

STATE OF HAWAI'I DEPARTMENT OF EDUCATION KA 'OIHANA HO'ONA'AUAO P.O. BOX 2360

HONOLULU, HAWAI'I 96804

Date: 02/11/2025 **Time:** 02:01 PM

Location: 309 VIA VIDEOCONFERENCE

Committee: House Education

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

BIII Title: HB 1293 RELATING TO DEPARTMENT OF EDUCATION PROCUREMENT.

Purpose of Bill: Exempts Department of Education purchases of local edible produce and

packaged food products less than a certain amount from the electronic procurement system requirement. Requires at least three written quotes for Department of Education purchases of local edible produce and packaged food products between certain amounts. Requires at least two written quotes for Department of Education purchases of local edible produce and packaged food products between certain amounts for certain schools in rural communities.

Sunsets 6/30/2028.

Department's Position:

The Hawaii State Department of Education (Department) supports HB 1293.

Adjusting the Department's small purchase procurement capacity temporarily by increasing the threshold of \$100,000 for small purchase procurement, will help further support the goal of 30% locally sourced foods purchased by 2030. This will allow for the unencumbered purchase of locally produced foods from small businesses.

The Department recommends the following dollar amounts:

- (1) Exempting purchases of local edible produce and packaged food products less than \$100,000 from the electronic procurement system requirement;
- (2) Requiring no less than three written quotes for purchases of local edible produce and packaged food products of \$15,000 to less than \$25,000; and
- (3) Requiring no less than two written quotes for purchases of local edible produce and packaged

food products of \$5,000 to less than \$14,999 for certain schools in rural communities.

The process proposed in this bill will allow us to purchase items that currently are unavailable from our distributors such as poi and limu.

The Department appreciates the language in the bill that allows for a written justification in the instances where the required quotes are not able to be generated as a result of the limited number of vendors that can be a particular problem in our more rural communities.

Thank you for the opportunity to testify in support of this measure.

JOSH B. GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I STATE PROCUREMENT OFFICE

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TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
EDUCATION
FEBRUARY 11, 2025, 2:01 PM

HOUSE BILL 1293 RELATING TO THE DEPARTMENT OF EDUCATION PROCUREMENT

Chair Woodson, Vice Chair Chica, and members of the committee, thank you for the opportunity to submit testimony on House Bill 1293. The State Procurement Office (SPO) appreciates the intent of this bill and provides the following comments and concerns:

The SPO comments on the addition of language exempting Department of Education (DOE) from using an electronic procurement system requirement under an unspecified dollar threshold.

SPO recommends revisions to Section 2, page 2, lines 17-21, and page 3 lines, 1 – 11 to read:

§302A – Local edible produce and packaged <u>local</u> food products procurement; small purchases. Notwithstanding section 103D-305(c) and any law to the contrary, procurements less than \$100,000 for local edible produce and package <u>local</u> food products for the department shall be exempt from the requirement to conduct procurements through an electronic system and shall instead be subject to no less than three written quotes for procurements of \$25,000 to less than \$100,000; provided that the department may allow for no less than two written quotes for procurements of \$25,000 to less than \$100,000 for local edible produce and packaged <u>local</u> food products to supply schools in rural communities, as determined by the department, and provided further that if the department is unable to receive the required number of written <u>quotations</u> as required by this section, written justification shall be provided and kept by the department; <u>provided that the department shall develop a form to capture the quotations in a uniform manner.</u> All awards exceeding \$2,500 shall be posted electronically on the Hawaii Awards and Notice Data System (HANDS), or similar department of education platform, and shall be compliant with Section 103D-310(c).

The department must exercise due diligence to ensure that agencies are not engaging in parceling, which is the artificial division of goods so as to intentionally circumvent the procurement process.

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



Email: communications@ulupono.com

HOUSE COMMITTEE ON EDUCATION Tuesday, February 11, 2025 — 2:01 p.m.

Ulupono Initiative <u>supports</u> HB 1293, Relating to Department of Education Procurement.

Dear Chair Woodson and Members of the Committee:

My name is Mariah Yoshizu, and I am the Government Affairs Associate at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy, clean transportation choices, and better management of freshwater resources.

Ulupono <u>supports</u> **HB 1293,** which exempts Department of Education (DOE) purchases of local edible produce and packaged food products less than a certain amount from the electronic procurement system requirement and requires at least three written quotes for DOE purchases of local edible produce and packaged food products between certain amounts. This bill also requires at least two written quotes for DOE purchases of local edible produce and packaged food products between certain amounts for certain schools in rural communities.

Ulupono supports the State's farm-to-institution efforts, including the DOE's Farm to School Program, which has the potential to leverage the department's significant buying power to become one of the state's largest purchasers of local food (perhaps one day the largest) while also shaping the tastes, attitudes and eating habits of Hawai'i's keiki for healthy outcomes. The State has committed to local food procurement goals through 2050 (including the DOE's own statutorily required goal of 30% local by 2030), and it is important to provide opportunities for local producers to participate in institutional purchasing.

While the DOE's regional kitchen construction plans advance, the fact remains that these facilities won't be operational for many years. The department should seize current opportunities to strengthen relationships with local food producers. By engaging farmers now, we can align DOE's food requirements with local agricultural production and build supply chain capacity. This proactive approach not only serves today's students better



than waiting for kitchen completion, but also sets up the regional kitchen strategy for long-term success — ensuring a robust supply chain is ready when these facilities open.

By expanding the small purchase exemption for the DOE, schools across the state will have an additional tool now to procure fresh products from local farmers and ranchers.

