. The fact that technological advancements are quickly changing the way that cable services can be provided, among other issues, will provide additional challenges to the division.

In 2018, the Federal Communications Commission (FCC) began various proceedings impacting the regulation of cable rates in the State and the manner in which cable franchise fees are calculated. New FCC orders now: (1) prohibit all State authority over rates charged by cable operators for cable services; and (2) require many cable related services and benefits including INET services to be assessed as part of the federally-authorized 5% franchise fee on cable operator's gross revenues. The division is actively involved in the appeal of the FCC's decision regarding franchise fees to protect the interest of the public.

G. Discussion of Cost, Effectiveness, and Program Size Data

The division's workload has steadily increased with the addition of broadband responsibilities, changes to the cable market, and an increased desire by others for funding from the cable franchise fees. The division's broadband activities range from efforts to map the availability of broadband service statewide; planning efforts and conducting pilot projects to facilitate broadband infrastructure development for unserved and underserved communities; working on partnerships with other public and private agencies to expand and expedite broadband adoption; and monitoring and participating in FCC proceedings related to reforms affecting telecommunications, cable, and broadband. The program size data does not accurately capture the increasing level of activity and the complexity of the issues that the division is dealing with. Because broadband is driven by fast changing technologies, keeping staff up to date in this area continues to be a priority.

H. Discussion of Program Revenues

Program revenue is derived from annual fees assessed to franchised cable operators, consistent with federal law and based upon the operators' annual gross revenues. On May 9, 2019, Decision and Order No. 375 was issued to reduce the annual fees collected each year from 1% to zero, beginning on July 1, 2019, to better align the division's cash balance with its reserve target. This reduction in annual fees continued throughout FY 20 and is still in place. As the division's reserves approach the established target reserve amount, the division will reinstate the collection of annual fees.

I. Summary of Analysis Performed

The 2010 Hawaii State Legislature passed Act 199, amended by Act 151, SLH 2011, which added broadband responsibilities to Chapter 440G, HRS, with the objective to enhance access and availability of advanced broadband services at a competitive and affordable price and cost.

J. Further Considerations

The State needs to remain flexible as rapid developments in both technology and the law continue to occur. As it is in the public interest to closely coordinate all communications planning through specific programs

Program Plan Narrative

CCA102: CABLE TELEVISION

10 01 03 01

to take advantage of what each technology has to offer, it is logical and efficient for the division to continue to work on cable television and broadband activities in concert.

PROGRAM ID: CCA103
PROGRAM STRUCTURE NO: 10010302
PROGRAM TITLE: CONSUMER ADVOCATE FOR COMM, UTIL & TRAN SVC

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	25.00*	25.00*	25.00*	25.00*	25.0*	25.0*	25.0*	25.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	2,210,405	3,143,761	3,398,687	3,527,330	3,527	3,527	3,527	3,527
OTHER CURRENT EXPENSES	657,326	1,460,550	1,259,050	1,259,050	1,259	1,259	1,259	1,259
TOTAL OPERATING COST	2,867,731	4,604,311	4,657,737	4,786,380	4,786	4,786	4,786	4,786
BY MEANS OF FINANCING	25.00*	25.00*	25.00*	25.00*	25.0*	25.0*	25.0*	25.0*
	**	**	**	**	**	**	**	**
SPECIAL FUND	2,867,731	4,604,311	4,657,737	4,786,380	4,786	4,786	4,786	4,786
TOTAL PERM POSITIONS	25.00*	25.00*	25.00*	25.00*	25.0*	25.0*	25.0*	25.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	2,867,731	4,604,311	4,657,737	4,786,380	4,786	4,786	4,786	4,786

PROGRAM ID: **CCA103**
 PROGRAM STRUCTURE: **10010302**
 PROGRAM TITLE: **CONSUMER ADVOCATE FOR COMMUNICATIONS, UTIL & TRANSPORTATION SVCS**

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
MEASURES OF EFFECTIVENESS								
1. AVG % PUC DECSNS ACPT AGRMNT ENTRD BY CA W/RU	75	75	75	75	75	75	75	75
2. CONS SAVINGS DUE TO PARTIC IN UTIL PROC (000'S)	15000	15000	15000	15000	15000	15000	15000	15000
3. CONS SAV DUE TO PARTIC IN WATER CARR PROC (000'S)	1000	0	1000	0	1000	0	1000	0
4. % PROCEDURAL DEADLINES MET	100	100	100	100	100	100	100	100
5. # OF PEOPLE REACHED THRU EVENTS/DIST PUBLICATIONS	4500	4500	4500	4500	4500	4500	4500	4500
6. % OF COMPLAINTS RESPONDED TO WITHIN 24 HOURS	85	85	85	85	85	85	85	85
7. % OF ALT ENERGY SOURCES USED BY ELECTRIC UTILITIES	34	36	37	39	39	39	39	39
PROGRAM TARGET GROUPS								
1. DE FACTO POPULATION IN HAWAII (000'S)	1403	1403	1403	1403	1403	1403	1403	1403
2. # OF RESIDENTIAL ELECTRICAL METERS (000'S)	437	438	438	439	439	439	439	439
3. # OF NON-RESIDENTIAL USERS (000'S)	65	66	66	67	67	67	67	67
4. # OF ELECTRIC PUBLIC UTILITIES REGULATED BY PUC	4	4	4	4	4	4	4	4
5. # OF SUPPLIERS OF ELEC ENERGY TO ELEC PUB UTILS	43	44	45	47	47	47	47	47
6. # TELECOM COMMON CAR (FED & ST LIC) OPER IN HI	210	210	210	210	210	210	210	210
7. # PIPD GAS, WATR, WAST WATR PUB UTIL REG BY PUC	43	43	43	43	43	43	43	43
8. #PROP MOTOR CARRIERS HLDG CERT PUBLIC CONV & NESSTY	550	550	555	555	555	555	555	555
9. # PASS CARRIERS HLDG CERT PUBLIC CONV & NESSTY	1050	1050	1055	1060	1060	1060	1060	1060
10. # WATER CARRIERS REGULATED BY PUC	2	2	2	2	2	2	2	2
PROGRAM ACTIVITIES								
1. # OF UTILITY GENERAL RATE APPL REVIEWED BY DIV	7	7	7	7	7	7	7	7
2. #OF GEN TARIFF CHGS FILED BY MOTOR CARR REV BY DIV	0	0	0	0	0	0	0	0
3. # OF NON-RATE APPL BY UTIL COMP REV BY DIV	80	80	80	80	80	80	80	80
4. #OF INVST FOR QUAL SVC/OPER INTEG PARTIC IN BY DIV	2	2	2	2	2	2	2	2
5. # RULE-MKG PROC/GENERIC DCKTS PARTIC IN BY DIV	10	10	10	10	10	10	10	10
6. # OF EDUCATION/OUTREACH EVENTS ATTENDED	8	8	8	8	8	8	8	8
7. # OF NEWSLETTERS/PUBLICATIONS CREATED	4	4	4	4	4	4	4	4
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	44	20	20	20	20	20	20	20
NON-REVENUE RECEIPTS	4,494	4,494	4,494	4,494	4,494	4,494	4,494	4,494
TOTAL PROGRAM REVENUES	4,538	4,514	4,514	4,514	4,514	4,514	4,514	4,514
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	4,538	4,514	4,514	4,514	4,514	4,514	4,514	4,514
TOTAL PROGRAM REVENUES	4,538	4,514	4,514	4,514	4,514	4,514	4,514	4,514

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

CCA103: CONSUMER ADVOCATE FOR COMM, UTIL & TRAN SVC

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A. Statement of Program Objectives

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

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Trade-off \$200,000 in special funds in FY 24 and FY 25 from other current expenses to personal services for fringe benefits.

Transfer \$1,500 in special funds in FY 24 and FY 25 for insurance to General Support.

C. Description of Activities Performed

1. The division advocates positions on behalf of consumers of utility and transportation services before the State of Hawaii Public Utilities Commission (PUC), the Federal Communications Commission (FCC), and other federal, State and local agencies. The division is a party to every application before the PUC which includes, but is not limited to, applications for authority to modify or offer new services; rate and fare proposals; revenue requirements; and capital improvement projects.

2. Compliance investigations are conducted regarding the adequacy and efficiency of utility services.

3. Education of consumers through various mediums, such as web site, newsletters, trade-shows, fairs, business and community meetings.

D. Statement of Key Policies Pursued

1. Ensure robust utility infrastructures and regulated services. This program is highly proactive in implementing the objectives and policies for transportation, energy, and telecommunications systems stated in the Hawaii State Planning Act, HRS, Sections 226-17, 18 and 18.5, respectively. The program advances the public interest by advocating for dependable, efficient, and reasonably regulatory services.

2. Fostering the adoption of renewable energy and energy efficiency

resources. The program considers the long-term benefits of renewable and energy efficiency resources consistent with State objectives, which helps to attract investment in Hawaii for utility projects.

3. Provide jobs; stabilize and diversify Hawaii's economy. The program strives to ensure the availability of high quality utility and transportation services to facilitate customers, businesses, and industries needs.

4. Maintain a healthy visitor industry. The program provides Hawaii a voice before regulatory agencies to encourage reasonably-priced regulatory services to ensure that Hawaii remains competitive with other tourist destinations.

5. Educate people about utility matters that affect them, how they can be wiser consumers, and how they can more fully participate in the regulatory process. Encourage consumers to play a more active role in moving our State's energy and other utility policies forward.

E. Identification of Important Program Relationships

1. Identify and pursue consistency with components of the Hawaii State Plan and Federal regulatory policies. However, Hawaii's uniqueness may, at times, require exemption from federal policies in selected areas and this program may need to make filings before the FCC or other federal agencies to protect Hawaii's interests.

2. Because the PUC makes fact-based findings and determinations, the division provides the PUC with well researched, fact-based recommendations consistent with administrative initiatives and consumers' interests.

3. At the county level, there are occasional overlaps that require coordination with county ordinances and regulatory policies.

4. Various State and county agencies, such as the Department of Health; Department of Business, Economic Development and Tourism; Department of Agriculture; and Department of Transportation, are continually consulted.

Program Plan Narrative

CCA103: CONSUMER ADVOCATE FOR COMM, UTIL & TRAN SVC

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F. Description of Major External Trends Affecting the Program

1. Movement toward competition in the electric, transportation, and telecommunications industries and resulting changes in regulation.
2. Changing governmental policies and technological developments in the energy field. Promotion of renewable energy and energy efficiency are examples. In addition, changing environmental regulations are affecting how utility service is provided and at what cost.
3. The growth of wide-spectrum telecommunications and changes in governmental policies are affecting the quality, quantity, nature, and pricing of communication services and universal service support.
4. Changing governmental policies in the water and wastewater industries are affecting how services are provided and the costs incurred to serve customers.
5. Growing community awareness and other factors have increased public input into the regulatory process.

G. Discussion of Cost, Effectiveness, and Program Size Data

1. The program has changed its area of emphasis and the methods by which it carries out the program directives. The program has focused more on certain utility services and educational outreach. The program has secured significant customer savings in rate proceedings and supported various alternative energy projects.
2. The program has 16 of 25 positions filled, and also relies upon consultant services where the size, scope, and sophistication of the problems confronting consumers require specialized expertise.

H. Discussion of Program Revenues

Not applicable.

I. Summary of Analysis Performed

Four studies analyzed and evaluated the current regulatory program:

- (1) "Management Audit of the Public Utilities Commission and the Division

of Consumer Advocacy" (January 2004); (2) "Management Audit of the Public Utilities Program of the State of Hawaii" (February 1989); (3) "Management Study of the Public Utilities Division, Department of Regulatory Agencies and the Public Utilities Commission" (January 1980); and (4) "Management Audit of the Public Utilities Program" (August 1975, three volumes). The Legislative Auditor has made several recommendations affecting the program.

