

State-County Functions Working Group (Transient Accommodations Tax)

(Established by Act 174, Session Laws of Hawai'i 2014)

State of Hawai'i

<http://auditor.hawaii.gov/task-forceworking-group/>

Minutes of Meeting

Date: November 12, 2015

Time: 10:00 a.m.

Place: State Capitol
415 S. Beretania Street
Conference Room 225
Honolulu, Hawai'i

Present: Simeon R. Acoba, Chair, Chief Justice Appointment
Sananda Baz, County of Maui Appointment
Mary Alice Evans, Governor Appointment
George Kam, Senate Appointment
Neal Miyahira, Governor Appointment
Deanna Sako, County of Hawai'i Appointment
Ronald Williams, Senate Appointment

Jan K. Yamane, Acting State Auditor, Office of the Auditor
Jayna Oshiro, Analyst, Office of the Auditor
Pat Mukai, Secretary, Office of the Auditor

John Kirkpatrick, Belt Collins Hawaii LLC
Michael Lim, Belt Collins Hawaii LLC
James Mak, Ph.D.

Excused: Ed Case, House Appointment
Steven Hunt, County of Kaua'i Appointment
Ray Soon, City and County of Honolulu Appointment
Jesse Souki, Governor Appointment
Tina Yamaki, House Appointment
Kerry Yoneshige, Governor Appointment

- I. Call to Order: Chair Acoba called the meeting to order at 10:05 a.m., at which time quorum was established. The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Hawai'i Revised Statutes, Section 92-7 (b).
- II. Public Testimony
None
- III. Chair's Report
 - a. Announcements, introductions, and correspondence
None
 - b. Minutes of October 21, 2015 meeting

It was moved by Member Evans, seconded by Member Sako, and unanimously carried to approve the minutes of the October 21, 2015 meeting.

IV. Consultant's Report

a. Draft Report (handout) – Discussion and approval

ASA Yamane stated that we are getting close to the deadline and we need to get this report to the Legislative Reference Bureau (LRB). LRB is aware of the WG's draft report and that the preamble will come from the WG. For this meeting, we hope to have the final report as well as the preamble from the investigative group. If the preamble language can be approved, that's the piece LRB needs from this working group. As far as timing, this is something she would like to see moved if possible.

Chair Acoba asked to go through the draft report.

On page iv, the word, "Potential" has been added to Exhibit 3-2. The Chair said he drafted a "Message from the Chair." Member Sako asked if the WG will be able to see the Chair's message, at some point. The Chair's message was circulated.

Referring to the State-County Functions Working Group Members, one typo, REsigned, should be Resigned; Member Baz is from the County of Maui; Member Hunt is from the County of Kaua'i; and Member Sako is from the County of Hawai'i. Member Baz stated he's not sure why the list of members appears twice. Mr. Kirkpatrick said it was put in the front because most of this type of reports has this section in the front even though it is already in Chapter 1 but if the WG just wants the version in Chapter 1 that is fine too. Member Baz said it's okay to have both but to be consistent. Chair Acoba verified this page will be corrected to be consistent with page 1-2.

Summary

Referring to ES-2, footnote 1, it should say "recommendation" rather than "judgment." Mr. Kirkpatrick said it's a non-recommendation. Chair Acoba said it footnotes the remainder of the TAT revenues be allocated 55/45. Mr. Kirkpatrick replied okay. Chair Acoba stated when they discussed 55/45, they say, that's a judgment based on... but it is a recommendation.

Mr. Kirkpatrick referred to the sentence, "The revenues allocated to the counties would continue to be allocated without any further provision that the money be spent for particular purposes." It was in there before but was worded slightly differently, and he was checking to see if the WG is still okay with that. It went from "would," to "could," to "should," and it's now back to "would." It was agreed upon to use "would."

Referring to ES-3, last sentence, "Draft legislation incorporating the Working Group recommendations is included as Chapter Four" was added. The addition was accepted.

Chapter 1

Page 1-1, added the letter "s" to the word employee, to read, "employees."

Page 1-3, added the word, 'Present' to Exhibit 1-1.

Page 1-4, footnote 5 has either been added or modified. It explains Hospitality's data. Mr. Kirkpatrick stated it explains the TOT (Transient Occupancy Tax) is included in this

discussion but calculated somewhat differently and it is a new addition but it just never seems to be in there and he thought it should be noted.

Page 1-8, footnote 19 has been added.

