

SCR 40

EDT-PGM



February 28, 2012

Senator Carol Fukunaga
Chair, Committee on Economic Development and Technology
Senator Will Espero
Chair, Committee on Public Safety, Government Operations and Military Affairs
Hawaii State Senate
State Capitol, Room 016
Honolulu, HI 96813

**SCR 40-REQUESTING AN EXTENSION OF THE PROMPT PAYMENT
TASK FORCE**

Dear Chair Fukunaga, Chair Espero and members of the EDT and PGM Committees:

The Hawai'i Alliance of Nonprofit Organizations strongly supports SCR 40, which calls for an extension of the Prompt Payment Task Force, which was legislated in the 2011 Legislature.

HANO was represented on the task force. It is a statewide, sector-wide professional association for nonprofits. HANO members provide essential services to every community in the state. Our mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai'i.

The task force met over five months in the latter half of 2011 and covered much ground in understanding the obstacles to prompt government contract payments to predominantly nonprofit health 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.

If an extension is granted, future task force discussions need to focus on the higher systemic issues that include contracting and payment processes, communication, technology, accountability, transparency, education and training, and capacity of our nonprofit providers.

The fact that many of the prompt payment challenges are technology-oriented presents an opportunity to feed information to and align with the goals of the State's Chief Information Officer in his endeavor to modernize IT, business systems, HR and financial and tax systems for state government. For these reasons, we support SCR 40. Thank you for the opportunity to testify.

Mahalo,
Lisa Maruyama, President and CEO, HANO
Member, Prompt Payment Task Force

To: The Honorable Senator Carol Fukunaga, Chair
The Honorable Senator Glenn Wakai, Vice Chair
Senate Committee on Economic Development and Technology

The Honorable Senator Will Espero, Chair
The Honorable Senator Michelle N. Kidani, Vice Chair
Senate Committee on Public Safety, Government Operations, and Military Affairs

From: Laura Robertson Smith, President/CEO, Goodwill Industries of Hawaii, Inc.

Date: February 28, 2012

Re: **Letter in Support of SCR 40 - Requesting the Extension of the Prompt Payment Task Force.**

Goodwill Industries of Hawaii, Inc. is in support of SCR 40, Requesting the Extension of the Prompt Payment Task Force.

This task force was formed during the last legislative session in order to identify the key problems that nonprofits have identified in doing business with State Government. These issues include not covering full program costs, complex and time-consuming application and reporting midstream contract changes and late payments. In sitting in on several meetings of the task force it became apparent that the issues are extremely complex, and that further time is needed in order to complete a thorough review on the matter.

Goodwill contracts with the State to provide various types of Human Service programs that serve people with disabilities, people transitioning off welfare, youth at risk, those formerly incarcerated and many other people seeking employment. Our contracts with the State government are a partnership, in which we deliver a range of services in exchange for payment on a specified payment schedule.

Payment delays have many effects on us, including affecting our decisions on when to hire staff, purchase equipment, or make other financial commitments, not to mention the excessive time we spend managing our cash flow.

These issues are worthy of examination to determine why the problems exist and how best to cure them. That will help Goodwill and other nonprofits to be able to put more resources into our programs to benefit the populations we serve, and less time and energy on administration and follow up with the government agencies we contract with.

Passage of this resolution will help to assure increased financial stability for nonprofits that contract with State Government and will also lessen the financial risk for nonprofits that provide vital health and human services for the State of Hawaii.

Thank you for the opportunity to testify.

fukunaga2 - Ashley-Jane

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 23, 2012 7:40 PM
To: EDTTestimony
Cc: Brenda.Kosky@gmail.com
Subject: Testimony for SCR40 on 2/29/2012 1:15:00 PM

Testimony for EDT/PGM 2/29/2012 1:15:00 PM SCR40

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Brenda Kosky
Organization: Individual
E-mail: Brenda.Kosky@gmail.com
Submitted on: 2/23/2012

Comments: