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# SENATE CONCURRENT RESOLUTION

REQUESTING THE ESTABLISHMENT OF A PROMPT PAYMENT TASK FORCE TO EXAMINE AND RESOLVE ISSUES THAT PREVENT STATE AGENCIES FROM MAKING PROMPT PAYMENT FOR GOODS AND SERVICES PURCHASED THROUGH NONPROFIT ORGANIZATIONS, PARTICULARLY HUMAN SERVICE NONPROFIT ORGANIZATIONS, THAT DELIVER PIVOTAL GOODS AND SERVICES TO INDIVIDUALS, FAMILIES, AND COMMUNITIES.

1           WHEREAS, nationally, state and local governments contract  
2 with nonprofit organizations - particularly human service  
3 organizations - to deliver pivotal services to individuals,  
4 families, and communities; and

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6           WHEREAS, in October 2010, the Urban Institute released  
7 three related reports, including a "National Study of  
8 Nonprofit-Government Contracting, State Profiles", which  
9 outlined a variety of problems faced by these nonprofits; and

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11           WHEREAS, nationally, nearly thirty-three thousand human  
12 service providers had almost two hundred thousand government  
13 contracts in 2009; and

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15           WHEREAS, despite the prevalence and importance of  
16 government contracting, most nonprofits experienced some  
17 problems with their government contracts and grants; and

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19           WHEREAS, key problems included payments not covering full  
20 program costs, complex and time-consuming applications and  
21 reporting, changes to contractual and grant agreements, and late  
22 payments; and

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24           WHEREAS, in Hawaii, one hundred and sixty-one human service  
25 nonprofits provided services to state and county government in  
26 2009, and fifty per cent of the nonprofits reported problems  
27 with late payments, which is substantially higher than the  
28 national average of forty-one per cent; and



1 WHEREAS, nonprofits are not alone in dealing with the  
2 problems outlined in the Urban Institute data; and

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4 WHEREAS, small businesses that contract with governments  
5 report the same concerns and face the same negative  
6 consequences, and both nonprofits and businesses struggle to  
7 make ends meet in an economy that continues to falter; now,  
8 therefore,

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10 BE IT RESOLVED by the Senate of the Twenty-sixth  
11 Legislature of the State of Hawaii, Regular Session of 2011, the  
12 House of Representatives concurring, that the Comptroller is  
13 requested to establish a prompt payment task force; and

14  
15 BE IT FURTHER RESOLVED that the Comptroller is requested to  
16 invite the initial members of the task force, including at least  
17 one member from each of the following:

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- 19 (1) The State Procurement Office of the Department of
- 20 Accounting and General Services;
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- 22 (2) The Department of Budget and Finance;
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- 24 (3) The Department of Health;
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- 26 (4) The Department of Human Services;
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- 28 (5) The Hawaii Alliance of Nonprofit Organizations;
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- 30 (6) The Building Industry Association of Hawaii or The
- 31 Pacific Resource Partnership;
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- 33 (7) The Senate Committee on Economic Development and
- 34 Technology;
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- 36 (8) The Senate Committee on Human Services;
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- 38 (9) The Senate Committee on Public Safety, Government
- 39 Operations, and Military Affairs;
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- 41 (10) The House of Representatives Committee on Economic
- 42 Revitalization and Business;
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1 (11) The House of Representatives Committee on Human  
2 Services; and  
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4 (12) The House of Representatives Committee on Public  
5 Safety and Military Affairs; and  
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7 BE IT FURTHER RESOLVED that the prompt payment task force  
8 is requested to examine and resolve issues that prevent state  
9 agencies from making prompt payment for goods and services  
10 purchased through nonprofit organizations, particularly human  
11 service nonprofit organizations, that deliver pivotal goods and  
12 services to individuals, families, and communities; and  
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14 BE IT FURTHER RESOLVED that the prompt payment task force  
15 is requested to submit a report of its findings and  
16 recommendations, including any proposed legislation, to the  
17 Legislature no later than twenty days prior to the convening of  
18 the Regular Session of 2012; and  
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20 BE IT FURTHER RESOLVED that the prompt payment task force,  
21 upon the request of the Legislature, participate in a joint  
22 informational briefing to discuss its report; and  
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24 BE IT FURTHER RESOLVED that certified copies of this  
25 Concurrent Resolution be transmitted to the Comptroller; the  
26 Administrator of the State Procurement Office, Department of  
27 Accounting and General Services; the Director of Finance; the  
28 Director of Health; the Director of Human Services; the Chair of  
29 the Board of Directors of the Hawaii Alliance of Nonprofit  
30 Organizations; the President of the Building Industry  
31 Association of Hawaii; the Executive Director of The Pacific  
32 Resource Partnership; the Chair of the Senate Committee on  
33 Economic Development and Technology; the Chair of the Senate  
34 Committee on Human Services; the Chair of the Senate Committee  
35 on Public Safety, Government Operations, and Military Affairs;  
36 the Chair of the House of Representatives Committee on Economic  
37 Revitalization and Business; the Chair of the House of  
38 Representatives Committee on Human Services; and the Chair of  
39 the House of Representatives Committee on Public Safety and  
40 Military Affairs.  
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