Chapter 2

Page 2-2, top of the page, added in sentence to align the statement that additional revenues were due to growth in tourism. Chair Acoba asked to add the word "in" after "sharing," to read, "...from sharing in the additional TAT revenues"

Page 2-8, 100.00 percent was included in Exhibit 2-4 as well as Exhibits 2-5, 2-6, and 2.8 on pages 2-9 and 2-10.

Page 2-11, the figure \$93.00 (in millions) has been inserted in Exhibit 2-9.

Page 2-14, Chair Acoba referred to Exhibit 2-12 and asked Mr. Kirkpatrick on No. 1, if it is using the CAFR figures. Mr. Kirkpatrick replied everything is from the CAFR. There are different ways of reading the CAFR. Chair Acoba referred to Nos. 7, 8, and 9 and asked Mr. Kirkpatrick if they derived those percentages and is No. 7 related to tourism and is it based on tourism allocation. Mr. Kirkpatrick replied, no, No. 7 is all primary government activities.

Member Baz stated in re-reading the report, he would like to make some recommended changes to the language in the Working Group model's recommendation because it says it's based on tourism-related expenditures but it's not; it's based on the division of provision of public services. This is for No. 7 because if it was on the division of direct expenditures related to tourism, it would actually be No. 6 and it would be flip-flopped where the State gets 46 percent and counties get 54 percent.

Chair Acoba asked if primary government services are from the CAFR. Mr. Kirkpatrick said these are categories from the CAFR. He asked, Nos. 7, 8, and 9 are not related to tourism. It was said that No. 9 is related to tourism. The Chair summarized that is the working group's allocation of tourism activities to direct expenditures.

Member Sako referred to the Note below the table that says, "Row 4 presents data from earlier CAFR reports. Rows 5 through 9 present new analyses." It makes it sound like it's not CAFR. Mr. Kirkpatrick agreed to say, "New analyses of CAFR data."

Page 2-16, Mr. Kirkpatrick referred to the second paragraph which is the re-write discussed from the last meeting. Member Baz referred to the last sentence that says, "...the Working Group derived a judgment-based evaluation that a 55/45 division represented the division of duties and responsibilities between the State and Counties" and said it is correct and is the basis of their recommendation. Chair Acoba suggested inserting the word "appropriately" before the word represented because it's actually a judgment-based evaluation.

The public testimonies on allocations were summarized. Member Baz commented BCH did a good job in summarizing the testimonies.

Page 2-16 has been approved as amended.

Chapter 3

Page 3-1, the word "scenarios" was inserted in the second paragraph.

Page 3-2, \$82 million replaced \$83 million in the previous draft. In No. 1, the word "their" should be "its." Also, "they have" should be replaced with "it has." The sentence should read, "This first-priority allocation would give the visitor industry assurance that its taxes go to a body over which it has some control." Also, the next sentence, the word "It" should be "This." The sentence should read, "This would assure predictability for budgeting of tourism marketing and other HTA activities." Page 3-2 has been approved with amendments.

Page 3-3, Chair Acoba asked whether historical tax base means the taxes collected. Mr. Kirkpatrick answered, if you take the tax collection and you take the various levels in which they were collected, 7.25 percent, 9.25 percent, and then, calculate it back. This is why it's referred to as estimated historical tax base, calculated back to say, what is the total that is providing those tax revenues?

Page 3-4, Mr. Kirkpatrick said as requested they did a slight color change to Exhibit 3-1 so the numbers are clearer.

Member Sako asked if someone will review the report for format, to fix line spacing so it's consistent.

Page 3-5, the word, "Potential" has been added to Exhibit 3.2.

Pages 3-8 and 3-9, "\$82 million" replaced "\$83 million" in the previous draft.

Page 3-10, a sentence was added at the end of the second paragraph.

Page 3-12, Member Baz referred to the third bullet under, "Model Recommended by the Working Group to the Legislature" and stated if they did tourism-related, the 55/45 would actually be flipped. It should say, "...reflecting the expenditures on public services of these agencies." If they want to be more technical, then, use gross expenditures of public services provided by the general government of these agencies. Mr. Kirkpatrick said no because it takes you back to the State expends a lot more money than the counties. Member Baz said that is what is reflected in Exhibit 2-12, No. 7. Mr. Kirkpatrick said if you use the word, "gross," it sounds like you are talking about No. 1. Member Baz said No. 7 states "gross" as well. Mr. Kirkpatrick said his recommendation would be to avoid tying it into an interpretation of one particular line. Member Baz said the 55/45 split is based on reflecting the expenditures on the provision of public services of these agencies. Member Miyahira referred to page 2-16 and it states, "...represented the division of duties and responsibilities between the State and Counties." Member Baz agreed and said we need to be consistent with the language.

