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**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Government Reform
Wednesday, February 3, 2021
8:30 a.m.
Via Videoconference**

**On the following measure:
H.B. 516, RELATING TO SUSTAINABLE ELECTRONICS MANAGEMENT**

WRITTEN TESTIMONY ONLY

Chair McKelvey and Members of the Committee:

My name is Ty Nohara, and I am the Commissioner of Securities and head of the Department of Commerce and Consumer Affairs' (DCCA or Department) Business Registration Division. The Department offers comments on this bill.

The purpose of this bill is to promote electronics stewardship and reduce electronic waste in the State by requiring all persons who receive state financial assistance to donate unnecessary, but functioning, electronic devices to nonprofit organizations that will refurbish and distribute them to eligible persons in this State.

The Department requests amending page 4, lines 20 and 21, to read: "Is registered with the business registration division of the department of commerce and [commercial] consumer affairs to conduct business in this State[.]" This will clarify the DCCA division with which the covered refurbisher must register and correct the typographical error of "department of commerce and commercial affairs."

Thank you for the opportunity to testify on this bill.

HB-516

Submitted on: 2/1/2021 10:09:19 AM

Testimony for GVR on 2/3/2021 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Forest Frizzell	Individual	Support	No

Comments:

I have worked closely with non-profit Hawaiian Hope in 2020 to get computers in the hands of students and kupuna who were negatively affected due to the CV-19 pandemic. There is an unlimited opportunity to keep computers out of landfills and in the hands of those in our communities that can use them. I highly support the passing of this bill.

Mahalo,

Forest

HB-516

Submitted on: 2/1/2021 1:47:46 PM

Testimony for GVR on 2/3/2021 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Stephany Vaioleti	Individual	Support	No

Comments:

The COVID-19 pandemic and resulting school closures sent all of Hawai'i's students into emergency homeschooling and distance learning. While some students were able to adapt, many were not able to due to lack of access to adequate learning devices and lack of high-speed internet. Digital equity is an issue across the country, both in access to broadband internet and to suitable devices, and Hawai'i is not without exception. With the likely long-term deployment of a hybrid model of in-person and distance learning looming, providing digital equity is of the utmost importance for our state.

In 2020, I have worked with the non-profit organization Hawaiian Hope who has refurbished over 400 desktops deployed to 'ohana in need from Puna, Hilo, Waimea, Kona, Kohala. Miloli'i, Kainaliu, Waimānalo, Moloka'i, Maui, Lana'i, and Kauai.

Creating a local supply chain to distribute much needed digital devices is critical to level the digital access playing field within our State.

Testimony for HB516 - RELATING TO SUSTAINABLE ELECTRONICS MANAGEMENT

Position : **Support** with the following 3 amendments.

Dear Committee Members,

My name is Curtis Kropar, Executive Director of the non profit organization, Hawaiian Hope Org.

As you may know, Hawaiian Hope Org has been refurbishing computers in Hawaii for 14 years now. We take in donated computers, fix them up and then redistribute them to local families, other non profit organizations, and even lend out hardware to various agencies. (We lent truckloads of hardware to the DoL for the UI call center at the convention center.) We also use the refurbishing project as an opportunity and train our volunteers, interns and enthusiasts how to be computer techs.

To our knowledge, Hawaiian Hope Org is the single largest refurbisher of computers in the state.

In 2018 we produced over 1,000 computers,
and, in 2019 we produced over 1,800 computers.

With this bill, HB516, we, and other non profits in Hawaii, could now have the opportunity to get access to a much larger quantity of computers from the state, that are otherwise often discarded as eWaste. We estimate this to be over 40,000 devices a year and we appreciate your efforts to make it happen.

In addition, enacting this bill will ultimately save the state money ! Currently, when discarding these devices there is often a disposal fee assessed. The fee is based on the weight of the equipment being discarded. One vendor we know charges \$0.40 cents per pound to trash perfectly working hardware.

With this, Hawaiian Hope Org expresses our support for HB516 with the below 3 amendments.

(1) - Page 7, Line 21- through Page 8, Line 2.

Please replace : a price of \$50 for each refurbished device or the actual cost incurred by the covered refurbisher to refurbish the device, whichever is lower;

with : a price not to exceed \$50 per refurbished device.