J. Further Considerations

The program has implemented some of the recommendations and continues to evaluate other recommendations included in the 2004 study as well as identifying other measures that should enhance the program's effectiveness.

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

CCA104
10010303
FINANCIAL SERVICES REGULATION

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	40.00*	43.00*	43.00*	43.00*	43.0*	43.0*	43.0*	43.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	4,246,216	5,042,677	5,332,747	5,511,138	5,511	5,511	5,511	5,511
OTHER CURRENT EXPENSES	688,599	1,061,690	1,122,690	1,122,690	1,123	1,123	1,123	1,123
TOTAL OPERATING COST	4,934,815	6,104,367	6,455,437	6,633,828	6,634	6,634	6,634	6,634
BY MEANS OF FINANCING	40.00*	43.00*	43.00*	43.00*	43.0*	43.0*	43.0*	43.0*
	**	**	**	**	**	**	**	**
SPECIAL FUND	4,934,815	5,803,367	6,154,437	6,332,828	6,333	6,333	6,333	6,333
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
TRUST FUNDS		301,000	301,000	301,000	301	301	301	301
TOTAL PERM POSITIONS	40.00*	43.00*	43.00*	43.00*	43.0*	43.0*	43.0*	43.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	4,934,815	6,104,367	6,455,437	6,633,828	6,634	6,634	6,634	6,634

PROGRAM ID: **CCA104**
 PROGRAM STRUCTURE: **10010303**
 PROGRAM TITLE: **FINANCIAL SERVICES REGULATION**

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
MEASURES OF EFFECTIVENESS								
1. % INST EXAMND IN TIMELY MANNER PURS TO STAT RULES	100	93	93	93	93	93	93	93
2. %COMPL FI,ED,MT,MS,MLO APP PROC TMLY & PRS TO STAT	94	90	90	90	90	90	90	90
3. % WRITTEN INQS REVIEWED/PROCESSED W/IN 30 DAYS	84	80	80	80	80	80	80	80
4. % LIC RENWLS REVIEW/PROC TIMELY, PURS TO STDS	94	94	94	94	94	94	94	94
5. % AUDITED FINANCIAL STATEMENTS REVIEWED PRS TO STAT	93	93	93	93	93	93	93	93
PROGRAM TARGET GROUPS								
1. DE FACTO POPULATION IN HAWAII (000)	1403	1403	1403	1403	1403	1403	1403	1403
2. FI,ED,MT,MS,MLO,MLOC BRNCHS & OTHER OFCS REGULATED	6400	6000	5500	5000	4500	4000	4000	4000
PROGRAM ACTIVITIES								
1. TTL \$ AMT ASSTS OF INSTITUTIONS EXAMIND (\$000,000)	56824	57393	57967	58546	59132	59723	60320	60923
2. # OF APPLICATIONS REVIEWED	1500	2000	1750	1500	1500	1500	1500	1500
3. # OF INQUIRIES RECEIVED	4491	4200	4000	4000	4000	4000	4000	4000
4. # OF LICENSES RENEWED	3600	3000	2500	2000	1800	1600	1600	1600
5. # AUDITED FIN STATEMENTS RECEIVED FOR REVIEW	85	90	91	92	93	94	95	96
6. # OF COMPLAINTS OPENED FOR INVESTIGATION	72	77	78	76	75	75	75	75
7. # OF NON-DEPOSITORY FINANCIAL INSTITUTION EXAMINED	49	52	52	52	52	52	52	52
8. # OF CONSUMERS WHO RECEIVED RESTITUTION	374	300	300	300	300	300	300	300
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
TAXES	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
LICENSES, PERMITS, AND FEES	588	503	505	505	505	505	505	505
REVENUES FROM THE USE OF MONEY AND PROPERTY	44	20	20	20	20	20	20	20
CHARGES FOR CURRENT SERVICES	5,076	2,811	2,295	2,096	2,146	2,146	2,146	2,146
TOTAL PROGRAM REVENUES	7,708	5,334	4,820	4,621	4,671	4,671	4,671	4,671
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	7,708	5,334	4,820	4,621	4,671	4,671	4,671	4,671
TOTAL PROGRAM REVENUES	7,708	5,334	4,820	4,621	4,671	4,671	4,671	4,671

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

CCA104: FINANCIAL SERVICES REGULATION

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A. Statement of Program Objectives

The Division of Financial Institutions (DFI): (1) addresses the safety and soundness of State-chartered and State-licensed financial institutions; and (2) ensures regulatory compliance by State-licensed financial institutions, escrow depositories, money transmitters, mortgage servicers, mortgage loan originators, and mortgage loan originator companies by fairly administering applicable statutes and rules to protect the rights and funds of depositors, borrowers, consumers, and other members of the public. To effectively regulate a growing and diverse group of industries and implement State and federal regulatory requirements, DFI made changes to its licensing and examination programs to focus its resources on risk-based supervision.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Transfers \$2,600 in special funds in FY 24 and FY 25 for insurance to General Support.

Adds \$75,000 in special funds in FY 24 and FY 25 for Central Services Assessment.

C. Description of Activities Performed

The major functions of DFI are to:

1. Charter, supervise, regulate, and examine all State banks and credit unions, foreign bank branches, agencies and representative offices, and intra-Pacific branches.
2. License, supervise, regulate, and examine non-depository companies, including escrow depositories, money transmitters, mortgage loan originators, mortgage loan originator companies, and mortgage loan originator branches and mortgage servicer companies.
3. Accept and investigate complaints by consumers.

D. Statement of Key Policies Pursued

DFI established a strategic plan and developed policies and operating guidelines to achieve plan objectives. The following is DFI's strategic

plan, which is updated annually:

- a. Stay relevant in a changing environment.
- b. Provide value for the services the division offers.
- c. Expand employees' respective skill sets.
- d. Embrace the new regulatory and compliance environment.
- e. Deliver effective and timely services.
- f. Communicate respectfully, timely, and meaningfully.

This strategic plan guides DFI's objectives, and the policies to accomplish those objectives are embedded in its policy and operating manuals.

E. Identification of Important Program Relationships

In supervising financial institutions authorized to take deposits, DFI works closely with the Federal Deposit Insurance Corporation (FDIC), Federal Reserve Bank of San Francisco (FRB), Bureau of Consumer Financial Protection (BBCFP), and National Credit Union Administration (NCUA).

DFI is recognized by two accreditation organizations as providing the highest standards of training for its staff and for appropriately supervising and examining chartered and licensed companies and individuals. DFI was first accredited by the Conference of State Bank Supervisors (CSBS) in 1990 and reaccredited in 1995, 2000, 2005, 2012, and 2018. The CSBS accreditation program sets high standards for state banking regulators nationwide. Forty-seven of 52 states meet CSBS accreditation requirements.

In the second quarter of FY 15, DFI was the eighteenth state in the nation to be accredited by the CSBS/American Association of Residential Mortgage Regulators (AARMR) for mortgage supervision. The CSBS/AARMR accreditation program sets high standards for state mortgage regulators nationwide. Currently, 26 of 66 mortgage regulatory agencies meet CSBS/AARMR accreditation standards. The accreditation program includes the mortgage loan originator, mortgage loan originator companies, and mortgage servicer programs. Hawaii was also recognized for its robust regulatory scheme and oversight, as well its mature examination program.

Program Plan Narrative

CCA104: FINANCIAL SERVICES REGULATION

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F. Description of Major External Trends Affecting the Program

Hawaii has six Hawaii State-chartered banks, two out-of-state chartered banks (California and Washington), two national banks, one intra-Pacific branch, and one foreign bank. DFI directly supervises the six Hawaii State-chartered banks, oversees with its sister states the two out-of-state chartered banks, and oversees the one foreign bank. All State-chartered banks are operating in a safe and sound manner and complying with regulatory laws and guidance. As of the second quarter of FY 17, all State-chartered banks have reported increased earnings due in part to increased loan growth. DFI conducts multi-state examinations with other states for non-depository companies who conduct business in the United States and abroad.

As the provisions of Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") are implemented by the various federal regulatory agencies, DFI will also meet the needs to inform and supervise our State-chartered and State-licensed financial institutions for the protection of consumers. Some of the amendments of Dodd-Frank Act include changes in capital requirements, executive compensation and corporate governance, the direction of the Bureau of Consumer Financial Protection, the regulatory burdens on community banks (banks with less than \$10 billion in assets), stress testing, mortgage foreclosure, loosening of lending standards and the Bank Secrecy Act and Anti-Money Laundering laws.

DFI is also watching the following issues over the next few years, as regulatory oversight continues to evolve and tighten:

- * Fintech companies offering traditionally banking products.
- * Effective regulation of Non-bank Financial Institutions and the impact on global economic conditions.
- * Basel III and efforts to harmonize capital requirements, regulation, and enforcement.

The long-term impact of the global financial crisis of the last decade has created a "new normal" for financial service products and delivery of products and services. This evolution has increased supervisory

oversight, as mandated by new federal laws and as a response to consumer expectations. New federal laws changing the requirements under the Dodd-Frank Act has added a new complexity to supervising both large banks and community banks.

The major outcome from the global financial crisis is the emerging financial technology ("fintech") companies disrupting the financial industry by offering products and services traditionally offered by banks. Consequently, information security, cybersecurity risks, and data privacy has become a focus for DFI. Training and finding staff in this area is challenging due to the disparate salaries offered by DFI and private industry. DFI continues to aggressively respond to these rapidly changing global and local economic conditions and pursues the active regulation and supervision of Hawaii-chartered financial institutions to preserve their safety and soundness and protect the rights of depositors, borrowers, consumers and other members of the community.

G. Discussion of Cost, Effectiveness, and Program Size Data

DFI measures performance in two ways. The first measurement is empirical and involves financial and examination-based measurements of the fiscal health and regulatory compliance of DFI-regulated financial institutions. This measurement is critical, especially in the current climate of global turmoil in the financial services industry, and demonstrates DFI's key area of responsibility: to ensure the safety and soundness of Hawaii-chartered and licensed financial institutions. The second measurement involves DFI's internal throughput, i.e., how many complaints have been answered, how many applications have been processed, etc. This measurement is difficult to quantify, since the increasing complexity of inquiries makes reviewing applications and complaints and conducting investigations time- and resource-intensive. This measurement provides DFI with insight into how companies use innovations and solutions to address financial services. DFI is mindful that these measurements do not comprehensively indicate the division's efforts or the regulatory activity occurring at the state and federal level.

Over the last five years, DFI's staffing has undergone a tremendous change, with the addition of 23 new staff members who work with technology to meet DFI's goals and objectives. DFI's goals and objectives center on the orientation, training, and effective deployment of its examiners and providing best practices to licensees in a professional

Program Plan Narrative

CCA104: FINANCIAL SERVICES REGULATION

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manner. Federal training programs administered by the FDIC and the Federal Reserve System are regularly used for this purpose, as are web-based programs provided by CSBS, the Risk Management Association, and the Hawaii Bankers Association. On-the-job training is also a valuable component of the training plan. DFI's goals also focus on recruiting new staff who will be able to adjust to the rapidly changing landscape of the financial services industry. New financial service products continue to be created, modified, and initiated by licensees regulated and supervised by DFI. Delivery methods have also expanded through use of the internet, cellular phones, and other mobile devices, as well as their impact upon cybersecurity. Consequently, it is challenging for examiners to stay up-to-date with the latest iteration of products, services, and delivery methods.

