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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
Senate Committee on Human Services
Tuesday, February 16, 2021
3:00 p.m.
Via Videoconference**

**On the following measure:
S.B. 913, RELATING TO SUSTAINABLE ELECTRONICS MANAGEMENT**

WRITTEN TESTIMONY ONLY

Chair San Buenaventura 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 3, 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.



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

Date: 02/16/2021

Time: 03:00 PM

Location: CR 225 & Videoconference

Committee: Senate Human Services

Department: Education

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

Title of Bill: SB 0913 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 SB 913 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.

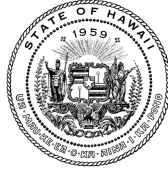
The Department would like to recommend that verbiage be added to ensure that any content that may be inappropriate to minors be removed from devices by the covered entity, so that any device provided to families or schools will be safe for children. Suggested additional verbiage to page 6, lines 8-14,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

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.

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
SENATE COMMITTEE ON HUMAN SERVICES

TUESDAY, FEBRUARY 16, 2021, 3:00 P.M.
CONFERENCE ROOM 225 AND VIDEOCONFERENCE, STATE CAPITOL

S.B. 913

RELATING TO SUSTAINABLE ELECTRONICS MANAGEMENT

Chair McKelvey, Vice Chair Wildberger and members of the Committee, thank you for the opportunity to testify on S.B. 913.

The Department of Accounting and General Services (DAGS) appreciates the intent to leverage unused and dated technology that can be recycled and refurbished. We encourage the collaboration between the State and non-profits to come out with a plan that would maximize reuse of equipment that can benefit the public and underserved. The DAGS would like to offer the following **comments**.

DAGS has concerns how non-profits will sustain funding for this positive initiative as upgrading dated hardware technologies will also involve keeping current software and other security protection updated to mitigate data breaches and maintain system integrity. Liability of providing old technology that cannot support current data security software is of concern.

Thank you for the opportunity to testify on this matter.

Testimony for SB913 - 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.

My Testimony is broken up into 3 parts :

- 1) Introductions and background on current efforts.
- 2) Proposed amendments.
- 3) Supporting arguments, statistics and photos.

1) Introductions and background on current efforts :

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 redistribute them to local families, other non profit organizations, schools and even lend out hardware to various agencies. In 2020, we lent truckloads of hardware to the Department of Labor (DoL) for the Unemployment call center at the convention center, at no cost to the state. We also use our refurbishing project as an opportunity and train our volunteers, interns and enthusiasts how to be computer techs with real hands on experience to build their skills. And finally, we partner with other agencies and groups throughout the state of Hawaii in order to get these fully tested and refurbished computers into the hands of people that need them.

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, SB913, we, other non profit organizations, and ultimately families in Hawaii, will now have the opportunity to get access to a much larger quantity of computers from the state. These computers are otherwise often discarded as eWaste. We estimate this to be over 40,000 devices a year. We appreciate your efforts to pass this bill and get these computers to the people that need them.

With the current laws, there is no mandate for reuse first, and there should be. As this bill states on line 9, "***preventing waste in the first place is preferable to any waste management option.***" Often state agencies are not aware of the option for donating hardware for reuse, and instead refer to all methods of discarding computers as "eWaste" or "recycling." The current law was enacted after the findings of a 2012 "*Hawaii Electric Device Recycling Task Force*" was recommended to the legislature. All calls and recommendations for "reuse first" were ignored during the task force, and instead the primary focus was "recycling." I know this as, I was one of the 90+ participants of this task force, the lone voice promoting "reuse" and was far outnumbered by the various representatives of recycling agencies nation wide. Recycling is NOT reuse. And, as no one in Hawaii "recycles" devices, all recycled devices are shipped out of state and instead represent a massive waste of educational resources to the people of Hawaii.

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 of on Oahu charges \$0.40 cents per pound to trash (recycle) perfectly working hardware. Another vendor we are aware of, in Hilo on the big island, "Mr K's Recycle & Redemption Center" states on their website, they charge \$.95 cents per pound, and additionally charge \$3 per mile for picking up discarded devices. As a single pallet of computers may weigh over 1,000 pounds, this can become very expensive, very quickly.

ReUse first is the most logical conclusion for taking electronics devices out of the waste stream, and instead getting them to the people in Hawaii that need them.

- **It will provide more educational resources directly to families.**
- **It will better promote a culture of good stewardship of resources.**
- **It will save the state money.**

2) Proposed amendments :

Hawaiian Hope Org expresses our **STRONG support for SB913 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.

