



## HAWAI‘I STATE ETHICS COMMISSION

State of Hawai‘i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai‘i 96813

Committee: Committee on Labor  
Bill Number: H.B. 2125  
Hearing Date/Time: February 6, 2020, 9:10 a.m.  
Re: Testimony of the Hawai‘i State Ethics Commission in **SUPPORT**  
of H.B. 2125, Relating to the State Ethics Code

Dear Chair Johanson, Vice Chair Eli, and Committee Members:

The Hawai‘i State Ethics Commission (“Commission”) supports H.B. 2125, which makes several small changes to the financial disclosure statute, Hawai‘i Revised Statutes (“HRS”) § 84-17; this measure also removes language exempting members of the Hawaii Correctional System Oversight Commission from the requirements of the financial disclosure statute.

As this Committee is likely aware, the Commission recently launched an electronic filing system for financial disclosures; given the capabilities of this new system, the Commission believes that the existing statutory language regarding “long form” disclosures and “short form” disclosures is no longer necessary. Accordingly, Section 1 of this measure makes several small changes to the financial disclosure statute so that the statutory language tracks the capabilities of the Commission’s electronic filing system.

Section 1 also makes a substantive change to the reporting requirements: while filers are already required to report any clients personally represented before agencies, Section 1 would now require filers to report any clients assisted or represented before state agencies. This change will help to provide consistency in the Ethics Code, so that the language of the financial disclosure statute will mirror that of the Conflicts of Interests law, HRS § 84-14.

Section 2 addresses the applicability of the Ethics Code to the newly created Hawaii Correctional System Oversight Commission (“HCSOC”) in HRS chapter 353L. The Commission respectfully submits that – because the HCSOC is not a purely advisory board, and therefore has “significant discretionary or fiscal powers as provided by law” – exempting members of the HCSOC from the filing requirements of HRS § 84-17 violates article XIV of the Hawai‘i Constitution. See Haw. Const., art. XIV (“Other public officials having significant discretionary or fiscal powers as provided by law shall make confidential financial disclosures.” (emphasis added)). As such, the Commission recommends that the Legislature amend HRS § 353L-1 as indicated, after which the HCSOC members will file confidential financial disclosure statements with the Commission.

Hawai'i State Ethics Commission  
Testimony in SUPPORT of H.B. 2125  
February 6, 2020  
Page 2

Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on H.B. 2125.

Very truly yours,

Daniel Gluck  
Executive Director and General Counsel

Statement Before The  
**HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT**

Thursday, February 6, 2020  
9:10 AM  
State Capitol, Conference Room 309

in consideration of  
**HB 2125**  
**RELATING TO THE STATE ETHICS CODE.**

Chair JOHANSON, Vice Chair ELI, and Members of the House Labor & Public Employment Committee

Common Cause Hawaii supports HB 2125, which makes various amendments to the State Ethics Code and repeals exemption from certain financial disclosure requirements granted to members of the Hawaii Correctional System Oversight Commission.

Common Cause Hawaii is a nonprofit, nonpartisan, grassroots organization dedicated to reforming government and strengthening democracy. Common Cause Hawaii works to restore faith in our government and our democracy that has been shattered in the last few years through ethics, accountability, and transparency reforms. These reforms are probably the most important tools to restoring the people's trust in their elected leaders and government – to show people that their government is acting for the people's interest versus serving their own interests.

It is vitally important that candidates for state elective offices and legislators disclose the names of clients assisted or represented before state agencies. Transparency of elected officials and candidates allows voters to make informed decisions about their elected representatives and those running for public office. The public should know who or what is being assisted by our elected representatives and candidates and how much is being paid to them.

Additionally, there does not appear to be a rational basis to have the Hawaii Correctional System Oversight Commission members be exempt from financial disclosure requirements.

Thank you for the opportunity to testify in support of HB 2125, and Common Cause Hawaii respectfully urges the Committee members to pass HB 2125 out of your Committee. If you have further questions of me, please contact me at [sma@commoncause.org](mailto:sma@commoncause.org).

Very respectfully yours,

Sandy Ma  
Executive Director, Common Cause Hawaii

**HB-2125**

Submitted on: 2/3/2020 6:57:49 PM

Testimony for LAB on 2/6/2020 9:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Michael Golojuch Jr	Individual	Support	No

Comments:

**HB-2125**

Submitted on: 2/3/2020 9:07:56 PM

Testimony for LAB on 2/6/2020 9:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Caroline Kunitake	Individual	Support	No

Comments:

Dear Chair Johanson and Members of the House Committee on Labor and Public Employment,

I am writing in support of HB2125. HB 2125 makes various amendments to the State Ethics Code and repeals exemption from certain financial disclosure requirements granted to members of the Hawaii Correctional System Oversight Commission.

It is vitally important that candidates for state elective offices and legislators disclose the names of clients assisted or represented before state agencies. Transparency of elected officials and candidates allows voters to make informed decisions about their elected representatives and those running for public office. The public should know who or what is being assisted by our elected representatives and candidates and how much is being paid to them.

Additionally, there does not appear to be a rational basis to have the Hawaii Correctional System Oversight Commission members be exempt from financial disclosure requirements.

We need practical and efficient ways to deter any activities that are a conflict of interest. HB2125 and other bills that ensure ethical conduct will remove and deter corruption within our government.

Mahalo,

Caroline Kunitake