H. Discussion of Program Revenues

Revenues are generated primarily from the franchise tax, financial institution assessments, application fees, license fees, examination fees, and administrative fines. Revenue estimates were based on the current level of program activities as adjusted for projected changes primarily based on number of pending applications and plans to fill vacancies.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: **CCA105**
 PROGRAM STRUCTURE NO: **10010304**
 PROGRAM TITLE: **PROFESSIONAL & VOCATIONAL LICENSING**

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	71.00*	79.00*	79.00*	79.00*	79.0*	79.0*	79.0*	79.0*
	16.00**	15.00**	15.00**	15.00**	15.0**	15.0**	15.0**	15.0**
PERSONAL SERVICES	6,351,510	8,164,612	8,677,705	9,051,557	9,051	9,051	9,051	9,051
OTHER CURRENT EXPENSES	2,783,438	3,278,075	3,724,075	3,724,075	3,724	3,724	3,724	3,724
TOTAL OPERATING COST	9,134,948	11,442,687	12,401,780	12,775,632	12,775	12,775	12,775	12,775
BY MEANS OF FINANCING								
	63.00*	71.00*	71.00*	71.00*	71.0*	71.0*	71.0*	71.0*
	11.00**	11.00**	11.00**	11.00**	11.0**	11.0**	11.0**	11.0**
SPECIAL FUND	7,557,921	8,664,561	9,563,602	9,898,269	9,898	9,898	9,898	9,898
	8.00*	8.00*	8.00*	8.00*	8.0*	8.0*	8.0*	8.0*
	5.00**	4.00**	4.00**	4.00**	4.0**	4.0**	4.0**	4.0**
TRUST FUNDS	1,577,027	2,778,126	2,838,178	2,877,363	2,877	2,877	2,877	2,877
TOTAL PERM POSITIONS	71.00*	79.00*	79.00*	79.00*	79.0*	79.0*	79.0*	79.0*
TOTAL TEMP POSITIONS	16.00**	15.00**	15.00**	15.00**	15.0**	15.0**	15.0**	15.0**
TOTAL PROGRAM COST	9,134,948	11,442,687	12,401,780	12,775,632	12,775	12,775	12,775	12,775

PROGRAM ID: **CCA105**
 PROGRAM STRUCTURE: **10010304**
 PROGRAM TITLE: **PROFESSIONAL AND VOCATIONAL LICENSING**

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
MEASURES OF EFFECTIVENESS								
1. % NEW LICENSES ISSUED WITHIN 10-12 BUSINESS DAYS	60	85	95	95	95	95	95	95
2. % LICENSEES RENEWED WITHIN 10-12 BUSINESS DAYS	60	87	97	97	97	97	97	97
3. % PVL-PROPOSED LEGISLATIVE MEASURES ENACTED	90	90	90	90	90	90	90	90
PROGRAM TARGET GROUPS								
1. DE FACTO POPULATION IN HAWAII (000)	1403	1403	1403	1403	1403	1403	1403	1403
2. PERS/BUS LIC BY PVL (ALL STATUSES)	510000	525000	540000	555000	570000	570000	570000	570000
3. PERS/BUS LICENSED BY PVL (CURR AND ACT)	160000	160000	160000	160000	160000	160000	160000	160000
4. REG BOARDS, COMMISSIONS, PROG ASSIGNED TO PVL	52	52	52	52	52	52	52	52
PROGRAM ACTIVITIES								
1. # OF PROF & VOC APPLICATIONS RECEIVED	25279	24000	24000	24000	24000	24000	24000	24000
2. # OF EXAMINEES & REEXAMINEES	10900	10900	10900	10900	10900	10900	10900	10900
3. # OF APPLICANTS LICENSED	17367	16000	16000	16000	16000	16000	16000	16000
4. # OF PERMITS ISSUED	720	800	800	800	800	800	800	800
5. # OF LICENSES RENEWED	60957	70500	70500	70500	70500	70500	70500	70500
6. # CONDO REQUESTS, APPLS, REPORTS & EDUC OFFERINGS	96000	96000	96000	96000	96000	96000	96000	96000
7. # OF REAL ESTATE REQUESTS AND EDUC OFFERINGS	158000	158000	158000	158000	158000	158000	158000	158000
8. # OF TIME SHARE/SUBDIVISION FILINGS RECEIVED	111	230	110	230	110	230	110	230
9. # OF NEW/REVISED HI ADMIN RULES PROMULGATED	3	3	3	3	3	3	3	3
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
LICENSES, PERMITS, AND FEES	8,004	6,075	6,876	5,730	7,055	5,916	6,726	6,186
REVENUES FROM THE USE OF MONEY AND PROPERTY	40	55	53	55	53	55	53	53
CHARGES FOR CURRENT SERVICES	2,380	1,990	2,148	1,950	2,188	1,950	2,148	1,973
NON-REVENUE RECEIPTS	511	2,786	443	3,062	443	3,062	443	2,329
TOTAL PROGRAM REVENUES	10,935	10,906	9,520	10,797	9,739	10,983	9,370	10,541
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	10,421	8,115	9,074	7,730	9,293	7,916	8,924	8,209
ALL OTHER FUNDS	514	2,791	446	3,067	446	3,067	446	2,332
TOTAL PROGRAM REVENUES	10,935	10,906	9,520	10,797	9,739	10,983	9,370	10,541

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

CCA105: PROFESSIONAL & VOCATIONAL LICENSING

10 01 03 04

A. Statement of Program Objectives

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 and to regulate activities for the protection, welfare, and safety of the participants as well as the public.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Transfers \$4,000 in special funds in FY 24 and FY 25 for insurance to General Support.

Adds \$450,000 in special funds for FY 24 and FY 25 for consultant services.

C. Description of Activities Performed

The program is responsible for the licensing and regulation of 52 different professions and vocations. It provides administrative support to 25 regulatory licensing boards and, on behalf of the Director of the department, administers 27 regulatory licensing programs.

The trust funds are dedicated to specific statutory purposes, including: to educate the licensees who are the contributors to the fund; to serve as a source of monetary recovery for an injured consumer; and to support increased government service demands by licensees. Two funds are federally mandated to collect fees on its behalf, with revenues going to the federal agency.

D. Statement of Key Policies Pursued

For both the special and trust funds, users of the program are to be serviced with quality, equity, dependability, and promptness. Individuals and entities licensed by the program are to be competent so that the consuming public's health, safety, and welfare are protected.

E. Identification of Important Program Relationships

The program has equally important relationships with other State agencies, counties, federal agencies, private sector programs, and national regulatory and licensing bodies. Persons who are licensed by

this program may be employees, contractors, or service providers of these private and public sector agencies. Consultation and coordination may be necessary in cases where changes in licensing and regulation could have a significant or adverse effect on said agencies.

The trust funds do not necessarily require agency relationships since the beneficiaries of the trust funds are either the contributing licensees, injured consumers, or federal agencies.

F. Description of Major External Trends Affecting the Program

A change in economic conditions could affect the number of persons seeking licensure or renewing licenses. This impacts revenues to the special fund and trust funds and the program's self-sufficiency.

The division continues to receive requests to take over licensing functions outside the jurisdiction and expertise of the Department of Commerce and Consumer Affairs. The expansion of the division in this fashion would undermine and jeopardize its jurisdictional focus and negatively affect its current population of 161,951 licensees and the on-going professional services that the division currently provides them.

Federal licensing mandates also impact the program, although nothing is pending at this time.

G. Discussion of Cost, Effectiveness, and Program Size Data

For the special fund, the budget is consistent with the program's anticipated expenditures. The program's prudent spending requires them to have a fund balance at the end of the fiscal year, for carryover purposes. New regulatory programs enacted by the Legislature and assigned to this program, as well as general increases in cost for products and services, could increase expenditures, resulting in an increase in program size.

For the trust funds, the budget is consistent with the planned program of work and anticipated expenditures.

Program Plan Narrative

CCA105: PROFESSIONAL & VOCATIONAL LICENSING

10 01 03 04

H. Discussion of Program Revenues

For the special fund, all revenues are derived from fees paid by applicants for professional and vocational licenses, and renewing licensees.

With the advent of self-sufficiency in July 1994, the program is sustained by its revenues, has provided discounts for online renewals where applicable and as provided for in Section 92-28, HRS, continues its cost control measures to maintain appropriate service standards in spite of rising operational costs, and further ensures sufficient carryover balances each year.

For the trust funds, revenues are derived from trust fund fees paid in initial license and/or at renewal. Revenue estimates are based on: past trending and other planned program of work; estimated recovery fund payouts to consumers from the applicable fund(s); and external considerations such as the effect of economic conditions.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: CCA106
 PROGRAM STRUCTURE NO: 10010306
 PROGRAM TITLE: INSURANCE REGULATORY SERVICES

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	95.00*	95.00*	94.00*	94.00*	94.0*	94.0*	94.0*	94.0*
	1.00**	1.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	8,765,078	11,332,507	11,697,306	12,098,084	12,098	12,098	12,098	12,098
OTHER CURRENT EXPENSES	7,270,528	9,086,532	8,731,532	8,731,532	8,732	8,732	8,732	8,732
TOTAL OPERATING COST	16,035,606	20,419,039	20,428,838	20,829,616	20,830	20,830	20,830	20,830
BY MEANS OF FINANCING	95.00*	95.00*	94.00*	94.00*	94.0*	94.0*	94.0*	94.0*
	1.00**	1.00**	**	**	**	**	**	**
SPECIAL FUND	15,931,254	20,218,039	20,227,838	20,628,616	20,629	20,629	20,629	20,629
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
TRUST FUNDS	104,352	201,000	201,000	201,000	201	201	201	201
TOTAL PERM POSITIONS	95.00*	95.00*	94.00*	94.00*	94.0*	94.0*	94.0*	94.0*
TOTAL TEMP POSITIONS	1.00**	1.00**	**	**	**	**	**	**
TOTAL PROGRAM COST	16,035,606	20,419,039	20,428,838	20,829,616	20,830	20,830	20,830	20,830

