

STAND. COM. REP. NO. 1148

Honolulu, Hawaii

March 24, 2011

RE: S.B. No. 777
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Economic Revitalization & Business, to which was referred S.B. No. 777, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PAYMENT FOR GOODS AND SERVICES,"

begs leave to report as follows:

The purpose of this measure is to establish a prompt payment task force to examine and resolve issues relating to state agencies' payments for goods and services purchased through nonprofit organizations.

Your Committee received testimony in support of this measure from the Department of Education; Goodwill Industries of Hawaii, Inc.; and the Hawaii Alliance of Nonprofit Organizations.

Your Committee finds that payment delays have contributed to creating undesirable consequences for nonprofit organizations, such as having to freeze or reduce employee salaries, draw on reserves, reduce their workforce, reduce benefits, borrow funds or reduce lines of credit, and downsize programs. In 2009, fifty per cent of the nonprofits in Hawaii reported problems with late payments, which is higher than the national average of forty-one per cent.

Your Committee has amended this measure by adding a representative of the nonprofit organization Protecting Hawaii's

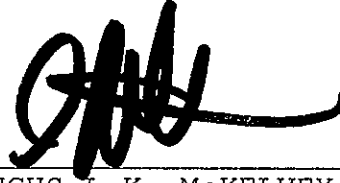
SB777 HD1 HSCR LRB 11-2731.doc



Ohana, Children, Underserved, Elderly, and Disabled (PHOCUSED), to the task force and by changing the effective date to July 1, 2112, in order to facilitate continued discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 777, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 777, S.D. 1, H.D. 1, and be referred to the Committee on Legislative Management.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization & Business,



ANGUS L.K. MCKELVEY, Chair



HSCR 1148

State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Economic Revitalization & Business

Bill/Resolution No.: SB 777 SD 410 ^{SSR} 410	Committee Referral: ERB, FIN	Date: 3/22/11
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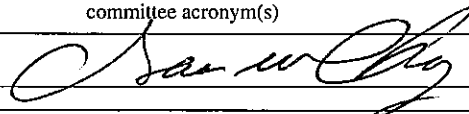
The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

ERB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. CHOY, Isaac W. (VC)	/			
3. AWANA, Karen L.	/			
4. BROWER, Tom				✓
5. EVANS, Cindy	/			
6. HASHEM, Mark J.	/			
7. NISHIMOTO, Scott Y.	/			
8. TOKIOKA, James Kunane	/			
9. TSUJI, Clift	/			
10. MARUMOTO, Barbara C.	/			
11. PINE, Kymberly Marcos	/			
TOTAL (11)	10	0	0	1

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
 committee acronym(s)

Vice Chair's or designee's signature: _____



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