Why :

a) With 14 years of experience refurbishing computers, we use a method called "cost averaging." One computer may cost us only \$20 to refurbish, while the next computer may cost us \$80 to refurbish as it may need more parts. The \$80 cost of refurbishing is STILL a fraction of the expense than having to buy the same machine retail. When we look at refurbishing large quantities of computers, hundreds at a time, we can keep the average cost per unit right around \$50 each. This cost averaging allows for a larger number of computers to be refurbished back to the community.

Why : (continued)

b) This also eliminates the need to track costs on individual computers. Making it "whichever is lower", It can be done, but it adds multiple layers of complexity in the mix of things. As an example :

- Repair techs would need to be performing cost look ups and pricing decisions, reducing the number of devices they can process per hour.
- Every individual device would need to be tracked for costs. When considering we may process over 40,000 devices a year, this would require a significant increase in labor hours or personnel to do the work.
- "Whichever is lower", invalidates any cost averaging possibility, and would then dismiss devices that are just over the \$50 threshold, for the purpose of refurbishing.

c) When we are doing some of the larger distributions (50+ computers at a time), foundations and donors are often covering that average cost, not the end recipient that we give the computers to. So that typically insulates those that truly can not afford to spend money, from most costs as they are getting the machines for free in the end. When we gave out the 1,800 in 2019, about 1500 of them were covered by foundations and grants, and the end recipient paid nothing. In addition, we gave away for FREE a number of computers to those that requested them and told us (or dropped hints) they could not afford them. Using cost averaging, we were able to absorb those expenses into the larger group and more people got computers.

(2) - Page 8, Line 3.

Please insert : Enterprise hardware is exempted from this \$50 cap.

Why : Enterprise level of hardware (servers), will need to be exempted from this \$50 cap. A single enterprise hard drive may cost \$200 or more, or a single RAM stick could cost \$150 or more.

This SINGLE Dell 16 Gig Server (ECC) Ram stick is \$364
<https://www.dell.com/en-us/work/shop/dell-memory-upgrade-16gb-2rx4-ddr3-rdim-1333mhz/apd/a6996789/memory>

In perspective, our main server at Hawaiian Hope has space for 16 hard drives and 24 RAM memory sticks.

(3) - Page 10, Line 10.

Please insert : and notify all covered entities of their new responsibilities.

Thank you !

We are available to answer any questions you may have.

HB-516

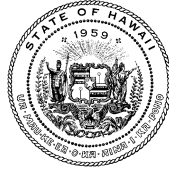
Submitted on: 2/1/2021 6:23:23 PM

Testimony for GVR on 2/3/2021 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Eduardo Hernandez	Individual	Oppose	No

Comments:

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE ON
GOVERNMENT REFORM

WEDNESDAY, FEBRUARY 3, 2021, 8:30 A.M.
CONFERENCE ROOM 309

H.B. 516

RELATING TO SUSTAINABLE ELECTRONICS MANAGEMENT

Chair McKelvey, Vice Chair Wildberger and members of the Committee, thank you for the opportunity to testify on H.B. 516.

The Department of Accounting and General Services (DAGS) supports the intent for electronics stewardship and the reduction of electronic waste through the donation of unnecessary but functioning devices to nonprofit organizations. DAGS would like to offer the following **comments**.

The State will be required to create a new administrative process that implements provisions of this bill to monitor covered entities, covered refurbishers, and eligible equipment recipients, and to monitor the receipt, transfer, sale, and disposition of covered electronic equipment. State agencies directly or indirectly donating these items to nonprofit organizations should not be held liable for lack of warranty, any defects or damage that may occur as a result of the acceptance and use of donated electronic devices. Non-profit organizations should accept these donations “as-is” with no recourse or liability to the State.

Thank you for the opportunity to testify on this matter.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/03/2021

Time: 08:30 AM

Location: Via Videoconference

Committee: House Government Reform

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: HB 0516 RELATING TO SUSTAINABLE ELECTRONICS MANAGEMENT.

Purpose of Bill: Requires persons who receive state funds and state financial assistance to donate unnecessary but functioning electronic devices, hardware, and televisions to nonprofit organizations that will refurbish and distribute them to eligible persons in the State. Sets reporting requirements for donating entities, nonprofit refurbishers, and the department of accounting and general services. Sets penalties for violations.

Department's Position:

The Hawaii State Department of Education (Department) respectfully offers comments on HB 516 requiring recipients of state funds and financial assistance to donate unnecessary but functional electronic devices, hardware, and televisions for refurbishment and distribution to eligible person in the State.

