

Honolulu, Hawaii

MAY 01 2009 , 2009

RE: S.B. No. 21
S.D. 1
H.D. 1
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 21, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to provide, among other things, temporary exemptions from statutes relating to procurement, rulemaking, and employment in order to allow the State to expedite the implementation or expansion of programs, services, and benefits authorized by the American Recovery and Reinvestment Act of 2009 (ARRA).

The American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, envisioned by President Obama as money going "out the door immediately," will require expedited procedures to allow the State to take full advantage of funding from the federal stimulus plan to expeditiously address the programs, services, and benefits



needed by the people of Hawaii. With regards to construction moneys, a recent article in the *Pacific Business News* of April 24, 2009, entitled "Hawaii stimulus money hits the roads," featured the importance of expediting the processing of "shovel ready" projects in getting jobs out to bid, evaluation, and award.

Your Committee on Conference finds that in these times of economic turmoil, this measure would be instrumental in bringing, as soon as possible, additional financial assistance and other social services to Hawaii residents who have been affected by the current economic circumstances as well as improving and expanding benefits to the neediest individuals and families in Hawaii.

The intent of your Committee on Conference is to ensure a fair, equitable, and transparent process of awarding contracts that facilitates expediency, economy, openness, and compliance with laws and rules. This measure is necessary because of the limited time frame in which the federal government has imposed on states to expend federal moneys in order to stimulate the economy in the shortest possible time.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section to include reference to accountability and transparency to prevent fraud, waste, abuse, and to ensure the use of competitive procedures;
- (2) Exempting an offeror who has been awarded a contract from section 103-53(a), Hawaii Revised Statutes, relating to tax clearances as a prerequisite to entering into the contract;
- (3) Amending section 3, relating to the process of procurement by including more specific bidding, qualification, selection, and protest procedures to ensure fairness in the award of ARRA funds;
- (4) Requiring the State Procurement Office to adopt interim rules, effective through December 31, 2010, to implement this Act;
- (5) Deleting reference to the expenditure ceiling placed on the use of temporary assistance to needy families program funds in the Supplemental Appropriations Act of 2009, and substituting an appropriation of \$15,000,000 out of the federal temporary assistance for needy families funds




provided to the State under the American Recovery and Reinvestment Act of 2009 for fiscal year 2008-2009 to be used for the temporary assistance for needy families program; provided that these moneys are in addition to temporary assistance for needy family funds in the General Appropriations Act of 2009, and any other appropriations of temporary assistance for needy families funds for fiscal year 2008-2009; and

(6) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 21, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 21, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE



JAMES KUNANE TOKIOKA, Co-Chair



MARCUS R. OSHIRO, Co-Chair

ON THE PART OF THE SENATE



BRIAN T. TANIGUCHI, Chair



DWIGHT Y. TAKAMINE, Co-Chair

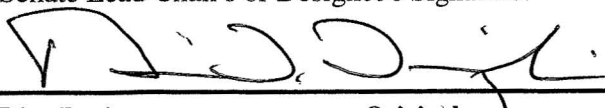
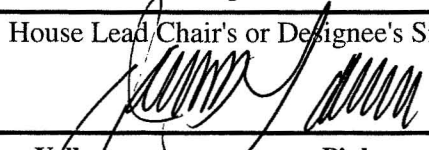


DONNA MERCADO KIM, Co-Chair



Hawaii State Legislature
Record of Votes of a
Conference Committee

CLR 168

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|---|--|---------------------------------------|----|----------------------|---|--|-------------|------------------|----|---|---|
| Bill / Concurrent Resolution No.: SB 21, SD 1, HD 1 | | | | | Date/Time: <i>5/1/09 3:30pm</i> | | | | | | |
| <input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD). | | | | | | | | | | | |
| <input type="checkbox"/> The Committee is reconsidering its previous decision. | | | | | | | | | | | |
| <input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure | | | | | <input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure. | | | | | | |
| Senate Managers | | A | WR | N | E | House Managers | | A | WR | N | E |
| TANIGUCHI, Brian T., Chr. | | ✓ | | | | TOKIOKA, James Kunane, Co-Chr. | | ✓ | | | |
| TAKAMINE, Dwight Y., Co-Chr. | | ✓ | | | | OSHIRO, Marcus R., Co-Chr. | | ✓ | | | |
| KIM, Donna Mercado, Co-Chr. | | ✓ | | | | CHOY, Isaac W. | | ✓ | | | |
| KOKUBUN, Russell S. | | ✓ | | | | KEITH-AGARAN, Gilbert S.C. | | ✓ | | | |
| HEMMINGS, Fred | | | | | ✓ | OSHIRO, Blake K. | | ✓ | | | |
| | | | | | | WARD, Gene | | ✓ | | | |
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| TOTAL | | 4 | 0 | 0 | 1 | TOTAL | | 6 | 0 | 0 | 0 |
| A = Aye | | WR = Aye with Reservations | | | N = Nay | | E = Excused | | | | |
| Senate Recommendation is: | | | | | | House Recommendation is: | | | | | |
| <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | | | <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | | |
| Senate Lead Chair's or Designee's Signature: | | | | | | House Lead Chair's or Designee's Signature: | | | | | |
|  | | | | | |  | | | | | |
| Distribution: | | Original | | Yellow | | Pink | | Goldenrod | | | |
| | | File with Conference Committee Report | | House Clerk's Office | | Senate Clerk's Office | | Drafting Agency | | | |