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. No one got turned away because they could not afford to pay a fee.

(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.

3) Supporting arguments, statistics and photos :

While reuse of computers is an option, it is not common knowledge with state agencies. We have found, if we do not deliberately go out of our way to intercept "eWaste" computers, many of the otherwise perfectly working state computers get scrapped as eWaste recycling.

We also recognize that some state agencies may in fact need access to computer hardware. As an example, we provided several truckloads of hardware to the Department of Labor to help with the temporary Unemployment Office set up at the convention center. In addition to our hardware, they pulled hardware from several other departments as well. Likewise, I am sure some schools would appreciate more computer hardware, if it fits their requirements. With this said, we would support a "first right of refusal" from state agencies and schools, including charter schools, to fill their needs first from computer hardware that may otherwise be deemed as "eWaste."

While we would support this first right of refusal, it is our observation however, that many of the DoE schools are in fact moving away from "computers" and instead switching over to chrome books. This is evident in 2 different observations.

1. In 2020 the DoE placed orders for over 35,000 chrome books. This represents roughly 20% of the student body for the DoE, in addition to the number of chrome books already in place.
2. We participate in eWaste collection events as part of the "Aloha Aina Recycling Drives." These events are held primarily at DoE schools. We have been participating in these events since 2018 and have collected literally thousands of laptops from the schools and other government agencies. We are only one collector and typically only get the laptops. Most of the hardware instead goes to a eWaste recycler. If we were not there to deliberately intercept these laptops, they would instead be going to an eWaste processor.
 - o **The total collected in just 2 schools years was over 100 tons of electronics**
 - o 2017-2018 : 105,230 lbs with an average of ~6,000lbs collected per event
 - o 2018-2019 : 98,517lbs with an average of ~5,500lbs collected per event

This past Saturday, Feb 13th, we participated in an Aloha Aina Recycling Drive. The below photos are a PORTION of the hardware we collected at this event, almost all of it from schools.



In total, we collected over 1,000 laptops at **this ONE event.**



Non Profits and computer donations :

Regarding this bill, SB913, it was brought to our attention that other non profits would like computers too. **We agree !** However there is a point that many people overlook when trying to donate computers to various non profits. This is the fact that most non profits, especially the smaller ones that really need hardware, do not have any IT staff. They can not afford to pay dedicated IT personnel. Yes, the non profits want computers, but they want fully working computers. Most non profits will not take "donations" of computers because these donations will almost always need some type of refurbishing, updates, upgrades or repair work. This is why so many non profits will transfer computers they receive as donations over to us. They provide us with computers that were given to them, or they no longer want. Likewise, we have provided dozens of non profits computer hardware over the years.

Regarding Enterprise Hardware :

We pick up computers, servers and enterprise hardware from a number of state agencies. This is a photo of enterprise level hardware that we will be picking up shortly from DAGS/ETS.



The hard drives have been pulled out for security reasons, but otherwise, these are working servers. This single pallet of hardware represents thousands of dollars of equipment that will be refurbished and provided to other organizations and even individuals to study networking and server administration.

SB913 is what will ensure this process makes the best use of hardware, **locally**, and promoting a more thorough stewardship of the resources available to all of us that live in the state.

Thank you !
We are available to answer any questions you may have.



Nicole Chatterson
Director, Zero Waste O‘ahu
oahu.zerowaste@gmail.com
808.561.7730

February 13th, 2021

Aloha Chair San Buenaventura and Human Services Committee Members,

Mahalo for the opportunity to testify on this matter. As the Executive Director of Zero Waste O‘ahu, I am testifying in **support of Bill 913**, relating to sustainable electronics management.

The pandemic has reminded us how crucial it is for communities to be able to access technology. When electronics are still functioning, but no longer needed, we must prioritize getting them refurbished and distributed to those in need.

Reuse is the first step. Recycling is a second line of defense to mitigate waste generation and resource extraction. Let us first reuse what we can before sending electronics directly into the recycling stream.

This bill will both increase access to electronics for those in need and help us reach our waste reduction goals as a state. Given the current COVID-19 economic strain to our communities, any support to reduce costs, divert waste, and provide for the community will help us move towards economic recovery.