Access to devices and technology resources for low-income families and other populations in need of access is a long-standing issue. The issue became more evident with the onset of the COVID-19 pandemic which required the people of the state to work and learn remotely. The Department appreciates that this measure recognizes the need for access to technology resources by proposing a cost-efficient solution that is also sustainable and environmentally responsible.

The Department would like to recommend that verbiage be added to ensure that any content that may be inappropriate to minors be removed from devices by the covered entity, so that any device provided to families or schools will be safe for children. Suggested additional verbiage to page 6, lines 8-14, could include:

(b) A covered entity shall, prior to the transfer of an excess electronic device under this section,

remove data and any content that may be deemed inappropriate for people under the age of 18 according to the rules adopted by the department under this chapter. To the maximum extent practicable, the covered entity shall remove data using a means that does not remove, disable, destroy, or otherwise unusable the device.

Thank you for the opportunity to provide testimony on this measure.

The Hawai'i State Department of Education is committed to delivering on our promises to students, providing an equitable, excellent, and innovative learning environment in every school to engage and elevate our communities. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.

LATE

HB-516

Submitted on: 2/2/2021 10:29:10 AM

Testimony for GVR on 2/3/2021 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ruston Utu	Individual	Support	No

Comments:

I am in support of this bill. I really do believe that electronic devices are not discarded correctly and are going straight to the trash. I don't think enough people know that the materials from these devices can go into waste streams. With this initiative to donate old electronic devices can really help prevent these devices to go directly into our everyday trash cans and garbage.

LATE

HB-516

Submitted on: 2/2/2021 10:16:46 PM

Testimony for GVR on 2/3/2021 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Chau	Individual	Support	No

Comments:

Lisa Chau

HB516 Relating to Sustainable Electronics Management

February 3, 2021

Support for HB516

My name is Lisa Chau, I am born and raised in Hawaii, and I am a minority woman working in technology in Hawaii. I have worked and volunteered for nonprofits in Hawaii for the last 5 years. A bill came to my attention recently, HB516 Relating to Sustainable Electronics Management. I am testifying in support of HB516.

As someone who works in technology and IT for nonprofits, I e-wasted quite a bit of computer hardware that could have been refurbished and reused. I knew the equipment could have been fixed and reused, but I was not afforded the time to do so in my job; so I did the next best and responsible thing, which was to e-waste the hardware. As I unloaded vans full of computers, monitors, keyboards, printers, and more, I felt a little sick thinking that if I had not e-wasted the items, they would have ended up in our landfill, poisoning our water supply, and I knew these computers could have been refurbished, but I could not do it.

Then I learned that a local nonprofit was refurbishing computer equipment and giving computers away to children who were at risk and in lower income neighborhoods. I was so happy to have found them. I no longer e-wasted any of our computer hardware, and began donating the computer equipment to the nonprofit refurbisher instead. I felt a weight had been lifted, as I knew the equipment would have a new life and help families in need.

That is the reason I support HB516. Refurbishing the computers for families in need in Hawaii promotes digital equity; reducing our waste and keeping poison out of our water and land makes Hawaii a cleaner and healthier place; and reducing costs for disposal of e-waste are all things that contribute to taking care of our environment and the people of Hawaii.

LATE

HB-516

Submitted on: 2/2/2021 11:22:32 PM

Testimony for GVR on 2/3/2021 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sandy Bara	Individual	Support	No

Comments:

Aloha, Chair McKelvey, Vice Chair Wildberger and Members of the House Committee on Government Reform.

My name is Sandy Bara and I am writing in support of HB516 - Relating to Sustainable Electronics Management.

This bill emphasizes the importance of the sustainable reuse of electronic devices and computer equipment in reducing a substantial amount of eWaste deposited into our landfills. In addition, by ensuring that these valuable resources remain within the state of Hawaii, this equipment will play a key role in providing education, skills and opportunities for our residents.

The partnering of non-profit computer/electronics refurbishers with State-funded agencies to refurbish and redistribute the large volume of usable electronics devices to those in need will have a profound and positive impact on both the community and the environment.

The passage of this bill will also play a critical role towards the broader goal of expanding digital equity throughout the state, a concerted effort which numerous local businesses, public agencies and non-profit organizations are currently working to bring to fruition.

Mahalo for your time and consideration,

Sandy Bara