Chair Acoba referred to Exhibit 2-12 and stated that it's a conglomeration of indices, 52/48 is direct expenditures on tourism which is pretty close to gross expenditures which is 54/46. Would total expenditures be more appropriate—77/23? Member Baz explained that the TAT is revenue that is generated and then deposited into the general fund for the State and counties. When you're looking at the activities that those funds pay for, those are the primary governmental activities that are listed versus the total activities which include all of the special funds such as the highway fund, landing fees, other funds that pay for harbors, special activities that are taken out because the TAT doesn't go into that so this is kind of a compilation looking at the revenues versus expenditures side of things. Since the TAT revenue is general fund revenue that goes into paying for primary government activities that are not part of their enterprise fund, e.g. water department,

highways, etc., the counties' section are excluded from those expenditures as well because those are fee-based expenditures and not tax-based expenditures. This is why this correlates properly to the division of the TAT revenues as well.

Chair Acoba suggested making it a little broader to say, "Appropriate as between the jurisdictions," without getting into if it's tourism-related, total expenditure-related, etc. Member Sako asked if they are matching the language on page 2-16 that was agreed to. On page 2-16, second paragraph, "...the Working Group derived a judgment-based evaluation that a 55/45 division represented the division of duties and responsibilities between the State and Counties." Chair Acoba said the key word in that sentence is "judgment-based," rather than tying it to any particular indices.

Chair Acoba stated there are two separate questions: 1) evaluate the functions and duties and 2) what's the recommended allocation. The allocation doesn't necessarily have to reflect only the evaluation because evaluation of functions and duties, you get out a lot heavier on the side of the State than the counties but the allocation doesn't have to reflect the same thing.

Member Baz said the second item was to submit a recommendation to the Legislature on the appropriate allocation of TAT revenue as between the State and counties that properly reflects the division of duties and responsibilities relating to the provision of public services. He was tying that decision into the working group's charge in item 2, that properly reflects, they use the word appropriately, reflects the division of duties and responsibilities. It does, then, tie it to their charge on the working group to provide recommendations that is based on that. As a working group, they feel the judgment, that this is the appropriate allocation.

Member Miyahira suggested using "judgment-based" on page 3-12, third bullet as well as the same on page 2-16. He said copy the same language as page 2-16 so it's consistent.

Chair Acoba suggested another change on page 3-12, the first bullet at the top of the page: Fair: Allocations should equitably reflect, insert, "increases and reductions in TAT revenues and" expenditures of the State and counties, and be perceived to be fair.

Page 3-13, the highlighted paragraph, Mr. Kirkpatrick said this was his attempt to get that language in and now it seems to be redundant. It was decided to leave the paragraph in.

Chair Acoba suggested a small change to the highlighted paragraph, to use the word, "recognize" versus "recognizes."

Appendix H

Chair Acoba stated in looking at the models, he recalls that the definition of current and constant dollars be added. Mr. Kirkpatrick said it is somewhere in Chapter 2. Member Baz stated on page 3-4, it reflects current dollars but he doesn't see where it defines it. It is also noted on page 3-5 that describes it as the difference correlating current to nominal and constant to real.

Chair Acoba asked a question on the constant dollar model for the recession aspect of C2, and if it's included. Mr. Kirkpatrick replied, no. He said the decision last time was to get rid of, what he calls the stress-test; the version of the recessionary model that has both changes that tied to changes in constant dollars value that are tax-based.

Char Acoba asked if all handouts are on the Auditor's website. ASA Yamane stated everything that was made available to the Working Group is up on the website.

Mr. Kirkpatrick said the question comes up about adding further notes on the definition of current and constant dollars. His suggestion would be to put in the first part of Appendix H-1 because those terms already come up as a footnote in Chapter 3. Member Sako asked if it is to be included in Appendix H-1. Member Baz stated to should say, "all models reflect current dollars which are...." Member Sako asked if we need it in the report so it has references to it. Mr. Kirkpatrick said it's in the report, it's just not defined. Member Sako said as someone is reading the report, we are going to send them to Appendix H to see the definitions or, we are going to wait until they get there, or, do we need it in the report. Chair Acoba said he thinks it is needed in the report. Member Sako said you don't want people having to hunt for it. Mr. Kirkpatrick said it first appears in the footnote on 3-4, they will find a way to add a couple of sentences.

