



## HAWAI‘I STATE ETHICS COMMISSION

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

Committee: Committee on Government Operations  
Bill Number: S.B. 2115  
Hearing Date/Time: Tuesday, January 28, 2020, 2:45 p.m.  
Re: Testimony of the Hawai‘i State Ethics Commission  
in **SUPPORT** of S.B. 2115, Relating to the Code of Ethics,  
**WITH PROPOSED AMENDMENTS**

Dear Chair Thielen, Vice Chair Inouye, and Committee Members:

The Hawai‘i State Ethics Commission (“Commission”) supports S.B. 2115, 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.

Proposed amendments:

The Legislative Reference Bureau has already reviewed and revised this measure for clarity, and a revised measure has been introduced as [House Bill 2125](#). The Commission respectfully recommends that S.B. 2115 be amended at page 1, lines 4-5 to mirror the language in H.B. 2125.

Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on S.B. 2115.

Very truly yours,

Daniel Gluck  
Executive Director and General Counsel

Statement Before The  
**SENATE COMMITTEE ON GOVERNMENT OPERATIONS**Tuesday, January 28, 2020  
2:45 pm  
State Capitol, Conference Room 225in consideration of  
**SB 2115**  
**RELATING TO THE STATE ETHICS CODES.**

Chair THIELEN, Vice Chair INOUYE, and Members of the Senate Government Operations Committee

Common Cause Hawaii supports SB 2115, which would (1) amend the State Ethics Code to require candidates for state elective offices to disclose the name of clients assisted before state agencies, (2) give the State Ethics Commission discretion in determining how financial disclosure statements should be filed, and (3) remove the exemption of Hawaii Correctional System Oversight Commission members from financial disclosure requirements.

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.

Common Cause Hawaii, as a grassroots, nonpartisan, nonprofit organization dedicated to good government reforms, supports SB 2115 as legislation to promote transparency, ethics, and accountability in our government.

Thank you for the opportunity to testify in support of SB 2115. 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



Pono Hawai'i Initiative

Josh Frost - President • Patrick Shea - Treasurer • Kristin Hamada  
Nelson Ho • Summer Starr

Tuesday, January 28, 2020

Relating to the State Ethics Code  
Testifying in Support

Aloha Chair and members of the committee,

The Pono Hawai'i Initiative (PHI) **supports SB2115 Relating to the State Ethics Code**, which creates additional financial disclosure requirements that will help create better transparency on how candidates made their income – including names of clients they previously assisted or represented before state agencies. This disclosure is necessary so that voters can make educated decisions on who they decide to vote for and what those candidates stand for.

This measure also includes language that can help to modernize the filing process and move toward electronic filing.

For all these reasons, we ask that you **vote in support of SB2115**.

Mahalo for the opportunity,  
Gary Hooser  
Executive Director  
Pono Hawai'i Initiative