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TO: Senator David Ige, Chair
Committee on Ways and Means

FROM: Alex Santiago, Executive Director
PHOCUSED

HEARING: Wednesday, April 11, 2012, 9:35AM, Conference Room 211

RE: **Support for SCR 40 SD 1**, requesting an extension of the government contracting task force.

Chair Ige and members of the Committee on Ways and Means,

I am Alex Santiago, the Executive Director of PHOCUSED, a coalition of health, housing, human service agencies and individual advocates voicing the needs of the marginalized and underserved in Hawaii. For those reasons PHOCUSED supports this resolution.

Late payments from the state is a widespread problem that can affect organizations' abilities to serve people in need. The number and scale of late payments exposes a larger systemic problem that needs further examination to arrive at a long-lasting solution that will save both the public and private sectors money. This task force has already conducted research and is primed to continue to find solutions that are best for everyone.

For these reasons, PHOCUSED supports SCR 40, SD 1. Mahalo for the opportunity to testify.



Testimony to House Committee on Finance

Wednesday, April 11, 2012

9:35 a.m.

Capitol Room 211

RE: SCR 40, Requesting the renaming of and the extension of the Prompt Payment Task Force to develop recommendations to address issues that affect procurement for goods and services purchased through nonprofit organizations, including human service nonprofit organizations that deliver pivotal goods and services to individuals, families, communities, and other small businesses.

Good morning Chair Oshiro, Vice-Chair M. Lee, and members of the Committee:

My name is Gladys Quinto Marrone, Government Relations Director for the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, BIA-Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-Hawaii **supports** SCR 40 SD1, which requests the renaming of and the extension of the Prompt Payment Task Force to develop recommendations to address issues that affect procurement for goods and services purchased through nonprofit organizations, including human service nonprofit organizations that deliver pivotal goods and services to individuals, families, communities, and other small businesses. The proposed name of this task force is the Government Contracting Task Force.

While BIA-Hawaii's members are not nonprofit, we feel obligated to continue on this government contracting task force since we were involved in the passage in 2006 of H.B. 3036 CD1, which related to prompt payment for subcontractors. We believe our role is to monitor the task force's progress, as well as to provide input that may be helpful to its success.

Thank you for the opportunity to express our views.

Testimony by Howard S. Garval, President & CEO on **SCR 40, SD 1-Requesting An Extension of the Government Contracting Task Force**, Senate Ways and Means Committee, April 11, 2012, 9:35 a.m., Room 211, State Capitol

Chair Senator David Ige and Vice-Chair Senator Michelle Kidani and Committee Members:

I am Howard Garval, President & CEO of Child & Family Service. This testimony is in strong support for SCR 40, SD 1 that re-names the previous “Prompt Payment Task Force” to the “Government Contracting Task Force” and extends the deadline to the end of 2012.

Due to the complexity of the issue and the fact that delayed payments are symptoms of larger systemic challenges, the task force needs more time to define and understand the scope of the issue and to find solutions agreeable to all parties. Since many of the challenges identified relate to technology, this resolution also proposes that the State’s Chief Information Officer participate on the task force as well as a member of the Chamber of Commerce.

Child & Family Service participated on the Prompt Payment Task Force and strongly supports SCR 40, SD 1 so the work can be completed and recommendations can be made.

Mahalo for the opportunity to submit testimony.

Aloha,

Howard S. Garval, President & CEO

Chair Senator David Ige, Vice-Chair Senator Michelle Kidani and Committee Members

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**Testimony to the Senate Committee on Ways and Means
Wednesday, April 11, 2012 at 9:35 a.m.
Conference Room 211, State Capitol**

RE: SCR 40, SD1 RELATING TO GOVERNMENT CONTRACTING TASK FORCE

Chair Ige, Vice Chair Kidani, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") supports SCR 40 SD1 relating to the Government Contracting Task Force.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

SCR 40 SD1 renames the Prompt Payment Task Force to the Government Contracting Task Force, extends the deadline for reporting by the task force to December 2012, and adds the State Chief Information Officer and a representative from the Chamber of Commerce of Hawaii to the task force.

A recent nationwide Nonprofit State of the Sector study conducted by the California-based Nonprofit Finance Fund showed that those who received state or local funding experienced late payments by government.

The task force met in 2011 in an attempt to understand the problems arising from the prompt government contract payments to predominantly nonprofit and human service providers. Due to the complexity of the issue and the fact that delayed payments are symptoms of larger systemic challenges, the task force requires more time to define and understand the scope of the issue and to find solutions agreeable to all parties. The Chamber was part of this task force.

The Chamber supports adding a representative from The Chamber so that we continue to be part of the discussion on the higher systematic issues of contracting and payment processes, communication, technology, accountability, transparency, education and training, and capacity of our nonprofit providers, and to help come up with recommendations.

For these reasons, the Chamber support SCR 40 SD1 relating to the Government Contracting Task Force. Thank you for the opportunity to testify.