PROGRAM ID: **CCA106**
 PROGRAM STRUCTURE: **10010306**
 PROGRAM TITLE: **INSURANCE REGULATORY SERVICES**

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
MEASURES OF EFFECTIVENESS								
1. % OF COMPLAINTS RESOLVED WITHIN 90 DAYS	90	90	90	90	90	90	90	90
2. % INSURER'S EXAM WKLD COMPL AT LEAST ONCE IN 5 YR	80	80	100	100	100	100	100	100
3. % CAPTIVE INSUR EXAM WKLD CMP W/IN 3 OR 5 YR REQUI	100	100	100	100	100	100	100	100
4. % RATE/POL FILINGS REVIEWED W/IN STAT TIME REQMTS	95	95	95	95	95	95	95	95
5. % OF INSURANCE FRAUD CASES INDICTED BY THE STATE	100	100	100	100	100	100	100	100
6. % CHANGE FROM PRIOR YEAR IN # OF CAPTIVE LICENSEES	3.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0
7. % SCREENING APPLICANTS ASSIGNED CLAIMS PRG	90	90	90	90	90	90	90	90
PROGRAM TARGET GROUPS								
1. DE FACTO POPULATION IN HAWAII (000)	1403	1403	1403	1403	1403	1403	1403	1403
2. INSURER LICENSEES REGULATED BY INSURANCE DIV	1383	1390	1397	1404	1411	1418	1426	1433
3. CAPTIVE LICENSEES REGULATED BY INSURANCE DIVISION	248	261	268	275	282	289	296	303
4. OTHER LICENSEES REGULATED BY INSURANCE DIVISION	93238	112000	123000	135000	146000	157000	166000	174000
5. MOTOR VEHICLES SUBJECT TO INS REGULATIONS (000)	1073	1075	1075	1075	1075	1100	1100	1100
PROGRAM ACTIVITIES								
1. # OF LICENSE APPL, RENEWALS & UPDATES PROCESSED	179178	204913	225026	247143	267263	288386	305537	323643
2. # OF COMPLAINTS	550	550	550	560	560	560	560	560
3. # FRAUD REFER & COMPLAINTS OPEN FOR INVESTIGATIONS	81	77	77	79	79	80	80	80
4. # INFORM BRFGS & CAPTIVE DEV ACTIVITIES DURING YR	38	52	52	52	52	52	52	52
5. # OF ANNUAL COMPANY FILINGS PROCESSED	2621	2598	2611	2624	2638	2651	2664	2678
6. # INSUR & CAPTIVES APPL FOR CERT OF AUTH REVIEWED	39	34	34	34	34	34	35	35
7. # OF EXAMS OF DOMESTIC INS & INS-TYPE ENTITIES	33	45	50	50	55	55	55	55
8. # INSURER & ISSUER RATE & POLICY FILINGS ANALYZED	3810	3810	3810	3810	3810	3810	3810	3810
9. # OF PREMIUM TAX STATEMENTS FILED	11201	11185	11242	11299	11356	11413	11471	11529
10. # OF INSURER REPORTS ANALYZED CAPTIVES & RISK RTNT	402	341	341	341	341	341	341	341
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
TAXES	190,900	195,060	198,150	203,245	208,340	213,340	218,340	218,340
LICENSES, PERMITS, AND FEES	9,600	9,700	9,750	10,000	10,250	10,500	10,500	10,500
REVENUES FROM THE USE OF MONEY AND PROPERTY	83	83	83	82	82	82	82	82
CHARGES FOR CURRENT SERVICES	4,304	6,433	8,438	8,468	8,498	8,503	8,508	8,508
FINES, FORFEITS AND PENALTIES	1,000	160	160	160	160	160	160	160
NON-REVENUE RECEIPTS	3,935	4,000	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL PROGRAM REVENUES	209,822	215,436	220,581	225,955	231,330	236,585	241,590	241,590
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	191,905	196,000	199,000	204,000	209,000	214,000	219,000	219,000
SPECIAL FUNDS	17,879	19,428	21,573	21,948	22,323	22,578	22,583	22,583
ALL OTHER FUNDS	38	8	8	7	7	7	7	7
TOTAL PROGRAM REVENUES	209,822	215,436	220,581	225,955	231,330	236,585	241,590	241,590

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

CCA106: INSURANCE REGULATORY SERVICES

10 01 03 06

A. Statement of Program Objectives

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 and Compliance with Section 37-68(1)(A)(B)

Transfer 1.00 position and \$123,964 in special funds in FY 24 and FY 25 to the General Support Program.

Transfer \$5,000 in special funds in FY 24 and FY 25 for insurance to General Support.

C. Description of Activities Performed

The program is responsible for the regulatory oversight of the insurance industry. The major activities are: analysis of approval or disapproval of policies and rate filings; review of insurance entities' financial, operating and tax statements; field examinations of insurers, health maintenance organizations, rating organizations, mutual and fraternal benefit societies, advisory organizations, agencies, independent claims organizations, and guaranty associations; qualification examinations and licensing insurers, health maintenance organizations, and all categories of producers to transact insurance; administration of the Hawaii Joint Underwriting Plan, including the development and promulgation of motor vehicle insurance rates, and legal service plans; investigation of complaints by the public of alleged violations of insurance statutes and rules and other consumer requests for assistance; investigation of violations and enforcement of insurance fraud laws with the exception of workers' compensation insurance; regulatory surveillance for market conduct and financial condition of all insurers, health maintenance organizations, and mutual and fraternal benefit societies for compliance with insurance laws; and licensing, examination and regulatory oversight of the captive insurance companies and development of the captive industry in Hawaii.

D. Statement of Key Policies Pursued

Assuring the public of the broadest possible insurance coverages and benefits commensurate with reasonable rates from competent insurers

and producers; monitoring the financial solvency of licensed insurance companies to assure the insurers' ability to pay claims; enforcing all laws and regulations; and improving the level of voluntary compliance by the industry and public.

E. Identification of Important Program Relationships

The Director of the Department of Commerce and Consumer Affairs has tasked the Insurance Division to provide staff support services in the administration of Chapter 448D, HRS, Dental Service Organizations, and Chapter 488, HRS, Legal Service Plans. The Insurance Commissioner is an ex-officio member of the Hawaii Hurricane Relief Fund.

F. Description of Major External Trends Affecting the Program

1. The Insurance Division is continuously improving its computerization and the use of the Internet. This includes the continued interfacing and expansion with the National Association of Insurance Commissioners (NAIC) to support regulatory expertise and speed in the processing of work; and the Hawaii Information Consortium to promote the accessing of information by the public. These interfaces will continue to improve the efficiency of the division and provide better services and information via the web to consumers and insurance licensees.

2. At the onset of COVID-19, the Insurance Division was able to create a primarily remote workforce to serve Hawaii consumers and licensees, while protecting the health and safety of our workforce from COVID-19 exposure. The transition was implemented as efficiently as possible without sacrificing performance, productivity, and morale. Remote meeting technology was utilized to conduct staff meetings, public board meetings, and interviewing of witnesses in fraud investigations. Less than 10% of staff need partial access to the physical offices to perform their work and assist walk-in customers. Additionally, this transition has helped expedite the modernization of certain paper processes to electronic format, thus improving efficiencies.

G. Discussion of Cost, Effectiveness, and Program Size Data

1. The Financial Surveillance and Examination Branch performs quarterly and annual financial analyses and evaluates the financial condition of 27 domestic insurers in accordance with guidelines established by the

Program Plan Narrative

CCA106: INSURANCE REGULATORY SERVICES

10 01 03 06

NAIC. The branch also conducts financial examinations of domestic insurers at least once every three to five years in accordance with the HRS and guidelines established by the NAIC. The branch also licenses and renews approximately 1,300 out-of-State insurers who are authorized to conduct the business of insurance in Hawaii and processed more than 9,800 premium tax returns and collected over \$169 million in premium taxes and assessments.

2. Compliance and Enforcement Branch investigators resolved approximately 84% of consumers and industry complaints (excluding cases referred for formal resolutions by administrative hearings) in 90 days in the last fiscal year. The branch handles an average of 500 complaints annually. The Compliance and Enforcement Branch also reviews approximately 2,000 license applications for criminal and administrative violation background checks and fields approximately 4,000 consumer calls a year.

3. The Rate and Policy Analysis Branch completed 95% of forms and rate filings reviews within the statutory time requirements in the last fiscal year. Annually, approximately 3,800 forms and rate filings are analyzed.

4. The Licensing Branch maintains the licensing database for over 81,000 licensees. With the exception of insurers and health maintenance organizations, the branch oversees and collects renewal fees annually, issues new licenses, and updates the database for changes made by licensees. The branch maintains the online features, which include insurance licensee search, downloading licensing forms, fee schedules and information for various licenses, tracking of licensees' continuing education credits, printing certificates online, and an option to pay renewal fees online. The branch is now processing electronic filings for producers' licensing applications, new appointments and termination of appointments, and address changes for both resident and nonresident licensees.

5. The Captives Branch had 239 active captive insurance companies licensed at the end of the last fiscal year. Hawaii is considered to be the premier domicile in the Pacific. The State is ranked eighth in the world and fifth in the United States based on the number of active licenses.

6. The Insurance Fraud Investigations Branch received 516 referrals

from insurance companies, various agencies, and the public. Of those accepted for prosecution, criminal indictments were obtained against 21 individuals who submitted fraudulent claims totaling \$169,000 for the fiscal year.

7. The Health Branch received and reviewed 109 health insurance rate and form filings all within statutory time requirements, resulting in consumer savings of over \$16.4 million. The Health Branch reviewed 170 complaints with the resolution of complaints resulting in consumer savings of \$86,000. The branch handled approximately 350 information inquiries during the fiscal year.

H. Discussion of Program Revenues

1. The program collected \$196 million of insurance premium taxes for deposit into the general fund in FY 22.

2. The program's operating expenditures, except for the Captive Program cost, are paid from the Compliance Resolution Fund (CRF). The CRF's revenue sources are licensing fees, fines, penalties, reimbursements, and assessments to cover the program's operating needs. Additionally, funds are available for the education and training of staff and personnel and to pay for the cost of consumer education and information from a trust fund established pursuant to Section 431:2-214, HRS.

3. The Captive Program operating expenditures are paid from the Captive Insurance Administrative Fund (CIAF). The CIAF's revenue sources are premium taxes, fees, fines, penalties, and reimbursements to cover the program's costs.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

CCA107
10010307
POST-SECONDARY EDUCATION AUTHORIZATION

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	2.00*	2.00*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	87,449	236,630	263,086	272,529	273	273	273	273
OTHER CURRENT EXPENSES	19,149	72,245	72,175	72,175	72	72	72	72
TOTAL OPERATING COST	106,598	308,875	335,261	344,704	345	345	345	345
BY MEANS OF FINANCING	2.00*	2.00*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0*
	**	**	**	**	**	**	**	**
SPECIAL FUND	106,598	308,875	335,261	344,704	345	345	345	345
TOTAL PERM POSITIONS	2.00*	2.00*	2.00*	2.00*	2.0*	2.0*	2.0*	2.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	106,598	308,875	335,261	344,704	345	345	345	345

PROGRAM ID: **CCA107**
 PROGRAM STRUCTURE: **10010307**
 PROGRAM TITLE: **POST-SECONDARY EDUCATION AUTHORIZATION**

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
MEASURES OF EFFECTIVENESS								
1. % OF WRITTEN INQUIRIES ADDRESSED WITHIN 30 DAYS	85	85	85	85	85	85	85	85
2. % OF COMPLETED APPLICATIONS REVIEWED WITHIN 60 DAYS	80	80	80	80	80	80	80	80
3. % OF COMPLAINTS ADDRESSED WITHIN 90 DAYS	75	75	75	75	75	75	75	75
PROGRAM TARGET GROUPS								
1. # OF ACCRTD DGR GRNTING POST-SEC ED INSTS RGLTD	28	25	25	25	25	25	25	25
PROGRAM ACTIVITIES								
1. # WRTN INQ RECVD CONCERN LAW'S REQ FOR AUTHORIZTN	120	120	120	120	120	120	120	120
2. # OF APPLICATIONS RECEIVED AND REVIEWED	21	5	21	5	21	5	21	5
3. NUMBER OF AUTHORIZATIONS OR REAUTHORIZATIONS	21	5	21	5	21	5	21	5
4. NUMBER OF COMPLAINTS RECEIVED	3	3	3	3	3	3	3	3
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
LICENSES, PERMITS, AND FEES	235	171	218	171	218	171	218	230
REVENUES FROM THE USE OF MONEY AND PROPERTY	1	1	1	1	1	1	1	1
TOTAL PROGRAM REVENUES	236	172	219	172	219	172	219	231
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	236	172	219	172	219	172	219	231
TOTAL PROGRAM REVENUES	236	172	219	172	219	172	219	231

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

CCA107: POST-SECONDARY EDUCATION AUTHORIZATION

10 01 03 07

A. Statement of Program Objectives

To ensure the soundness of accredited degree-granting, post-secondary educational institutions by fairly administering applicable statutes and rules in order to protect students, consumers, and other members of the community.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Transfer \$70 in special funds in FY 24 and FY 25 for insurance to General Support.

C. Description of Activities Performed

The department was tasked by Act 180, SLH 2013, with establishing the Hawaii Post-Secondary Education Authorization Program (HPEAP) to comply with 34 C.F.R. Section 600.9. The law, codified as Chapter 305J, HRS, requires accredited, degree-granting, post-secondary educational institutions physically present in the State to obtain State authorization to be eligible for Title IV student financial aid. To meet its objective, HPEAP performs the following functions:

1. HPEAP provides information to educational institutions seeking authorization or clarification of the law regarding its requirements and exemptions and provides information to consumers regarding the complaints process.
2. HPEAP receives and reviews applications and issues authorizations and subsequent reauthorizations on a biennial basis.
3. HPEAP monitors authorized institutions for compliance with the law and rules and receives and reviews complaints, conducts investigations, and takes legal action, if necessary, to address violations of the law or rules.
4. HPEAP receives and reviews any claims from students of closed authorized institutions and receives educational records from these institutions.
5. HPEAP issues transcripts of closed authorized institutions to former students and employment screening companies.

6. HPEAP serves as the State's portal entity for the State Authorization Reciprocity Agreement (SARA). Institutions which want to be a part of SARA must be approved by HPEAP before offering distance education courses to students in other SARA member states.

D. Statement of Key Policies Pursued

HPEAP seeks to implement the State Plan for Individual Rights by working to resolve complaints and investigations in a timely manner, by providing information to consumers as they navigate the complaints process, and by working with educational institutions as they navigate the authorization process.

E. Identification of Important Program Relationships

HPEAP maintains contact with the U.S. Department of Education (USDE) to monitor changes in federal regulations and to ensure that the State complies with federal requirements. Additionally, HPEAP works with USDE-recognized accrediting agencies to monitor action taken by the accrediting agencies relevant to authorized institutions.

F. Description of Major External Trends Affecting the Program

Major external trends, including national and local trends regarding industry practices and economics, can affect the program. For example, USDE regulations concerning distance learning and licensure disclosure notifications to students by institutions may affect program operations. Any new federal requirements will need to be reconciled with HPEAP's law.

G. Discussion of Cost, Effectiveness, and Program Size Data

The department has attempted to minimize costs to the extent feasible because projections show the program is not self-sufficient. At this time, the program is operating with two staff members; however, the department will need to pursue adequate funding in the near future to ensure it has sufficient resources to investigate complaints, engage in enforcement activities, and respond to any sudden closures of institutions.

Program Plan Narrative

CCA107: POST-SECONDARY EDUCATION AUTHORIZATION

10 01 03 07

H. Discussion of Program Revenues

Program revenues are derived from authorization fees and reauthorization fees paid by authorized institutions. Authorizations are renewed biennially, resulting in variances between fiscal years. The number of institutions in the target group which are required to be authorized is limited, and revenue projections indicate the program is not self-sufficient.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

CCA901
10010308
PUBLIC UTILITIES COMMISSION

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	67.00*	67.00*	67.00*	67.00*	67.0*	67.0*	67.0*	67.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	7,069,904	8,910,052	9,229,218	9,596,570	9,597	9,597	9,597	9,597
OTHER CURRENT EXPENSES	5,547,141	8,008,106	9,508,106	9,508,106	9,508	9,508	9,508	9,508
TOTAL OPERATING COST	12,617,045	16,918,158	18,737,324	19,104,676	19,105	19,105	19,105	19,105
BY MEANS OF FINANCING	67.00*	67.00*	67.00*	67.00*	67.0*	67.0*	67.0*	67.0*
	**	**	**	**	**	**	**	**
SPECIAL FUND	12,617,045	16,918,158	18,737,324	19,104,676	19,105	19,105	19,105	19,105
TOTAL PERM POSITIONS	67.00*	67.00*	67.00*	67.00*	67.0*	67.0*	67.0*	67.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	12,617,045	16,918,158	18,737,324	19,104,676	19,105	19,105	19,105	19,105

PROGRAM ID: **CCA901**
 PROGRAM STRUCTURE: **10010308**
 PROGRAM TITLE: **PUBLIC UTILITIES COMMISSION**

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
MEASURES OF EFFECTIVENESS								
1. % RATE CASES COMPLTD W/IN APPLIC STATUTORY TIME PD	100	100	100	100	100	100	100	100
2. % NON-RATE MATTERS COMPLTD W/IN APPLC STATU/REG PD	100	100	100	100	100	100	100	100
3. % INFORMAL COMPLAINTS RESOLVED IN REASONABLE TIME	85	85	85	85	85	85	85	85
4. NO. REPORTED ACCIDENTS INVOLVING UTILITY EMPLOYEES	90	90	90	90	90	90	90	90
5. AV NO. ELECTRIC SVC INTERRPTNS PER CUSTOMER SVCD	2	2	2	2	2	2	2	2
6. NO. TELECOMM SVC DISRUPTNS LONGER THAN 1 HR	2	2	2	2	2	2	2	2
PROGRAM TARGET GROUPS								
1. ELECTRIC AND GAS COMPANIES	5	5	5	5	5	5	2	2
2. PROPERTY CARRIERS	526	526	526	526	526	526	526	526
3. PASSENGER CARRIERS	943	943	943	943	943	943	943	943
4. WATER COMMON CARRIERS	2	2	2	2	2	2	2	2
5. PRIVATE WATER AND WASTEWATER UTILITY COMPANIES	39	39	39	39	39	39	39	39
6. TELECOMMUNICATIONS COMPANIES	185	185	185	185	185	185	185	185
7. OPERATORS OF SUBSURFACE INSTALLATIONS	47	47	47	47	47	47	47	47
PROGRAM ACTIVITIES								
1. NUMBER OF APPLICATIONS FILED	435	435	435	435	435	435	435	435
2. NO. DECISIONS/ORDERS & ORDERS ISSUED DOCKETD MATTR	870	870	870	870	870	870	870	870
3. NO. PUBLIC HEARINGS AND CONTESTED CASE HEARINGS	20	20	20	20	20	20	20	20
4. NUMBER OF CITATIONS ISSUED	30	30	30	30	30	30	30	30
5. NUMBER OF INFORMAL COMPLAINTS FILED	90	90	90	90	90	90	90	90
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
CHARGES FOR CURRENT SERVICES	16,328	17,405	17,405	17,405	17,405	17,405	17,405	17,405
FINES, FORFEITS AND PENALTIES	9	35	35	35	35	35	35	35
NON-REVENUE RECEIPTS	1,869	3,500						
TOTAL PROGRAM REVENUES	18,206	20,940	17,440	17,440	17,440	17,440	17,440	17,440
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
GENERAL FUNDS	1,869	3,500						
SPECIAL FUNDS	16,337	17,440	17,440	17,440	17,440	17,440	17,440	17,440
TOTAL PROGRAM REVENUES	18,206	20,940	17,440	17,440	17,440	17,440	17,440	17,440

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

CCA901: PUBLIC UTILITIES COMMISSION

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A. Statement of Program Objectives

To provide effective, proactive, and informed oversight of all regulated entities; to ensure that they operate at a high level of performance so as to serve the public fairly, efficiently, safely, and reliably, while addressing the goals and future needs of the State in the most economically, operationally, and environmentally sound manner; and affording the opportunity for regulated entities to achieve and maintain commercial viability.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Add \$750,000 in special funds in FY 24 and FY 25 to establish expenditure ceiling for the Electric Vehicle Charging System Subaccount.

Add \$750,000 in special funds in FY 24 and FY 25 to establish expenditure ceiling for the Hydrogen Fueling System Subaccount.

C. Description of Activities Performed

The Public Utilities Commission (PUC) is engaged in legislative, judicial, and administrative regulatory activities, such as:

1. Establishing rules and regulations, which include service standards for regulated public utilities and transportation companies.
2. Rendering decisions regarding the reasonableness of rates and the efficiency in operational and service practices affecting ratepayers and the public.
3. Processing applications; reviewing requests; and conducting audits, inspections, and enforcement activities of companies under the PUC jurisdiction, to ensure compliance with rules and regulations.
4. Developing and administering ratepayer-focused programs pursuant to legislative/statutory directives, such as renewable energy and energy efficiency programs, the One Call Center and Telecommunications Relay Services.

D. Statement of Key Policies Pursued

To serve the public, by ensuring essential utility services are delivered to consumers in a safe, reliable, economical, and environmentally sound manner. This is achieved through responsible and informed oversight of public utilities and a focus on economic, operational, environmental, and societal concerns associated with balanced regulation and future impacts of present-day decisions.

E. Identification of Important Program Relationships

Environmental and economic concerns due to public utility operations and conservation and efficient use of energy are related to the objectives of the Departments of Health; Land and Natural Resources; Labor and Industrial Relations (DLIR), Taxation; and Business, Economic Development and Tourism. For transportation, excavator, and subsurface installation services, the Department of Transportation, county offices statewide, and DLIR are involved in the safety of operations of the PUC-regulated entities. The Division of Consumer Advocacy is the agency tasked with representing consumers of the State in regulatory matters before the PUC.

F. Description of Major External Trends Affecting the Program

1. Several major legislative mandates, including the Renewable Portfolio Standards, the Energy Efficiency Portfolio Standards, the Public Benefit Fee, the Community-based Renewable Energy Program, and others, are key energy initiatives under the purview of the PUC. Given the State's overall desire to promote clean energy policies to stabilize Hawaii's economy and move towards energy independence, the majority of the PUC's time and resources are devoted to this sector.
2. The Federal Universal Service Fund (USF) Program, created by the U.S. Congress through the Telecommunications Act of 1934, as amended in 1996 (Act) is designed primarily to: 1) promote the availability of quality telecommunications services at just, reasonable, and affordable rates; 2) increase access to advance telecommunications services throughout the Nation; and 3) advance the availability of such services to all consumers, including those in low-income, rural, insular, and high-cost areas, at rates reasonably comparable to those charged in urban areas. As provided by the Act, the USF receives contributions from providers of

Program Plan Narrative

CCA901: PUBLIC UTILITIES COMMISSION

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telecommunications services and the moneys paid out to those carriers designated as Eligible Telecommunications Carriers (ETCs) in order to assist them in recovering the costs of providing telecommunications services.

In addition to designating ETCs, the PUC annually certifies to the Federal Communications Commission (FCC) that all ETCs that receive high-cost USF support are using those funds for their intended purposes. On November 18, 2011, the FCC released a comprehensive order to reform universal service, which added broadband as a supported service, changed funding eligibility and distribution, and adopted a number of specific performances and reporting obligations. On April 1, 2016, the FCC released an order to modernize and reform the Lifeline telephone subsidy for low-income Americans to include internet access. The FCC's stated goals of reform are to preserve and advance the availability of fixed and mobile voice and broadband services, and to minimize the USF contribution burden on the public.

3. Several environmental matters and actions of the Federal government affect the regulation of public utilities in Hawaii; changes in laws and regulations can change utility service costs significantly, and these changes have the potential to affect both existing and future facilities. Such regulations include the Mercury and Air Toxics Standards (MATS), the National Ambient Air Quality Standards (NAAQS), nationwide standards for controlling hazardous air pollutant emissions from industrial, commercial, institutional boilers and process heaters, the Regional Haze Federal Implementation Plan, and programs to control carbon emissions from power plants.

G. Discussion of Cost, Effectiveness, and Program Size Data

The PUC continues to transition and enhance its organizational structure to support the rapid evolution of the Commission's role and responsibilities. The PUC's integral part in helping Hawaii achieve its clean energy goals by 2045, as well as support of tourism and commercial business sectors, have resulted in increased volume of cases and complexity of work. As we continuously strive for efficient and effective operations, we must ensure we have adequate and appropriate staff and program resources to address the PUC's growing responsibilities.

H. Discussion of Program Revenues

Program revenues are collected from regulated utilities and transportation companies from the public utility fee assessed on regulated revenues, penalties, citations, and filing fees. For FY 23, it is projected that \$17 million will be collected. Funds remaining in the PUC Special Fund in excess of \$1 million are lapsed from the PUC Special Fund to the general fund in the 1st quarter following the fiscal year-end pursuant to Section 269-33(d). The following lists the amounts that lapsed to the general fund by fiscal year (FY): FY 16, \$5.3 million; FY 17, \$5.4 million; FY 18, \$3.3 million; FY 19, \$3.1 million; FY 20, \$1.5 million; FY 21, \$1.9 million; and FY 22, \$4.4 million.

