

**HB-889-SD-1**

Submitted on: 4/4/2019 9:02:27 PM

Testimony for WAM on 4/5/2019 4:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alan B Burdick	Testifying for Progressive Democrats of Hawaii	Oppose	No

Comments:

Progressive Democrats of Hawaii strongly opposes HB 889. Public-private partnerships are invariably skewed in favor of the private party, and this bill would create a tilted playing field in which there would be an unwarranted tendency to favor public-private partnerships over ordinary procurement.

We recognize the frustration that Legislators and the public often feel about government expenditures - witness the Honolulu Rail situation -- but we must be cautious in casting about for alternatives that may be worse than the present problems.

Thank you for this opportunity to testify.

Alan B. Burdick,

Co-chair, Progressive Democrats of Hawaii



HAWAII

AMERICANS FOR DEMOCRATIC ACTION

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**MAILING ADDRESS**

P.O. Box 23404  
Honolulu  
Hawaii

April 5, 2019

TO: Honorable Chair Dela Cruz & WAM Committee Members

RE: HB 889 HD1 SD1 Relating to Public Private Partnerships.

Opposition for hearing on April 5

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We oppose HB 889 HD1 SD1 as we are not convinced public-private partnerships have achieved success in their past record in Hawaii. We are suspicious of the profit motive invading public purpose.

Thank you for your favorable consideration.

Sincerely,

John Bickel President





**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirtieth Legislature, State of Hawaii  
The Senate  
Committee on Ways and Means

Testimony by  
Hawaii Government Employees Association

April 5, 2019

H.B. 889, H.D. 1, S.D. 1 –  
RELATING TO PUBLIC-PRIVATE PARTNERSHIPS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO raises strong concerns over the intent of H.B. 889, H.D. 1, S.D. 1 which establishes and appropriates funding for the public-private partnership working group and adds public-private partnership delivery methods to the Procurement Code.

While we acknowledge that there can be benefit to certain public-private partnerships (P3s) in securing and leveraging private funds for the public's use, there are also many examples of inefficiencies, failures and negative impacts to public assets and the public's trust in government as a result of P3s. Additionally, we raise strong concerns over the implications of a project delivery system that allows any combination of design, build, finance, operate, or maintain, as it may enable the private operation of any and all of the state's facilities, including public schools, prisons, hospitals, water treatment plants, collection systems, landfills, public roads, parking lots, airports, and highways, among others. H.B. 889 is overly broad and all encompassing, and we prefer policy that strictly limits the scope of P3s to securing a fusion of private sector funding.

Before we consider committing funds and state agency efforts for another "new fix," we respectfully suggest the Legislature prioritize its efforts in determining areas where government inefficiency is resulting in lost resources and revenues, as well as rely on the expertise and suggestions of its workforce.

Thank you for the opportunity to raise concerns on the broad scope of H.B. 889, H.D. 1, S.D. 1.

Respectfully submitted,  
  
Randy Perreira  
Executive Director



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the Senate Committee on Ways and Means  
Friday, April 5, 2019 at 4:00 P.M.  
Conference Room 211, State Capitol**

**RE: HB 889 HD 1 SD1, RELATING TO PUBLIC-PRIVATE-PARTNERSHIPS**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Chamber of Commerce Hawaii (“The Chamber”) **supports the intent** of HB 889 HD1 SD1, proposes to establish the public-private partnership working group, which will sunset in five years and requires an annual report to be submitted to the legislature. The Bill also adds public-private partnership project delivery methods and related conditions and requirements to the Hawaii Public Procurement Code.

The Chamber is Hawaii’s leading statewide business advocacy organization, representing about 2,000+ 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 members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

We understand that public-private-partnership (P3’s) are gaining popularity around the world primarily due to the lack of government funds to develop social infrastructure. We believe that one of the first objectives of this office should be to create enabling legislation that would provide the process government agencies would follow in entering into a P3 arrangement and help identify revenue sources to pay investors. We also suggest that the new office have the ability to lease government lands, which is not a part of Chapter 103D HRS. Typically, investors in P3’s are provided with some type of security for their investment through either a contract or some type of lease-back agreement with the investor having ownership of the improvement until such time as they are able to recoup their investment and the government agency would end up owning the improvement.

Thank you for the opportunity to provide testimony.

DAVID Y. IGE  
GOVERNOR



SARAH ALLEN  
ADMINISTRATOR  
BONNIE KAHAKUI  
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

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TESTIMONY  
OF  
SARAH ALLEN, ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE

ON

WAYS AND MEANS

April 5, 2019, 4:00 P.M.

HB889, HD1, SD1  
RELATING TO PUBLIC-PRIVATE PARTNERSHIPS

Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the committee, thank you for the opportunity to submit testimony on HB889, HD1, SD1. The State Procurement Office (SPO) supports the intent of this bill that adds explicit public-private partnership (P3) in the procurement code and creates a DAGS working group.

The SPO recommends the including a task force requirement as proposed in SB1003, SD1, HD1 relating to project delivery task guidelines. It is in the best interest of the state to establish guidelines to institute safeguards, procedures and protocols around the use of innovative project delivery arrangements for public infrastructure, in protection of the public interest.

As part of the work group / task force, SPO recommends an additional \$150,000 to engage a subject matter expert to help facilitate the task force in developing guidance and collecting the information. In addition, the SPO recommends funding of \$3,000 per member of P3 training and education. It is vital that members understand the intricacies of this complex method before developing Rules, which the PPB must approve.

Thank you.

**LATE**

**HB-889-SD-1**

Submitted on: 4/5/2019 1:01:12 PM

Testimony for WAM on 4/5/2019 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Douglas Pyle	Individual	Oppose	No

Comments:

To the Ways and Means Committee,

My name is Douglas Pyle and I am submitting testimony as an individual Strongly OPPOSED to HB889 HD1 SD1. There are strong similarities with this bill, with the clearly anti-worker, anti-government services and extreme-right ALEC organization's model bill, to create Public Private Partnership Authorities in every state. Their goal in promoting P3s is to dismantle the civil service, undermine publicly funded programs, and shift tax dollars to private sector corporations while suppressing worker wages and benefits. ALEC is the same organization that hailed the anti-worker-rights, anti-collective bargaining JANUS Supreme Court decision to weaken unions as a great "victory." It is no surprise that ALEC has a model bill for P3-privatization authorities in every state.

But it is a surprise to me - a longtime former Democratic Party of Hawaii Central Committee member, recent DNC member, recent Vice Chair of the Democratic Party, and current HGEA Chair of the HGEA Oahu Political Action Committee, that an anti-worker ALEC concept like this would survive all the way through the Legislature to this WAM hearing.

I strongly urge the WAM Committee to please put a stop to this bad right-wing, anti-worker, anti-public service concept now, and oppose HB889.

I agree with prior HGEA and UPW testimony, already submitted to earlier committee hearings this session, that this bill, HB889, is overly broad, extending beyond simply contracting for construction projects, and poses risk to current services and programs. A P3 set up as in HB889 with the requirement to analyze only cost savings, while not analyzing harm to the overall economy by suppressing labor wages, retirement and other benefits to Hawaii's workers, and the harm to the general public by shielding tax dollar spending behind private contractors' veil of unaccountability, will result in a P3 that essentially promotes privatization without regard to the broader harm to democracy, the economy, the public welfare and workers. It will result in more handing over taxpayer dollars to benefit private corporations without public accountability.

Please vote to stop HB889 now. Thank you.

Sincerely,

Douglas Pyle

*(Testifying as individual)*