



**Testimony to the House Committee on Consumer Protection and Commerce
Wednesday, March 27, 2013 at 5:00 p.m.
Conference Room 325, State Capitol**

RE: HCR 47 REQUESTING THE EXTENSION OF THE GOVERNMENT CONTRACTING 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

Chair McKelvey, Vice Chair Kawakami, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **supports** HCR 47 relating to the extension of 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.

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 has been meeting since 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.

With a granted extension, task force discussions will continue to focus on the higher systemic issues that include contracting and payment processes, communication, technology, accountability, transparency, education and training for both government and providers.

Thank you for the opportunity to testify.



March 26, 2013

Representative Angus McKelvey
Chair, Committee on Consumer Protection and Commerce
Hawaii State House of Representatives
State Capitol, Room 325
Honolulu, HI 96813

**HCR 47-REQUESTING AN EXTENSION OF THE GOVERNMENT
CONTRACTING TASK FORCE**

Dear Chair McKelvey and members of the CPC Committee:

The Hawai'i Alliance of Nonprofit Organizations strongly supports HCR 47, which calls for an extension of the Government Contracting Force, which was legislated in the 2011 Legislature as the Prompt Payment Task Force and extended in 2012 as the Government Contracting Task Force.

HANO has representation 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 has been meeting since the summer of 2011 and has covered much ground in understanding the obstacles to prompt government contract payments to predominantly nonprofit health and human service providers through 103f contracts.

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 find solutions agreeable to all.

With a granted extension, task force discussions will continue to focus on the higher systemic issues that include contracting and payment processes, communication, technology, accountability, transparency, education and training for both government and providers.

The fact that many of the government contracting 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 HCR 47. Thank you for the opportunity to testify.

Mahalo,
Lisa Maruyama, President and CEO, HANO
Member, Government Contracting Task Force