I. Summary of Analysis Performed

The PUC continues the implementation of its 2020-2022 Strategic Plan that focuses on two main priority goals: establishing well-documented, modernized policies and procedures; and creating a work environment that fosters organizational success. With modernized policies and procedures, a new and improved Case and Document Management System, and enhanced work environment to support staffing resources, the PUC will be in a better position to help the State achieve its clean energy goals, as well as support our businesses and communities.

J. Further Considerations

None.

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID:

PROGRAM STRUCTURE NO:

PROGRAM TITLE:

100104

ENFORCEMENT OF FAIR BUSINESS PRACTICES

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	164.00*	164.00*	164.00*	164.00*	164.0*	164.0*	164.0*	164.0*
	2.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
PERSONAL SERVICES	13,179,651	16,373,565	17,209,059	17,607,960	17,607	17,607	17,607	17,607
OTHER CURRENT EXPENSES	4,552,252	3,722,432	3,713,077	3,713,077	3,714	3,714	3,714	3,714
TOTAL OPERATING COST	17,731,903	20,095,997	20,922,136	21,321,037	21,321	21,321	21,321	21,321
BY MEANS OF FINANCING								
	164.00*	164.00*	164.00*	164.00*	164.0*	164.0*	164.0*	164.0*
	2.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
SPECIAL FUND	17,463,717	19,995,316	20,821,455	21,220,356	21,220	21,220	21,220	21,220
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
TRUST FUNDS	268,186	100,681	100,681	100,681	101	101	101	101
TOTAL PERM POSITIONS	164.00*	164.00*	164.00*	164.00*	164.0*	164.0*	164.0*	164.0*
TOTAL TEMP POSITIONS	2.00**	2.00**	2.00**	2.00**	2.0**	2.0**	2.0**	2.0**
TOTAL PROGRAM COST	17,731,903	20,095,997	20,922,136	21,321,037	21,321	21,321	21,321	21,321

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM ID: CCA110
 PROGRAM STRUCTURE NO: 10010401
 PROGRAM TITLE: OFFICE OF CONSUMER PROTECTION

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	19.00*	19.00*	19.00*	19.00*	19.0*	19.0*	19.0*	19.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
PERSONAL SERVICES	2,002,898	2,279,274	2,514,620	2,617,970	2,618	2,618	2,618	2,618
OTHER CURRENT EXPENSES	639,184	764,618	763,788	763,788	764	764	764	764
TOTAL OPERATING COST	2,642,082	3,043,892	3,278,408	3,381,758	3,382	3,382	3,382	3,382
BY MEANS OF FINANCING								
	19.00*	19.00*	19.00*	19.00*	19.0*	19.0*	19.0*	19.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
SPECIAL FUND	2,373,896	2,943,211	3,177,727	3,281,077	3,281	3,281	3,281	3,281
	*	*	*	*	*	*	*	*
	**	**	**	**	**	**	**	**
TRUST FUNDS	268,186	100,681	100,681	100,681	101	101	101	101
TOTAL PERM POSITIONS	19.00*	19.00*	19.00*	19.00*	19.0*	19.0*	19.0*	19.0*
TOTAL TEMP POSITIONS	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
TOTAL PROGRAM COST	2,642,082	3,043,892	3,278,408	3,381,758	3,382	3,382	3,382	3,382

PROGRAM ID: **CCA110**
 PROGRAM STRUCTURE: **10010401**
 PROGRAM TITLE: **OFFICE OF CONSUMER PROTECTION**

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
MEASURES OF EFFECTIVENESS								
1. # CONSUMERS DIRECTLY AFFECTED BY OFFICE ACTN (000)	50	50	50	50	50	50	50	50
2. # BUSINESSES DIRECTLY AFFECTED BY OFFICE INVSTGTNS	900	900	900	900	900	900	900	900
3. \$ AMT OF FINES ASSESSED OR COSTS IMPOSED (000)	700	700	700	700	700	700	700	700
4. \$ AMTS RECOVERED THRU MULTISTATE CASES (000)	1000	1000	1000	1000	1000	1000	1000	1000
5. % LEGAL ACTIONS RESOLVED IN FAVOR OF OCP	100	100	100	100	100	100	100	100
PROGRAM TARGET GROUPS								
1. RESIDENT STATE POPULATION (000)	1400	1400	1400	1400	1400	1400	1400	1400
2. VISITORS TO HAWAII (000)	8000	8000	8000	8000	8000	8000	8000	8000
PROGRAM ACTIVITIES								
1. # OF CONSUMER COMPLAINTS REC (EXCL LANDLD/TENANT)	1000	1000	1000	1000	1000	1000	1000	1000
2. # OF COMPLAINTS INITIATED BY OCP	75	75	75	75	75	75	75	75
3. # OF LANDLORD-TENANT INQUIRIES RECEIVED	10000	10000	10000	10000	10000	10000	10000	10000
4. # OF COMPLNTS RESOLVED AT INVESTIGATIVE LEVEL	700	700	700	700	700	700	700	700
5. # OF MULTISTATE CASES	8	8	8	8	8	8	8	8
6. # OF LEGAL ACTIONS	15	15	15	15	15	15	15	15
7. # INQ RECVD ON BUSINESS COMPLAINT HISTORIES	10000	10000	10000	10000	10000	10000	10000	10000
8. # PERSONS REACHED THRU EDUCATIONAL EFFORTS	10000	10000	10000	10000	10000	10000	10000	10000
9. # LEG PROP FOR WHICH OCP PROVIDED TESTIMONY	20	20	20	20	20	20	20	20
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
LICENSES, PERMITS, AND FEES	35	35	35	35	35	35	35	35
REVENUES FROM THE USE OF MONEY AND PROPERTY	40	11	11	11	11	11	11	11
CHARGES FOR CURRENT SERVICES		1	1	1	1	1	1	1
FINES, FORFEITS AND PENALTIES	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
TOTAL PROGRAM REVENUES	2,275	2,247	2,247	2,247	2,247	2,247	2,247	2,247
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	2,275	2,247	2,247	2,247	2,247	2,247	2,247	2,247
TOTAL PROGRAM REVENUES	2,275	2,247	2,247	2,247	2,247	2,247	2,247	2,247

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

CCA110: OFFICE OF CONSUMER PROTECTION

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A. Statement of Program Objectives

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

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Transfer \$830 in special funds in FY 24 and FY 25 for insurance to General Support.

C. Description of Activities Performed

1. Investigation of Complaints: Receive consumer complaints on a statewide basis; determine all facts of complaint; determine from facts whether or not there is a violation of any consumer protection law; refer cases which fall within the jurisdiction of another agency; inform complainant of findings of fact and course of action to be taken, if any, by this office or another governmental agency; coordinate fact finding functions with other governmental agencies; monitor advertisements; and subpoena witnesses for investigation of facts.

2. Landlord-Tenant Cases: Provide Residential Landlord-Tenant Code information to callers.

3. Prosecution: Determine adequacy of evidence to prove violation prior to filing a complaint in court; negotiate Assurance of Voluntary Compliance or Consent Judgment prior to the filing of a complaint in court; take court action against the business entity which has violated consumer protection laws; obtain injunction, civil penalties, and restitution for consumers in court actions and settlement of cases.

4. Legislation and Rulemaking: Promulgate rules and regulations to protect consumers; draft consumer protection legislation; recommend consumer protection legislation to the Legislature; and offer testimony on other consumer protection legislation.

D. Statement of Key Policies Pursued

To protect the interests of both the general public and legitimate businesses by investigating alleged violations of consumer protection laws; taking legal action to stop unfair or deceptive practices in the marketplace; proposing, drafting, or responding to consumer protection-related legislation and contributing to the department's efforts in educating the consumer public and businesses of their respective legal rights and obligations in the marketplace; to promote voluntary compliance with consumer protection-related laws by the business community; to enforce consumer protection laws within the Division's jurisdiction; and to promote and to assist in the formation of consumer education groups and programs.

These policies will further the stated objectives of the State Plan on Individual Rights.

E. Identification of Important Program Relationships

Important program relationships are maintained with the National Association of Attorneys General; the Federal Trade Commission; the Consumer Financial Protection Bureau; the U.S. Consumer Product Safety Commission; the State Attorney General; various divisions of the Department; and various county, State, and federal law enforcement agencies.

F. Description of Major External Trends Affecting the Program

Important program relationships are maintained with the National Association of Attorneys General; the Federal Trade Commission; the Consumer Financial Protection Bureau; the U.S. Consumer Product Safety Commission; the State Attorney General; various divisions of the Department; and various county, State, and federal law enforcement agencies.

G. Discussion of Cost, Effectiveness, and Program Size Data

The nature and complexity of the Office of Consumer Protection's (OCP) workload has increased dramatically over the past decade. The OCP has witnessed a significant increase in the number of multi-state investigations dealing with complex consumer protections issues during

Program Plan Narrative

CCA110: OFFICE OF CONSUMER PROTECTION

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the past few years. In addition, during the past several years, the OCP has averaged approximately 1,000 consumer complaints per year and more than 10,000 Landlord-Tenant Information Center inquiries a year. The OCP also conducts education and outreach programs for businesses and the general public on consumer protection topics, including mortgage rescue fraud. The OCP strives to meet its responsibilities on behalf of the consumer counsel for the State with its existing investigative (nine) and legal staff (four). This forces the OCP to prioritize cases and workload to meet this ongoing situation.

H. Discussion of Program Revenues

The OCP has successfully underwritten a large portion of its operating revenues through fines and penalties collected in numerous national multi-state investigations. While these recoveries are unpredictable from year to year, it is critical that these revenues continue in the future to sustain the OCP's operational effectiveness in the absence of a permanent source of funding for the OCP.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

CCA111
10010403
BUSINESS REGISTRATION & SECURITIES REGULATN

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	79.00*	79.00*	79.00*	79.00*	79.0*	79.0*	79.0*	79.0*
	0.00**	0.00**	0.00**	0.00**	0.0**	0.0**	0.0**	0.0**
PERSONAL SERVICES	5,459,368	7,133,513	7,133,513	7,133,513	7,133	7,133	7,133	7,133
OTHER CURRENT EXPENSES	3,145,422	2,087,555	2,082,555	2,082,555	2,083	2,083	2,083	2,083
TOTAL OPERATING COST	8,604,790	9,221,068	9,216,068	9,216,068	9,216	9,216	9,216	9,216
BY MEANS OF FINANCING	79.00*	79.00*	79.00*	79.00*	79.0*	79.0*	79.0*	79.0*
	**	**	**	**	**	**	**	**
SPECIAL FUND	8,604,790	9,221,068	9,216,068	9,216,068	9,216	9,216	9,216	9,216
TOTAL PERM POSITIONS	79.00*	79.00*	79.00*	79.00*	79.0*	79.0*	79.0*	79.0*
TOTAL TEMP POSITIONS	**	**	**	**	**	**	**	**
TOTAL PROGRAM COST	8,604,790	9,221,068	9,216,068	9,216,068	9,216	9,216	9,216	9,216

