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COMMENTS
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE
SENATE COMMITTEE
ON
WAYS AND MEANS

February 26, 2013

10:05 a.m.

SB 85, SD 1

RELATING TO PUBLIC HOUSING.

Chair Ige, Vice-Chair Kidani, and committee members, thank you for the opportunity to comment on SB 85, SD 1. This bill proposes to authorize the Hawaii public housing authority to establish a new resident programs and services trust fund to be administered by the authority.

The State Procurement Office's (SPO) testimony is limited to SECTION 1 regarding procurement. SPO opposes allowing the authority to "*disburse funds from this trust fund to providers of services without regard to chapters 103 and 103D.*" Part of the trust fund moneys are from "...*any appropriation, grant, allocation or other source from any political subdivision of local, state, or federal government...*"; therefore, the state is accountable for its expenditures. Public procurement's primary objective is to provide vendors, contractors and service providers equal opportunity to compete for government contracts, to prevent favoritism, collusion or fraud in awarding of contracts. To legislate that a part of an entity should be exempt from compliance with HRS chapters 103D or 103F conveys a sense of disproportionate equality to the law's application.

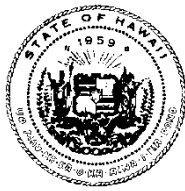
The resident programs and services cited on page 2, lines 8 to 20 and page 3, lines 1 to 5 are services which are competitive and available from various providers. Without a process of broad-based competition, there will be no accountability for the selection of the service providers selected. In certain instance when procurement by competitive means is not applicable, then both procurement statutes, HRS Chapters 103D and 103F, have established processes to allow for exempt or sole source procurements on a case-by-case basis.

The public procurement process is fair, open and transparent. The trust fund will consist of public moneys and will be managed by the public entity; therefore, the selection of service providers should be subject to public procurement statutes.

The exemption language on page 4, paragraph (f), lines 10 to 12 should be amended to read: *“The authority may also disburse funds from this trust fund to providers of services ~~without regard to~~ in accordance with chapters 103, and 103D and 103F, as appropriate.”* Additionally on page 5, line 7, delete reference to chapter 103D.

Thank you.

NEIL ABERCROMBIE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

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BARBARA E. ARASHIRO
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Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON WAYS AND MEANS

February 26, 2013 10:05 A.M.
Room 211, Hawaii State Capitol

In consideration of

Senate Bill 85, Senate Draft 1
Relating to Public Housing

Honorable Chair Ige and Members of the Senate Committee on Ways and Means, thank you for the opportunity to provide you with comments regarding Senate Bill (S.B.) 85, Senate Draft (SD) 1, relating to public housing.

The Hawaii Public Housing Authority (HPHA) supports the enactment of this measure, which would authorize the HPHA to establish and administer the resident programs and services trust fund, with amendments. This measure will significantly improve the ability of the HPHA to ensure that the tenants of our public housing program will receive the much needed resident programs and services that will not only improve their quality of life, but also assist our tenants in transitioning out of public housing.

The State Department of Budget and Finance (BUF), the introducer of the bill and the HPHA have worked together and propose these amendments to this measure that we all hope will be amicable to the Committee.

All language pertaining to state funds has been stricken from the measure, and a non-profit organization would be established that could deposit grants and or private donations into the established non-profit organization, similar to how public libraries collect funds and deposit them into their accounts.

The 501(c)(3) designation has also been removed from the established non-profit organization, because that designation can be hard for entities related to public agencies to obtain these days from the Internal Revenue Service. The HPHA will determine which non-profit designation will work best for the agency.

Lastly, sub-sections (c) and (g) have been amended to also allow the established non-profit organization to use collected funds for developmental activities that will improve the lives of existing and future low-income residents of public housing and housing choice voucher recipients as deemed appropriate by the authority.

With all this in mind, the HPHA respectfully requests to replace the terms “resident programs and services trust fund” and “trust” with “non-profit organization” throughout the measure; and

the removal of Section 1 subsection (b) from the measure entirely; and

to add subsection (c) 8 to Section 1 as follows:

“(8) Developmental activities that will improve the lives of existing and future low-income residents of public housing and housing choice voucher recipients as deemed appropriate by the authority.”; and

to amend Section 1 subsection (g) lines 13 through 14 as follows:

“things necessary to provide services and developmental activities that will improve the lives, earning capacity”; and

the removal of Section 2 from the measure entirely.

This will ensure that the measure will allow the HPHA the flexibility to participate in future programs, services and developmental activities that might arise.

The HPHA appreciates the opportunity to provide the Senate Committee on Ways and Means with the agency’s position regarding S.B. 85, SD1. We respectfully request the Committee to pass this measure with amendments, and we thank you very much for your dedicated support.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: tabraham08@gmail.com
Subject: *Submitted testimony for SB85 on Feb 26, 2013 10:05AM*
Date: Monday, February 25, 2013 8:06:06 AM

SB85

Submitted on: 2/25/2013

Testimony for WAM on Feb 26, 2013 10:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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