Mr. Kirkpatrick said in the exhibits, the yellow highlighting is just to say, the FY2015-2016, are not by the rules, they said it's by the existing acts. He would like to keep the yellow highlighting because it's not about their process; it's about recognizing what the Legislature has already set forth. These amounts are set by, not by this particular model but by the current acts of the Legislature. Member Sako asked if it could be put as a note for Appendix H-1. Mr. Kirkpatrick said it's in the text and he will add it as a note.

Chair Acoba referred to the handout from Mr. Kirkpatrick. Mr. Kirkpatrick replied, after reviewing the minutes from the October 21st meeting, he noticed there was a couple of times where people have said, "this ought to be in the report" and he has not reflected that in the previous draft report. There are two separate things; one is a discussion on shares, indexing, etc. The second is a discussion on baseline. He tried to talk about cumulative implications of various models. There is a table with three of them and he found it doesn't clarify things. His recommendation would be to kill the second one but if he's missing the whole point of the baseline, then, it needs to be corrected.

Chair Acoba suggested, there is no need for the second part of the handout. Mr. Kirkpatrick agreed but asked if they need to talk about the baseline. Member Baz concurred. Chair Acoba asked respectfully to reject that proposal. Member Baz said it is reflected in there, if you read through the report and in discussions and decision-making without having to restate it that way. It was agreed upon to reject both parts of the handout.

V. Findings and Purpose Statement Investigative Group – Discussion and acceptance of report (handout)

Member Evans stated at the last meeting, Member Soon summarized the charge of the Chair to the investigative committee and she followed-up noting the investigative committee had deliberated on the Findings and Purpose Statement through a series of communications and they had come up with a set of recommendations and it represented their report to the working group. Of the three-meeting rule, they are at the third meeting, and before the group is the final draft of the Findings and Purpose Statement. She would like to address a couple of items. Member Case got enthusiastic and drafted Section 3. Section 1 continues on to page 2. Section 2- Purposes, starts on page 3 along with Section 3 which continues on to pages 4 and 5 followed by Sections 4 and 5.

Member Case added Sections 3, 4, and 5. Members of the investigative group reviewed this final version. Three members agreed with all of it; however, one member, Member Soon had some comments and notes that he gave to the rest of the investigative group. She would like the

minutes to reflect that Member Soon did have some items that he would have retained or wanted to add.

Three of the four members of the investigative group had agreed to this version. Member Kam asked if she could share what Member Soon's concerns were. Member Evans stated on page 2, (4) (b), Member Soon would have wanted to include language that would be added at the end, stating, "With any additional State funding for the HTA made out of state general funds by separate appropriations." The rest of them didn't feel it was necessary. Member Williams said if the \$82 million fund had to grow, it would grow out of the general fund. Member Evans said yes. Chair Acoba stated it's already said in (c). Member Baz stated he read (c) and the implication of it, it's for the other existing allocations—Turtle Bay, Convention Center, and DLNR. Member Williams said for (c), if you do any more types of those things, it comes out of the State general fund. Member Sako asked if he wanted to add that same language to (b). Member Evans said he wanted the investigative group to know that that is what he would recommend. Member Sako asked, part of that same language in (c) added to (b), is that what they have said as a group. Member Baz stated what they need to do is to accept this investigative group's report and adopt the language in Chapter 4, then, they can then revise it.

Member Evans stated what Member Soon also wanted was an under-phrase in (c), the line after Turtle Bay conservation easement special fund should be maintained—he wanted to insert in between "at" and "their," "no greater than." Member Kam said no greater than their current levels and he asked if the group is okay with that. Member Evans said no, the three of them were good with what's in front of them now but not with the additions. Member Kam said those are his concerns because he's thinking for example, the Convention Center, they keep on reloading, even though it's there, they reload it to fund out so he thinks it's a good thing to have in there. Member Williams asked why they wouldn't want that in there. Member Evans stated because it's a findings section, not actual language, they wanted to keep it as simple. This section is not part of setting the law.

Member Baz asked if the WG would like to accept the report. It was moved by Member Evans, seconded by Member Miyahira, to accept the investigative group's report on Findings and Purposes Statement. Member Sako had a procedural question if this will be given to LRB to draft legislation, if the group is not in agreement, how they make recommendations because she doesn't think it is on the agenda to make changes. She's not trying to change the report of the investigative group, she has a minor comment about the effective date. Chair Acoba said this is all subject to LRB, if some dates are wrong, hopefully, they will let us know. Member Sako asked if LRB will have a draft back by the next meeting. ASA Yamane said she hopes so.

