Honolulu, Hawaii

FEB 0 9 , 2022

RE: H.B. No. 1974

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Government Reform, to which was referred H.B. No. 1974 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to establish the small business assistance initiative and appropriate funds to provide staffing for the implementation of part IX of the Hawaii Public Procurement Code, relating to assistance to small businesses.

Your Committee received testimony in support of this measure from the Department of Transportation, State Procurement Office, Hawaii State Commission on the Status of Women, Native Hawaiian Chamber of Commerce, Council for Native Hawaiian Advancement, and one individual. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that small businesses are the lifeblood of the State's economy. Your Committee believes that the State's economy would benefit from the creation, development, and implementation of strategies to ensure that small businesses, including businesses owned by veterans, Native Hawaiians, and women, are able to effectively participate in small business contracting opportunities. Your Committee also finds that the State Procurement Office is able to assist small businesses with

obtaining state contracts, a process that could be facilitated by the creation of the small business assistance initiative established by this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to encourage further discussion.

Should your Committee on Finance deliberate on this measure, your Committee on Government Reform respectfully requests that it consider appropriating to the State Procurement Office the following:

- (1) \$115,000 to complete Phase II and Phase III of the state small business database;
- (2) \$126,000 per year to establish one full-time equivalent (1.00 FTE) permanent Small Business Procurement Coordinator position exempt from Chapter 76, Hawaii Revised Statutes, in the State Procurement Office for the full period of the small business assistance initiative; and
- (3) \$125,000 per year for the hiring of a local small business to operate and maintain the Small Business Office and for marketing of and outreach for the small business assistance initiative for the full period of the initiative.

As affirmed by the record of votes of the members of your Committee on Government Reform that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1974, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1974, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Government Reform,

ANGUS L.K. McKELVEY, Chair

2022-1134 HB1974 HD1 HSCR HMSO

State of Hawaii House of Representatives The Thirty-first Legislature

H SLR 140-22

Record of Votes of the Committee on Government Reform

Bill/Resolution No.: HB 1974	Committee Referral:	EIN Date:	4 -	22
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
GVR Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. WILDBERGER, Tina (VC)				
3. CULLEN, Ty J.K.				
4. ELI, Stacelynn K.M.	7			
5. ICHIYAMA, Linda				
(MIZINO Island				
6. MIZUNO, John M.				
7. WOODSON, Justin H.	7		. All for seasons all the E. A. Linkers	
8. YAMASHITA, Kyle T.				
			and the state of t	
9. WARD, Gene				<u> </u>
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TOTAL (9)	8	Q	Ø	1
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				