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Statement of
BRENNA H. HASHIMOTO
Director, Department of Human Resources Development

Before the
SENATE COMMITTEE ON LABOR AND TECHNOLOGY
Wednesday, March 15, 2023
3:00PM
State Capitol, Conference Room 224

In consideration of
House Bill 717 HD1, Relating to Nepotism

Chair Moriwaki, Vice Chair Lee, and members of the committee.

The Department of Human Resources Development (DHRD) appreciates the intent of HB 717 HD1, which would among other things, prohibit under certain circumstances state employees from hiring or promoting relatives and household members and from making or participating in certain other employment-related decisions.

DHRD is in **support** of this measure to improve standards of conduct regarding nepotism within state agencies.

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



HAWAI‘I STATE ETHICS COMMISSION

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

Committee: Senate Committee on Labor and Technology
Bill Number: H.B. 717, H.D.1
Hearing Date/Time: March 15, 2023, 3:00 p.m.
Re: Testimony of the Hawai‘i State Ethics Commission in **STRONG SUPPORT** of H.B. 717, H.D.1, Prohibiting Nepotism

Aloha Chair Moriwaki, Vice Chair Lee, and Committee Members:

The Hawai‘i State Ethics Commission (“Commission”) **strongly supports** H.B. 717, H.D.1 which prohibits employees from: (1) hiring, promoting, or supervising their relatives; and (2) awarding contracts to their relatives or business partners.

The Commission oversees nearly 60,000 state employees. Numerous nepotism complaints are received each year. Investigations into these complaints can be especially challenging and time-consuming. While employees are prohibited from providing unwarranted benefits or preferential treatment to their relatives, it can be difficult to prove that a promotion or specific action occurred solely to benefit a relative. Further, even if the hiring or promotion of a relative was aboveboard, there is an appearance of impropriety that can diminish faith and confidence in government overall.

The Commission supports establishing a bright-line prohibition on nepotism, like what many other states have adopted. A bright-line rule prohibiting nepotism makes it clear that taking employment action affecting a relative is prohibited. It also promotes faith in state government because the public and other state employees will no longer suspect that specific promotions or employment actions were taken to benefit a relative rather than on merit.

The Commission acknowledges there may be special and unique circumstances where nepotism is unavoidable. To this end, this measure smartly creates an exception process where good cause is demonstrated.

Finally, the Commission supports H.B. 717, H.D.1’s inclusion of hanai relationships in the definition of a “relative,” which the Department of Human Resources Development supported in its testimony on H.B. 139.

Mahalo for your continuing support of the Commission’s work and for considering its testimony on H.B. 717, H.D.1.

Very truly yours,
/S/ Kee M. Campbell
Staff Attorney



holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

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Committee: Senate Committee on Labor and Technology
Bill Number: HB 717, HD1, Relating to Nepotism
Hearing Date and Time: March 15, 2023 at 3:00pm (Room 224)
Re: Testimony of Holomua Collaborative in support

Aloha Chair Moriawaki, Vice Chair Lee, and Committee Members:

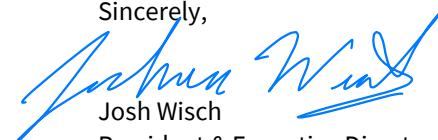
We write in support of HB 717, HD 1, Relating to Nepotism. The purpose of this bill is to prohibit under certain circumstances state employees from hiring or promoting relatives and household members and from making or participating in certain other employment-related decisions and from awarding a contract to or otherwise taking official action on a contract with a business if the employee's relative or household member is an executive officer of or holds a substantial ownership interest in that business.

27 states have enacted some type of anti-nepotism laws. This bill, which would help Hawai'i join that group, is part of the package of legislative proposals recommended by the Commission to Improve Standards of Conduct (the "Commission"). As the Commission noted in its Final Report¹, the intent of this bill is to create a bright line about the hiring and supervising of family members. The Commission noted that while there are some nepotism restrictions under the existing Fair Treatment laws, this bill provides clear direction and reduces ambiguity of hiring and supervising a family member. The bright lines provided by this proposal would not only help curb abuses but would also help reduce the appearance of impropriety that can diminish faith and confidence in government overall.

As its Final Report noted, an essential goal of the Commission was to provide recommendations that would help restore public trust in government and increase the level of transparency in its operations. HB 717 is a good example of this, and we are proud to support it.

As part of Holomua's mission, we aim to build cross-sector collaborative support to work alongside our appointed and elected government leaders and partners to co-create viable, sustainable solutions that benefit all working families in Hawai'i. We believe policies that help improve government functions, and public confidence in government, further that goal. We appreciate the opportunity to testify.

Sincerely,



Josh Wisch
President & Executive Director

¹ See Commission to Improve Standards of Conduct (CISC) page on the Capitol website (<https://www.capitol.hawaii.gov/legislature/specialcommittee.aspx?comm=cisc&year=2022>).

HB-717-HD-1

Submitted on: 3/12/2023 8:12:00 AM

Testimony for LBT on 3/15/2023 3:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Leimomi Khan | Individual | Support | Written Testimony Only |

Comments:

Continue to support.

HB-717-HD-1

Submitted on: 3/12/2023 10:28:12 AM

Testimony for LBT on 3/15/2023 3:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| lynne matusow | Individual | Support | Written Testimony Only |

Comments:

Legislative offices are not family businesses. They should not be run as such. There are offices at the capitol where family members are employed. That should not be the case. It's like the office is the family piggy bank, feeding at the public trough. This must stop now. It must be in effect for the next session. Please pass.

HB-717-HD-1

Submitted on: 3/13/2023 11:14:07 AM

Testimony for LBT on 3/15/2023 3:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Julie Reyes Oda | Individual | Support | Written Testimony Only |

Comments:

Support.

Please add that the person may not ask someone else to do what this bill is prohibiting. Meaning that being one degree away from the act does not clear one of a charge of nepotism.

HB-717-HD-1

Submitted on: 3/14/2023 6:12:47 AM

Testimony for LBT on 3/15/2023 3:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|---------------------|---------------------------|---------------------------|
| Caroline Azelski | Individual | Support | Written Testimony Only |

Comments:

In support of HD1. Thank you.