Member Miyahira said by looking at the report, it looks like the complete bill. Chair Acoba said that is what he was going to mention. Member Case did Section 3 on his own. Member Sako said they should focus on Sections 1 and 2 today. Chair Acoba said unless they want to give LRB section 3 as an illustration. Member Baz said the comment about Section 3, if they are stating in the report that they are not discussing and they haven't made a recommendation on the issue of the use of TAT moneys for payment of EUTF but they are giving them a bill that includes that language in there that is basically saying, they are making that statement, that was his concern about Section 3.

Chair Acoba stated in effect, the report leaves that intact, it's there, they didn't change it. Member Williams said it's there because of the statute. Member Sako said she was confused about the whole thing because she feels it's their report that the WG needs to accept but some of them have comments.

ASA Yamane said what the WG is not seeing in the bill itself is, there is such a thing called Ramseyer format, LRB will put all the existing language in the statute and they will include a

bracketed strikethrough for language that will be repealed; and underscore new language. So when the bill comes back from LRB, you will see the law as it exists, the strikethroughs on items that will be taken out, and underscoring for new language. So, the concern about the EUTF will be reflected as existing language, it will be shown as the base language for the existing law.

Chair Acoba asked if the WG should reject Section 3 because he's not sure what they will be accomplishing by it. Member Miyahira asked a question, it seems the conclusions and findings mirror what's in the report. He's a little leery if they start adding specifics that he doesn't see in the report.

Member Evans said the investigative group's intent wasn't to change what the WG decided; it's simply to reflect the WG's findings and purpose. Member Miyahira stated when Member Evans stated Member Soon's comments; he's concerned because he doesn't recall seeing that in the report. Member Williams asked if Member Soon's part was after Section 2, Section 3 is basically Member Case's additions, and it goes all the way to Sections 4 and 5. Member Evans said it wasn't in their charge but he did it anyway.

Member Williams stated he doesn't know why we need this based on what the group already has. However, he would like add something in the Purpose section. He said he kind of gets the jist of how the group thought about the division of moneys based on the division of responsibilities. If there was a possible way of putting in, coming from his side of looking at it, the counties do have a great responsibility and the counties' responsibility is to continue to build a product. It's not mentioned there and it's a huge responsibility—if they don't continue to think that way, Hawai'i won't be any different from other locations as a global world continues to be more competitive. So, they really need to think and he can understand the fact that they have to have costs, fixed costs, and take care of things that are infrastructure but at some point, we really need to understand that TAT money is sort of the money that goes in the furnace to build the product and if there was a way, in the Purpose statement, in some way, shape, or form, that the continuance to build a product, to make sure we are able to stay competitive on a global nature and who's responsible, it's the county. He would like to have a phrase that basically says, there is an obligation to continue to build a product.

Member Sako asked when talking about "to build a product," are you talking about infrastructure and taking care of things or are you talking more about selling. Member Williams said it's more investing. Member Kam said it's specifically for things like lifeguards, parks, restrooms. Member Sako said which is great. The counties can take care of county facilities but she wanted to remind everyone that there are a lot of State parks. Member Williams said the reason he says county is because it's your home and it's because of that, it needs to be collaborative between State and counties because we should have the best in that. Member Sako said she understands but the other part which she thought was not mentioned is the importance of tourism to our State and that's why the State's tourism fund is number one and comes off the top. We don't need a whole paragraph, just a sentence.

Chair Acoba referred to (4) (a) at the end, to say, in light of the importance of tourism being the premiere industry of the State. It should actually be added to (4) (b), it fits better. Member Williams suggested it should have its own phrase. It's funny how we hear so much about impact but really, it's not impact, it is an investment into the best, the largest industry that we have here in Hawai'i and we just need to make sure that people understand that. Chair Acoba suggested, how about in view of the need to invest in tourism as the premiere industry of the State.

Member Miyahira asked if the group had discussions so that we can have something in the report. He's a little uncomfortable that we come in at the end. Member Kam said it's been consistently always said. Chair Acoba asked if everyone can live with that, in view of the need to invest in tourism as the premiere industry of the State.

Chair Acoba referred to (4) (c), does land trust need to be included. Member Evans stated that's how the \$3 million flows. Member Williams said the land trust was the investment for Turtle Bay. Chair Acoba just wanted to make sure they didn't miss anything.

