



# HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

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HOUSE COMMITTEE ON FINANCE  
The Honorable Sylvia Luke, Chair  
The Honorable Scott Y. Nishimoto, Vice Chair

## **S.B. No. 3024, S.D.1, H.D.1 Relating to the State Ethics Commission**

Hearing: Friday, April 1, 2016, 11:00 a.m.

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The Hawaii State Ethics Commission **supports** S.B. No. 3024, S.D. 1, which “re-directs” funds appropriated to the Commission for the current fiscal year.

Last year, the legislature appropriated \$130,000 to the Commission for the design and development of an electronic filing system.<sup>1</sup> The Commission had received a rough estimate of \$100,000 from Hawaii Information Consortium, the state’s portal manager, to design and develop a system that will allow financial disclosure statements, gifts disclosure statements, candidate disclosure statements, travel authorization forms, lobbyist registration forms, and lobbyist expenditure reports to be filed through the Commission’s website. The additional \$30,000 was appropriated to fund system hardware requirement, software licensing fees, and annual hosting costs.

The Commission, however, was unable to contract with Hawaii Information Consortium. The Office of Enterprise Technology Services (“ETS”) currently is assisting the Commission in designing and developing the system.

With ETS’s involvement, the Commission anticipates the costs to develop the system to be significantly less than \$130,000. Specifically, the Commission anticipates costs relating to the design and development of the electronic filing system not to exceed \$50,000, which includes costs relating to: (1) purchasing software to assist ETS in customizing the system, including integrating the information into the Commission’s current Sharepoint document management system; (2) required hardware and software upgrades; and (3) maintenance/support costs. Accordingly, the Commission supports the “re-direction” of \$80,000 appropriated in Act 151, Session Laws of Hawaii 2015, for other purposes as detailed below.

### **Lobbyist Law Task Force**

The Commission **strongly supports** Part II of the bill, which will “re-direct” some of the appropriation to fund a task force to provide assistance and advice to the

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<sup>1</sup> Act 151, Session Laws of Hawaii 2015.

Commission. More specifically, in the Commission's view, the State Lobbyists Law, chapter 97, is outdated and the legislature should consider a comprehensive overhaul of the statute. The Commission agrees that, to develop and implement a clearer, more robust law, the legislature should direct the Commission to convene a task force, comprised of: (i) registered lobbyists; (ii) representatives of organizations involved in lobbying; (iii) community "watchdog" groups; and (iv) other members of the community, to examine the statute and to recommend amendments to the law, including a complete overhaul of the current law, if deemed appropriate.

The funds will allow the Commission to hire an organization to facilitate the task force, to pay experts to educate the task force on, for example, other jurisdiction's lobbying laws, and for other necessary expenses.

The Commission respectfully suggests that at least \$80,000 be "re-directed" for purposes of supporting the task force.

Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on S.B. No. 3024, S.D. 1.



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COMMITTEE ON FINANCE  
Friday, April 1, 2016, 11:00 a.m., Room 308  
SB3024, SD1 HD1 Relating to Ethics

Piilani Kaopuiki, Legislative Committee, League of Women Voters

Chair Luke, Vice-Chair Nishimura and Committee Members:

**The League of Women Voters of Hawaii supports SB3024 SD1 HD1** which would authorize an organized effort to examine the State's lobbyist laws and make recommendations to the legislature to amend these laws if necessary. The \$80,000 remainder from the 2015 appropriation for an electronic filing system should certainly be redirected to establishing the lobbying task force.

There is an absolute need for close and thorough review of lobbyist laws. Recent controversies over questionable lobbying practices provide ample motivation for the legislature to conduct the review.

Lobbying activities have been performed under the guise of one State agency "coordinating and cooperating" with another. The activities involving the State's executive office is especially worrisome. Inappropriate lobbying may not be the only discovery in an investigation. Improper personnel actions may have resulted from inappropriate lobbying activities. When light is beamed onto questionable activities by inter-agency "coordination and cooperation", the light reflected back often reflects doubt by the public.

We note that it is important to maintain reasonable procurement and vendor management practices for our state officials, so that they are not unduly restricted from dialogue, transparency and respect with outside parties when purchasing goods and services on behalf of the state. Assembling more complex contracts with outside parties normally requires a team of state officials, not just a single department, so appropriate consultation needs to be maintained.

But the public should never lose confidence in its government. The task force should be able to take steps that help to rebuild public confidence in any practice that has been tarnished. Tight and clear laws and regulations provide all players the rules for fair play. The task force should be a sufficient size to accomplish a thorough review and provide the required response by January 2017.

We urge you to pass this bill. Thank you for the opportunity to submit testimony.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 30, 2016 5:19 PM  
**To:** FINTestimony  
**Cc:** mendezj@hawaii.edu  
**Subject:** \*Submitted testimony for SB3024 on Apr 1, 2016 11:00AM\*

**SB3024**

Submitted on: 3/30/2016

Testimony for FIN on Apr 1, 2016 11:00AM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Oppose	No

Comments:

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