PROGRAM ID: CCA111
 PROGRAM STRUCTURE: 10010403
 PROGRAM TITLE: BUSINESS REGISTRATION AND SECURITIES REGULATION

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
MEASURES OF EFFECTIVENESS								
1. AV DAYS PROC CORP,PART,LLC,TRADE NM W/EXPED HANDLG	1	1	1	1	1	1	1	1
2. AV DAYS PROC CORP,PART,LLC,TRADE NM W/ REG HANDLG	3	3	3	3	3	3	3	3
3. AV DAYS PROC APPS FOR BROKER-DEALERS/INV ADVISORS	25	25	25	25	25	25	25	25
4. AV DAYS TO PROCESS APPS FOR SALES AGENTS	15	15	15	15	15	15	15	15
5. AV DAYS TO PROCESS APPS FOR INVESTMT ADVISER REPS	15	15	15	15	15	15	15	15
PROGRAM TARGET GROUPS								
1. CORP, PART, LLC,TRNAMES, TRMKS,SVC MKS ON REC	220000	220000	220000	220000	220000	220000	220000	220000
2. BRKR, SALES, SECURITIES OFF, FRANCH, INV ADV & REP	130000	130000	130000	130000	130000	130000	130000	130000
PROGRAM ACTIVITIES								
1. # DOCS RECEIVED FOR PROCESSING & ANNUAL REPORTS	180000	180000	180000	180000	180000	180000	180000	180000
2. # SECURITIES COMPLIANCE APPLICATIONS RECEIVED	75000	75000	75000	75000	75000	75000	75000	75000
3. # OF ENFORCEMENT CASES OPENED	65	65	65	65	65	65	65	65
4. # OF INQUIRIES RECEIVED BY SECURITIES ENFORCEMENT	1500	1500	1500	1500	1500	1500	1500	1500
5. # OF COMPLTS RESOLVED AT INVESTIGATIVE LEVEL IN FY	30	30	30	30	30	30	30	30
6. # ENFORCEMENT CASES CLOSED DURING THE FISCAL YR	70	70	70	70	70	70	70	70
7. # OF ORDERS, CONSENT AGREE AND SETTLMNTS COMPLETED	20	20	20	20	20	20	20	20
8. # OF SUSPENSIONS OR BARS IMPOSED	10	10	10	10	10	10	10	10
9. # OF PERSONS REACHED THRU INVSTR ED PROG ACTIVITY	25000	25000	25000	25000	25000	25000	25000	25000
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
LICENSES, PERMITS, AND FEES	6,768	5,000	5,000	5,000	5,000	5,000	5,000	5,000
REVENUES FROM THE USE OF MONEY AND PROPERTY	104	41	41	41	41	41	41	41
CHARGES FOR CURRENT SERVICES	7,129	4,382	4,382	4,383	4,383	4,383	4,383	4,383
FINES, FORFEITS AND PENALTIES	333	75	75	75	75	75	75	75
TOTAL PROGRAM REVENUES	14,334	9,498	9,498	9,499	9,499	9,499	9,499	9,499
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	14,334	9,498	9,498	9,499	9,499	9,499	9,499	9,499
TOTAL PROGRAM REVENUES	14,334	9,498	9,498	9,499	9,499	9,499	9,499	9,499

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

CCA111: BUSINESS REGISTRATION & SECURITIES REGULATN

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A. Statement of Program Objectives

To ensure that business registration information is accurately maintained for corporations, partnerships, limited liability companies, trade names, trademarks, service marks, and other entities; 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 and Compliance with Section 37-68(1)(A)(B)

Transfer \$5,000 in special funds in FY 24 and FY 25 for insurance to General Support.

C. Description of Activities Performed

1. For corporations, partnerships, limited liability companies, trade names, etc.: determine that all documents are filed in compliance with applicable statutory requirements; assist the public in accessing information regarding documents that have been successfully filed with the Business Registration Division; and provide personalized assistance to businesses registering with the division.

2. For sales of securities and franchises: Examine applications for registration of securities and franchises to determine that offerings of the securities or franchise comply with statutory requirements; register securities, sales agents, broker-dealers, investment advisers, investment adviser representatives and franchises; examine financial reports and records of securities broker-dealers and investment advisers; and conduct investigations of fraud and other State securities or franchise law violations and prosecute violations.

D. Statement of Key Policies Pursued

Implementation of the State Plan for Individual Rights by ensuring that:

1. All filed business registration documents are examined and recorded in a consistent manner and comply with statutory requirements and that the review of documents is done expeditiously and accurately. Public documents are made accessible to the public by request or online. Assistance is provided to businesses registering with the division.

2. All sales of securities are done in compliance with the law. Securities broker-dealers, sales agents, investment advisers, investment adviser representatives, and investment companies are properly registered under State law. Applications for registration are examined in a consistent and detailed manner to ensure compliance. Investigations are conducted on potential violations of Hawaii securities and franchise laws and administrative actions are taken to protect investors against fraud.

3. Investor education outreach programs and materials are provided to educate the public statewide about frauds, scams, and tools necessary to protect against frauds and scams.

E. Identification of Important Program Relationships

Relationships are maintained with the United States Securities and Exchange Commission, the Financial Industry Regulatory Authority, securities divisions of the different states and provinces of Canada, the Office of Consumer Protection, the Department of the Attorney General, the Department of Taxation, the Department of Human Services, the Executive Office on Aging, county prosecutors' offices, the International Association of Corporation Administrators, the North American Securities Administrator's Association, Inc., the Federal Bureau of Investigation, the U.S. Commodity Futures Trading Commission, and County Police Departments.

F. Description of Major External Trends Affecting the Program

The division anticipates a slight decrease in the number of business registration and securities filings due to the economic impacts of the COVID-19 pandemic.

The division expects to see changes relating to federal securities regulation as a result of the new administration. The division continues to monitor any changes in federal regulation that may affect State securities laws. Cases involving securities violations are expected to remain steady, but securities fraud schemes are likely to increase in complexity. In addition, securities cases involving seniors are expected to rise as the senior population continues to grow. The division's Investor Education Program has been evolving and seeking new ways to safely conduct its statewide outreach to educate the public, from children to seniors, to provide financial literacy information and investor protection information.

Program Plan Narrative

CCA111: BUSINESS REGISTRATION & SECURITIES REGULATN

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G. Discussion of Cost, Effectiveness, and Program Size Data

The discrepancy in planned expenditures is due in part to staff attrition, position vacancies, certain expenses that were anticipated but were subsequently planned for expenditure in a different fiscal year, and spending restrictions that were imposed due to the pandemic.

Our measures of effectiveness showed one discrepancy. The average number of days to process business registration filings under regular handling increased from three to four days due to changes in operations due to the pandemic. We anticipate the same for next year or until conditions improve. The discrepancy between the division's budgeted program size and the actual number of positions filled last year is due to attrition, including a number of retirements. The division continues to actively recruit to fill its vacant positions.

Upon approval, over the next four years, we expect information technology (IT) costs to rise as the division moves forward with its new IT system replacement project for its business registration management systems. This project will likely incur added costs relating to planning and development, followed by licensing, maintenance, and hardware requirements.

H. Discussion of Program Revenues

The division expects to maintain its projected revenue as a result of business registration and securities registration filing fees being assessed at statutory levels.

I. Summary of Analysis Performed

Not applicable.

J. Further Considerations

To continue to offer the public the efficiency and cost-effectiveness of online services, the division continues to look to improving our systems and the ways the public can access the registry information. The division is in the process of making other modifications to adapt to business and legal requirements.

PROGRAM ID:
PROGRAM STRUCTURE NO:
PROGRAM TITLE:

CCA112
10010404
REGULATED INDUSTRIES COMPLAINTS OFFICE

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	66.00*	66.00*	66.00*	66.00*	66.0*	66.0*	66.0*	66.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
PERSONAL SERVICES	5,717,385	6,960,778	7,560,926	7,856,477	7,856	7,856	7,856	7,856
OTHER CURRENT EXPENSES	767,646	870,259	866,734	866,734	867	867	867	867
TOTAL OPERATING COST	6,485,031	7,831,037	8,427,660	8,723,211	8,723	8,723	8,723	8,723
BY MEANS OF FINANCING	66.00*	66.00*	66.00*	66.00*	66.0*	66.0*	66.0*	66.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
SPECIAL FUND	6,485,031	7,831,037	8,427,660	8,723,211	8,723	8,723	8,723	8,723
TOTAL PERM POSITIONS	66.00*	66.00*	66.00*	66.00*	66.0*	66.0*	66.0*	66.0*
TOTAL TEMP POSITIONS	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
TOTAL PROGRAM COST	6,485,031	7,831,037	8,427,660	8,723,211	8,723	8,723	8,723	8,723

PROGRAM ID: **CCA112**
 PROGRAM STRUCTURE: **10010404**
 PROGRAM TITLE: **REGULATED INDUSTRIES COMPLAINTS OFFICE**

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
MEASURES OF EFFECTIVENESS								
1. % OF RICO SETTLEMENT AGREEMENTS ADOPTED	95	95	95	95	95	95	95	95
2. % OF RECOMMENDED ORDERS IN FAVOR OF STATE	95	95	95	95	95	95	95	95
3. % OF FINAL ORDERS SUSTAINED ON APPEAL	95	95	95	95	95	95	95	95
4. NUMBER OF LEGAL ACTIONS	350	350	350	350	350	350	350	350
PROGRAM TARGET GROUPS								
1. DE FACTO POPULATION IN HAWAII (000)	1403	1403	1403	1403	1403	1403	1403	1403
2. LICENSEES (000)	510	525	540	555	555	555	555	555
3. BOARDS & COMMISSIONS ADMIN ASSIGNED TO DCCA	52	52	52	52	52	52	52	52
PROGRAM ACTIVITIES								
1. # INQUIRIES TO CONSUMER RESOURCE CENTER	15000	15000	15000	15000	15000	15000	15000	15000
2. # COMPLAINT HISTORY INQUIRIES	70000	70000	70000	70000	70000	70000	70000	70000
3. # OF COMPLAINTS RECEIVED	3000	3000	3000	3000	3000	3000	3000	3000
4. # PEOPLE REACHED THRU CONS ED & COMPLAINT PROCESS	55000	55000	55000	55000	55000	55000	55000	55000
5. # ASSISTS BY NI OFCS TO PUBLIC ON NON-RICO MATTERS	2500	2500	2500	2500	2500	2500	2500	2500
6. # OF ORDERS & JUDGMENTS	350	350	350	350	350	350	350	350
7. # COMPLETED INVESTIGATIONS	900	900	900	900	900	900	900	900
8. # SITE INSPECTIONS AND LICENSURE COMPLIANCE CHECKS	900	900	900	900	900	900	900	900
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	48	25	25	25	25	25	25	25
CHARGES FOR CURRENT SERVICES	7,853	7,842	7,842	7,842	7,843	7,843	7,843	7,843
FINES, FORFEITS AND PENALTIES	350	350	350	350	350	350	350	350
TOTAL PROGRAM REVENUES	8,251	8,217	8,217	8,217	8,218	8,218	8,218	8,218
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	8,249	8,215	8,215	8,215	8,216	8,216	8,216	8,216
ALL OTHER FUNDS	2	2	2	2	2	2	2	2
TOTAL PROGRAM REVENUES	8,251	8,217	8,217	8,217	8,218	8,218	8,218	8,218

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

CCA112: REGULATED INDUSTRIES COMPLAINTS OFFICE

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A. Statement of Program Objectives

To assist the general public through consumer education and by enforcing the State's licensing laws.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Transfer \$3,525 in special funds in FY 24 and FY 25 for insurance to General Support.

C. Description of Activities Performed

The Regulated Industries Complaints Office (RICO) is the enforcement arm of over 51 professional boards, commissions, and programs that are administratively attached to the Department of Commerce and Consumer Affairs. To meet its objective, RICO performs the following functions:

1. RICO receives complaints, conducts investigations, and prosecutes licensing law violations. Through the administrative process, RICO may seek fines, restitution, and license sanctions. RICO also prosecutes unlicensed activity through the issuance of citations and by filing civil lawsuits in the Circuit Courts.
2. RICO provides educational information to consumers and industry members through brochures, presentations, and by participating in industry events and consumer fairs. RICO, its Consumer Resource Center, and its License Business and Information Center provide real time licensing, business registration, and complaint history information to the public.
3. RICO also administers the State Certified Arbitration Program (SCAP) for "lemon" motor vehicle claims.

