

LINDA LINGLE
GOVERNOR



RUSS K. SAITO
Comptroller

Barbara A. Annis
Deputy Comptroller

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

WRITTEN TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
LABOR & PUBLIC EMPLOYMENT
ON
January 29, 2008

H.B. 3141

RELATING TO GOVERNMENT SERVICES

Chair Sonson and members of the Committee, thank you for the opportunity to testify on H.B. 3141.

The Department of Accounting and General Services supports this bill. It will reinstate the authority of state and local government agencies to provide necessary state services by exempting positions or contracts with non-government entities from hiring and contracting processes. In doing so, the Act enables state and local government agencies to deliver services by the most efficient means possible, and this can have a positive impact upon both the public and private sectors of our economy.

Thank you for the opportunity to submit written testimony on this matter.

LINDA LINGLE
GOVERNOR OF HAWAII



MARIE C. LADERTA
DIRECTOR

CINDY S. INOUE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

January 28, 2008

TESTIMONY TO THE
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
For Hearing on
Tuesday, January 29, 2008
Conference Room 309

BY

MARIE C. LADERTA, DIRECTOR

House Bill No. 3141

Relating to Government Services

TO CHAIRPERSON SONSON AND MEMBERS OF THE COMMITTEE:

Chair Sonson, thank you so much for the prompt scheduling of House Bill No. 3141 for hearing.

The purpose of House Bill No. 3141 is to provide flexibility and reliability to the hiring and contracting processes by exempting from civil service law positions or contracts for personal services lasting up to one year with non-government entities.

The Department of Human Resources Development **strongly supports** this Administration-sponsored bill.

In passing Act 90 in 2001, the Legislature found that it was important for the State and county governments to have the ability to deliver services by the most efficient means possible, and that such flexibility can have a positive impact upon both the public and private sectors of our economy.

The Legislature also found that it was important to address and resolve the uncertainty created by the Hawaii Supreme Court's decision in *Konno v. County of Hawaii*, 85 Haw. 61 (1997), regarding government's ability to rely upon the private sector for services government needs or is required to provide.

With the sunset of Act 90, Part II, in June 2007, this uncertainty has now returned and once again the basic authority of the State and county governments to deliver public services has been called into question. After *Konno* and without re-enactment of Act 90, the contracts between the State and private contractors for services may be voided, which we anticipate will likely have a substantial adverse impact upon the functioning of State government and upon our State's economy.

Enactment of this bill is critical to address the uncertainty and disruption created by the sunset of Act 90, and to enable the Governor and the executives of the other jurisdictions to utilize appropriate contracting arrangements to continue to provide government services more efficiently.

However, we request that Section 3 of this bill be taken out in its entirety since the deletion of HRS 76-77 (16) was unintentional.

Accordingly, we respectfully request passage of this important measure. Thank you for the opportunity to provide testimony.

Respectfully submitted,



MARIE C. LADERTA,
Director



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME LOCAL 152, AFL-CIO

888 MILILANI STREET, SUITE 601 • HONOLULU, HAWAII 96813-2991



Randy Perreira *Executive Director*
Tel: 808 543-0011 Fax: 808 528-0922

Nora A. Nomura *Deputy Executive Director*
Tel: 808 543-0003 Fax: 808 528-0922

Derek M. Mizuno *Deputy Executive Director*
Tel: 808 543-0055 Fax: 808 523-6879

The Twenty-Fourth Legislature, State of Hawaii
The House of Representatives
Committee on Labor and Public Employment

Testimony by
HGEA/AFSCME, Local 152, AFL-CIO
January 29, 2008

H.B. 3141 – Relating to Government Services

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposes H.B. 3141. This measure adds a new chapter to Hawaii Revised Statutes that will allow for the procurement of services from private contractors that have been customarily provided by civil service employees.

The HGEA is opposed to the privatization the state and counties could exercise under this bill. It is our firm opinion that government should provide services to the public. Services should not be contracted out without good reason, careful forethought and rigorous oversight. The quality of services often deteriorates when profit is the prime motivation in service delivery.

Last year, we did support legislation (H.B. 1171) which allowed contracts with private entities or persons for services lasting for no more than one year and at a cost of no more than \$750,000. Through this measure, the counties will have the ability to continue contracts with private entities to enhance or supplement existing services. That language was inserted based on agreement between the respective public sector unions and county employers.

Thank you for this opportunity to testify in opposition to H.B. 3141.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'N.A. Nomura', written in a cursive style.

Nora A. Nomura
Legislative Officer