Mahalo for your time and consideration,

Nicole Chatterson, Executive Director of Zero Waste O‘ahu

SB-913

Submitted on: 2/11/2021 7:50:29 PM

Testimony for HMS on 2/16/2021 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David Webb	Individual	Support	No

Comments:

Hello. My name is David Webb and I am testifying in support of this bill because I was given a refurbished computer that was donated to Hawaiian Hope. I was recently homeless and just trying to get back on my feet. That computer enabled me to learn about computers and apply for employment and learn about social media. I was able to get a good job using that computer and I have now been employed for about 10 years at a career I would never have dreamed of having.

I have been able to improve my life immensely and was even able to purchase my own apartment in the last year. I use computers daily as required on my job. I have helped others by helping Hawaiian Hope give them computers they can use at home for employment and education. Used computers have made a huge difference in my life and I am sure they can help many other adults and children. There is absolutely no point in wasting something that we have already paid for that could help make a profound difference in someone's life or a child's future. Please vote to pass this bill.

SB-913

Submitted on: 2/12/2021 7:50:56 AM

Testimony for HMS on 2/16/2021 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lauren Ballesteros-Watanabe	Individual	Support	No

Comments:

Aloha,

I strongly support SB913. Hawaiian Hope is an extremely important nonprofit providing that has been serving communities in need while also reducing electronics from the waste stream. They are a valuable resource for the growing need of students that don't have access to laptops or other electronics needed to succeed. This is especially important during these uncertain economic times and increasingly digital learning spaces.

For years, I was unaware of the refurbishing efforts of Hawaiian Hope, now that I do, my household is planning to donate our electronics to them. I am grateful they will have a second life for those in need. The state should do the same for unnecessary electronics to help community and the environment.

Mahalo for the opportunity to support SB913.

SB-913

Submitted on: 2/12/2021 11:10:17 AM

Testimony for HMS on 2/16/2021 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dyson Chee	Individual	Support	No

Comments:

Mahalo for the opportunity to testify in support of SB913.

SB-913

Submitted on: 2/12/2021 1:18:25 PM

Testimony for HMS on 2/16/2021 3:00:00 PM

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

Comments:

Lisa Chau

SB913 Relating to Sustainable Electronics Management

February 12, 2021

Support for SB913

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, SB913 Relating to Sustainable Electronics Management. I am testifying in support of SB913.

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 SB913. 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.

SB-913

Submitted on: 2/14/2021 11:59:34 AM

Testimony for HMS on 2/16/2021 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
CURTIS TSUZAKI	Individual	Support	No

Comments:

Aloha. I am a resident of Nanakuli and have been on the board for my community Puu Heleakala for over 15 years. In 2015 Puuheleakala received some refurbished computer equipment from Hawaiian Hope which allowed Puu Heleakala to provide a computer lab to the children in our community, mostly low income for several years. I believe in Hawaiian Hope's work and think that the bill will be a good way to give back to the community in a practical and cost-effective way. Mahalo.

SB-913

Submitted on: 2/15/2021 1:50:13 PM

Testimony for HMS on 2/16/2021 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Milholen	Individual	Comments	No

Comments:

Aloha, Chair, Vice Chair, and HMS committee members. My name is Jennifer Milholen and I help organize school recycling drives on O’ahu where we collect electronics from the school, and community members. Below are some electronics stats for donations that came to us from 2017 to present. The numbers are aggregated, but approximately 70% of collected electronics are coming from school or government contribution:

Aloha ‘Äēina Recycling Drives hosted: 62 events (includes recurring schools)

Total collected from 2017 to present: 265,000lbs or ~133 tons of electronics

2017-2018 total electronics: 105,230 lbs with an average of ~6,000lbs collected per event

2018-2019 total electronics: 98,517lbs with an average of ~5,500lbs collected per event

2019-2020 total electronics: incomplete year due to covid, but 25,000 lbs collected with an average of ~4,300lbs collected per event

2020-2021 total electronics: incomplete year due to covid and in process, but 36,250lbs collected so far, with an average of 5,178lbs collected per event

As an additional comment, I would recommend that there be an option for first right of refusal for the nonprofit refurbishers, followed by option to recycle electronics, to ensure that there is capacity on each island for the estimated hundreds of millions of electronics coming from institutions, and that the existing electronics recycling industry not be effectively compromised. I would hope this would be a fair work around to ensure much more reuse and repair of electronics while supporting the existing infrastructure that has helped to divert countless millions of pounds of ewaste from our landfills and incinerator.

Mahalo for the opportunity to provide comments. Please let me know if you have additional questions.

Jennifer