D. Statement of Key Policies Pursued

RICO seeks to implement the State Plan for Individual Rights by continuing to work to resolve investigations and complaints in a timely manner, by working to provide information to consumers as they navigate the marketplace, and by timely and effectively prosecuting violators of State licensing laws.

E. Identification of Important Program Relationships

RICO assists and maintains contacts with compatible programs in the Departments of Agriculture, the Attorney General, Health, Land and Natural Resources, Transportation, and Labor and Industrial Relations; the State Tax Office; and other agencies of State government. Additionally, the program works closely with law enforcement agencies on the federal and county levels.

F. Description of Major External Trends Affecting the Program

Major external trends, including national and local trends regarding industry practices, consumerism, and economics, affect the program. For example, a dip in home sales may result in fewer complaints based on real estate transactions. The same dip may result in an increase in complaints about real estate rentals. An uptick in construction may result in an increase in complaints against unlicensed contractors. RICO's workload also changes as new laws and new programs are implemented.

G. Discussion of Cost, Effectiveness, and Program Size Data

The program's revenue structure requires that there be a sufficient fund balance each fiscal year for carryover purposes. New regulatory programs enacted by the Legislature and assigned to the agency and continuing increases in costs for personnel, products, and services have increased expenditures.

H. Discussion of Program Revenues

The vast majority of program revenues are derived from compliance resolution fees paid by licensees. Revenues fluctuate with economic trends. Additionally, licenses are renewed biennially, resulting in higher revenues on odd-numbered years. Therefore, it is important that the program maintains sufficient carryover balances each year so that it can continue to support its operations during even-numbered fiscal years.

Program Plan Narrative

CCA112: REGULATED INDUSTRIES COMPLAINTS OFFICE

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I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.

PROGRAM ID: CCA191
PROGRAM STRUCTURE NO: 100105
PROGRAM TITLE: GENERAL SUPPORT

OPERATING AND CAPITAL EXPENDITURES

REPORT: P61-A

PROGRAM EXPENDITURES	IN DOLLARS				IN THOUSANDS			
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
OPERATING COST	51.00*	51.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
PERSONAL SERVICES	5,323,893	6,323,804	7,263,477	6,986,672	6,987	6,987	6,987	6,987
OTHER CURRENT EXPENSES	4,130,972	4,112,974	10,627,862	10,627,862	3,068	3,068	3,068	3,068
TOTAL OPERATING COST	9,454,865	10,436,778	17,891,339	17,614,534	10,055	10,055	10,055	10,055
BY MEANS OF FINANCING	51.00*	51.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
SPECIAL FUND	9,454,865	10,436,778	17,891,339	17,614,534	10,055	10,055	10,055	10,055
TOTAL PERM POSITIONS	51.00*	51.00*	52.00*	52.00*	52.0*	52.0*	52.0*	52.0*
TOTAL TEMP POSITIONS	1.00**	1.00**	1.00**	1.00**	1.0**	1.0**	1.0**	1.0**
TOTAL PROGRAM COST	9,454,865	10,436,778	17,891,339	17,614,534	10,055	10,055	10,055	10,055

PROGRAM ID: **CCA191**
 PROGRAM STRUCTURE: **100105**
 PROGRAM TITLE: **GENERAL SUPPORT**

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
MEASURES OF EFFECTIVENESS								
1. %CASES COMPL W/IN DESIG TIME FOR CONTSTD CASE HRGS	85	85	85	85	85	85	85	85
2. %HRGS OFFCER REC ORDERS ADOPTED BY FINAL ADM AUTH	90	90	90	90	90	90	90	90
3. % HRGS OFFR REC ORDRS ADPT FINAL ADM AUTH SUSTAIN	90	90	90	90	90	90	90	90
4. % OF ERROR-FREE INVOICES PROCESSED	99	99	99	99	99	99	99	99
5. %COMPLAINTS/INQ RESPONDED TO IN TIMELY MANNER	95	95	95	95	95	95	95	95
6. %LEG HRGS TO WHICH TIMELY WRITTN TESTMNY SUBMTTD	95	95	95	95	95	95	95	95
7. %REQUESTS FOR SYSTEMS ADDTNS OR ENHANCE FULFILLED	50	50	50	50	50	50	50	50
8. % INFORMATION SYS WORK REQ COMPLETED IN REQ'D TIME	85	85	85	85	85	85	85	85
PROGRAM TARGET GROUPS								
1. DE FACTO POPULATION IN HAWAII (000)	1403	1403	1403	1403	1403	1403	1403	1403
2. LICENSEES (000)	510	525	540	555	555	555	555	555
3. DCCA DIVISIONS	13	13	13	13	13	13	13	13
4. BOARDS & COMMISSIONS ADMIN ASSIGNED TO DCCA	53	53	53	53	53	53	53	53
5. DCCA EMPLOYEES	551	551	551	551	551	551	551	551
PROGRAM ACTIVITIES								
1. # WRITTN NOTICES ISS BY HRGS OFF RE: PROCED EVENTS	450	450	450	450	450	450	450	450
2. # PRE-HRG EVENTS BY HRG OFF INVOLVG THE PARTIES	200	200	200	200	200	200	200	200
3. # HEARINGS CONDUCTED BY HEARINGS OFFICERS	150	150	150	150	150	150	150	150
4. # RECOMMENDED & FINAL ORDERS ISS BY HRGS OFFICERS	200	200	200	200	200	200	200	200
5. TOTAL EDUCATIONAL OUTREACH IMPRESSIONS	25000	25000	25000	25000	25000	25000	25000	25000
6. # SYSTEMS ADDED OR ENHANCED	145	145	145	145	145	145	145	145
7. # OF INFORMATION SYSTEMS WORK REQUESTS	4300	4300	4300	4300	4300	4300	4300	4300
8. # OF INVOICES PROCESSED	8000	8000	8000	8000	8000	8000	8000	8000
PROGRAM REVENUES BY TYPE (IN THOUSANDS of DOLLARS)								
REVENUES FROM THE USE OF MONEY AND PROPERTY	10	20	20	20	20	20	20	20
CHARGES FOR CURRENT SERVICES	1,227	859	859	859	859	859	859	859
TOTAL PROGRAM REVENUES	1,237	879	879	879	879	879	879	879
PROGRAM REVENUES BY FUND (IN THOUSANDS of DOLLARS)								
SPECIAL FUNDS	1,237	879	879	879	879	879	879	879
TOTAL PROGRAM REVENUES	1,237	879	879	879	879	879	879	879

NOTE: PROGRAM REVENUES BY TYPE AND FUND MAY NOT BE ACCURATE DUE TO SYSTEM ERROR.

Program Plan Narrative

CCA191: GENERAL SUPPORT

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A. Statement of Program Objectives

To uphold fairness and public confidence in the marketplace, and promote sound consumer practices by increasing knowledge and opportunity for our businesses and citizens.

B. Description of Request and Compliance with Section 37-68(1)(A)(B)

Transfers in 1.00 position and \$123,964 in special funds in FY 24 and FY 25 from the Insurance Regulatory Services Program to the Director's Office/Administrative Services Office (DO/ASO).

Transfers in \$25,025 in special funds in FY 24 and FY 25 from various programs for insurance to DO/ASO.

Transfers \$500 in special funds in FY 24 and FY 25 from the Office of Administrative Hearings (OAH) for insurance to DO/ASO.

Transfers \$1,000 in special funds in FY 24 and FY 25 from the Information Systems and Communications Office (ISCO) for insurance to DO/ASO.

Adds \$41,363 in FY 24 and FY 25 in special funds for insurance.

Adds \$7,560,000 in FY 24 and FY 25 in special funds for the King Kalakaua Building.

Adds \$398,569 in FY 24 and \$142,821 in FY 25 in special funds for fringe benefits for DO/ASO.

C. Description of Activities Performed

The Administrative Division is organized into four divisions: DO; ASO; ISCO; and OAH.

1. The DO provides: general policy and administrative leadership; supervision and coordination of the various programs of the department; assistance in the direction and supervision of operating divisions; and centralized personnel management and organizational analysis support services to operating divisions.

2. The ASO provides to the divisions of the Department of Commerce and Consumer Affairs (DCCA): centralized budgeting and accounting services; centralized clerical services; building management services; and other administrative support services.

3. The ISCO provides to the divisions of DCCA: services to find, acquire, implement, and maintain information technology; support for telephone systems, through the Department of Accounting and General Services and the State's telephone service providers, for additions, changes, and problems to telephone services, as well as maintenance of phone directories for internal and external use; services to enhance and update DCCA's website; support for the Automated Information System, a computer driven system that contains pre-recorded DCCA contact information, consumer information, consumer alerts, and forms; and network support services, including upgrades to provide increased network performance, uptime, and additional layers of protection from malicious software.

4. The OAH provides: specialized staff support to the divisions, as well as attached boards/commissions, by conducting pre-hearing conferences and formal hearings to resolve business disputes through impartial and informed treatment of consumer complaints; recommended decisions based on written findings of fact and conclusions of law; and administrative hearings of appeals relating to the administration of the State's Procurement Code, the Employer-Union Health Benefits Trust Fund, and the Employees' Retirement System. In addition, the OAH administers the Medical Inquiry and Conciliation Panel and the Design Claims Conciliation Panel.

D. Statement of Key Policies Pursued

The program's divisions implement the State Plan for Individual Rights through the following:

1. The DO provides support services in the implementation of the State Plan for Individual Rights, Sociocultural Advancement-government, and Fiscal Management-government by examining policies and procedures to improve the efficiency and effectiveness of the administrative processes, as well as to improve the quality of programmed services provided.

Program Plan Narrative

CCA191: GENERAL SUPPORT

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2. The ASO ensures that departmental programs are provided with the necessary support in the areas of budgeting, accounting, cashiering, building maintenance, and administrative services.

3. The ISCO strives to improve the efficiency of divisions' operations and therein provide faster and lower cost service to commerce and consumers; strives to make all public information readily available, up-to-date, and in formats, and at hours of the day and week that are convenient to commerce and consumers; and strives to protect information from malicious or fraudulent tampering or inappropriate release.

4. The OAH provides a fair, simple, and speedy adjudication of contested cases by conducting administrative hearings. The administrative review of determinations will provide a basis for informed and correct administrative action to protect individual rights against arbitrariness, whim and unreasonableness.

E. Identification of Important Program Relationships

The ASO assists and maintains contacts with compatible programs in other Executive Branch departments, most notably, the Departments of the Attorney General, Budget and Finance, Accounting and General Services, Human Resources Development, and Education.

The ISCO interacts with the Office of Enterprise Technology Services (ETS) to execute ETS initiatives that are beneficial to DCCA, as well as contributing to ETS fact-finding and planning activities.

F. Description of Major External Trends Affecting the Program

The program is affected by major external trends, as they affect the other programs within the department. Public awareness of consumerism continues to affect the number of hearings conducted by the OAH. Public interest in having governmental services online, combined with an increased number of device types used to access online services, as well as an increase in both evolving cyber threats and telework demands, affects the volume and nature of work performed by the ISCO.

G. Discussion of Cost, Effectiveness, and Program Size Data

DCCA is responsible for the effective administration of all departmental programs. In order to enable these programs to function efficiently, the Director provides adequate resources and management services to ensure efficient and effective utilization of manpower and expenditures.

The current program organization and activities are subject to change depending upon the amount and quality of centralized administrative support services and specific supportive services required for effective coordination of resources and objectives of the departmental program. Any increase in the number of programs or activities placed in the department by legislative action will cause a proportionate increase in the administration and management of resources available, program planning, accounting and disbursement of general, special, and capital improvement monies, as well as personnel services, centralized mail processing, records reproduction services, and other centralized administrative support services provided.

H. Discussion of Program Revenues

Estimation of program revenues is based on past collections and future estimates of the licensee population.

I. Summary of Analysis Performed

No significant analysis of specific issues was conducted.

J. Further Considerations

None.