Member Miyahira said he was looking at page 2-3 and they talk about the three investigative groups and he's sure there was something in their discussions along those lines. Mr. Kirkpatrick said on page 2-12, it talks about the visitor industry investigative group. He was hoping they would say something like, the TAT revenues provide a stable mechanism for continuing investment for Hawai'i's tourism infrastructure. He would like to see that as a paragraph at the end of the tourism working group statement. Chair Acoba suggested saying, "in effect." Member Williams suggested adding, "continue to be a global leader in tourism."

Member Baz suggested taking a vote to accept the investigative group's report and then they can move to modify in their report the presentation in Chapter 4. The items that are in the investigative group's report are going to be included in Chapter 4 along with the LRB language.

Member Evans moved to amend the motion on the table that only Sections 1 and 2 of the draft bill considered for acceptance by the working group, as amended. It was seconded by Member Miyahira, and unanimously carried to accept Sections 1 and 2 of the investigative group's report with the amendments to (4) (b) to add to the end of the sentence, "In view of the need to invest in tourism as a premiere industry of the State."

Chair Acoba stated a motion to include the part of the investigative group's recommendation as to Sections 1 and 2 be included as part of Chapter 4 of the report. It was moved by Member Baz, seconded by Member Miyahira, and unanimously carried to include Sections 1 and 2 as part of Chapter 4 of the report.

ASA Yamane asked Member Evans to send an amended version of the investigative group's report to the Office of the Auditor.

Chair Acoba suggested amending the report and asked for a motion to amend the report in line with what was just adopted. It was moved by Member Baz, seconded by Member Evans, to include language from the consultant, on page 2-14 of the report related to the visitor industry investigative group. Chair Acoba asked Mr. Kirkpatrick to repeat the language. The new paragraph on page 2-14, "In effect, the visitor industry group found that TAT revenues could provide a stable mechanism for continuing investment in Hawai'i's tourism infrastructure." Member Williams disliked the word, "infrastructure," he preferred the word, "product." He likes the word, "product" because product tells you how we think and see it. Member Sako said it's not defined anywhere in the report. She doesn't have a problem with the word; it just may be a little confusing. Member Williams suggested saying, "product that keeps us competitive on a global basis." Mr. Kirkpatrick stated the new language for the new paragraph on page 2-14, "In effect, the visitor industry group found that TAT revenues could provide a stable mechanism for continuing investment in Hawai'i's tourism product keeping Hawai'i competitive on a global basis."

Ms. Oshiro asked the WG for one motion to accept the changes in the entire report. Chair Acoba asked for a motion to accept the wording to be included on page 2-14, including all other changes to the report. It was moved by Member Baz, seconded by Member Williams, and unanimously carried to accept the final report with all changes discussed during this meeting

Member Baz asked if the WG will be addressing Member Soon's comments. Member Evans stated what Member Soon wanted in (b) ended up in (c). If he could have convinced the investigative group, there would have been an addition to subsection (4), another sentence that would have said, "As to any future funding desired by the State and counties, whether or not, for

visitor industry purposes, the jurisdiction authorizing the program should fund the program out of its own revenue sources including, for visitor industry purposes, its remaining transient accommodations tax revenue allocation.” The rest of the group is not in agreement with that. He also suggested, “The current allocation percentages between the counties of the overall counties’ share, transient accommodations tax revenues remain appropriate and does not require adjustment.” Member Baz stated there was one thing he mentioned about the current allocations and if any future, no greater than. Member Evans said that was for (4) (c), line 7, following the word “at,” he would have inserted, “no greater than.” Member Miyahira stated he’s getting uncomfortable and although they may have discussed some of these things, the group didn’t come to any consensus, it is better left unsaid.

Mr. Kirkpatrick just wanted to verify that Member Evans will be doing the re-write on the Chapter 4 materials, sending it to Ms. Oshiro and it will be forwarded to him. ASA Yamane stated once she receives all of the pieces, the draft with the changes and the investigative group’s piece, that draft will be shared with LRB. For non-substantive technical amendments and tech edits, she hopes it’s okay with the working group for the Office of the Auditor to work with the consultant.

VI. Adjournment: With no further business to discuss, Chair Acoba adjourned the meeting at 12:02 p.m.

Reviewed and approved by:



Jan K. Yamane
Acting State Auditor

[✓] Approved as circulated.

TATWG/20151112