Thank you for the opportunity to testify.

Respectfully,

Mariah Yoshizu Government Affairs Associate



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

February 11, 2025

HEARING BEFORE THE HOUSE COMMITTEE ON EDUCATION

TESTIMONY ON HB 1293 RELATING TO DEPARTMENT OF EDUCATION PROCUREMENT

Conference Room 309 & Videoconference 2:01 PM

Aloha Chair Woodson, Vice-Chair La Chica, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 1293, which allows the Department of Education to procure local edible produce and packaged food products under a certain dollar amount without using an electronic procurement system. It also requires the department to obtain written quotes for purchases within specific price ranges, with considerations for rural schools.

Hawai'i's Farm to School program is an essential initiative that improves student nutrition, supports local farmers and ranchers, and strengthens food security. Under Act 175, SLH 2021, the state has committed to sourcing at least 30 percent of school meals from local food sources by 2030. However, achieving this goal has been challenging due to procurement regulations that favor large, out-of-state suppliers over local farmers.

HB 1293 addresses this issue by streamlining the procurement process for the Department of Education. By exempting smaller purchases from the electronic system and requiring written quotes for mid-range purchases, the bill makes it easier for local farmers and ranchers to supply fresh food to Hawai'i's schools. The flexibility given to rural schools further ensures that they can access locally grown products even when fewer suppliers are available.

Expanding DOE's local food procurement will help create a stable and predictable market for Hawai'i's farmers. Many producers hesitate to scale up their operations due to uncertainty in demand. By simplifying the procurement process, SB 1548 encourages long-term investment in local agriculture, benefiting both farmers and students.

To fully support this initiative, HFB encourages additional efforts to assist local farmers and ranchers in navigating the procurement system. Educational workshops, technical assistance, and direct collaboration between DOE and local producers will further increase participation and ensure that Hawaiʻi-grown food reaches more students across the state.

We respectfully urge the committee to pass HB 1293 to strengthen Hawai'i's Farm to School program and increase the availability of fresh, locally grown food for students.

Thank you for the opportunity to testify on this measure.



HIPHI Board

May Okihiro, MD, MS Chair John A. Burns School of Medicine, Department of Pediatrics

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Misty Pacheco, DrPH University of Hawai'i at Hilo

Justin Puckett, CPA, MBA Humana

Kathleen Roche, MS, RN, CENP Kaiser Permanente

Dina Shek, JD Medical-Legal Partnership For Children in Hawai'i

Garret Sugai HMSA

JoAnn Tsark, MPH John A. Burns School of Medicine, Native Hawaiian Research Office

HIPHI Initiatives

Coalition for a Tobacco-Free Hawai'i

Community-Based Research & Evaluation

Community Health Worker Initiatives

COVID-19 Response

Environmental Health

Hawai'i Drug & Alcohol-Free Coalitions

Hawai'i Farm to School Network

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging & Community Living

Public Health Workforce Development

Date: February 10, 2025

To: Representative Justin H. Woodson, Chair Representative Trish La Chica, Vice Chair Members of the House Committee on Education

RE: Support for HBv 1293: Relating to the Department of Education Procurement

Hrg: Tuesday, February 11, 2025, at 2:01 pm, Conference Room 309

Hawai'i Public Health Institute¹ (HIPHI) works to advance policy and systems change to reduce disparities and improve the health of Hawai'i residents. HIPHI is home to and testifies here on behalf of the Hawai'i Farm to School Network. Hawai'i Public Health Institute and the Hawai'i Farm to School Network appreciate the opportunity to provide **Strong Support for HB 1293**, which introduces flexible procurement procedures for the Department of Education (DOE), including the requirement of at least two written quotes for certain purchases supplying schools in rural communities and a sunset clause to assess the effectiveness of these changes.

More Straightforward to Work with Local Farmers

This bill increases flexibility for local food purchases from small and medium-sized farmers, particularly those in rural areas. Rural schools often face additional challenges, such as limited access to technology or fewer available vendors. Reducing the number of required quotes acknowledges these barriers and supports more equitable access to local procurement opportunities.

Local Guidelines

HB 1293 requires the DOE to establish procurement guidelines with a geographic preference for locally grown or raised products and exempts purchases of local edible produce and packaged food products under \$100,000 from the electronic procurement system of the DOE. This smaller regional procurement model could be modeled after the School

¹ Hawai'i Public Health Institute's mission is to advance health and wellness for the people and islands of Hawai'i. We do this through expanding our understanding of what creates health of people and place, fostering partnerships, and cultivating programs to improve policies, systems, and the environments where people live, learn, work, age, and play.



Food Authority (SFA) of New Mexico, which is notable for its success in smaller regional procurement from small to medium farms. To learn from this SFA model and to assess what staff positions, laws, and infrastructure are necessary, DOE will grant permission and allocate funds for a DOE procurement staff member, a dietitian, and a farm-to-school coordinator to travel to this SFA to study the smaller regional procurement model.²

Increased Accessibility

Additionally, HB 1293 proposes increasing DOE-exempt purchases from \$25,000 to \$100,000 for the small purchase procurement program. The proposed policy increases the Department of Education's small purchase procurement threshold from \$25,000 to \$100,000, streamlining the purchase of locally sourced foods. This change supports Hawai'i's farm-to-school initiatives and the goal to source 30% of school food locally by 2030.³ It reduces administrative burdens, allowing schools to acquire fresh, nutritious Hawai'i-grown produce quickly. The policy strengthens local agriculture, boosts economic self-sufficiency, and improves student health by providing fresher meals while advancing sustainability and reducing reliance on imported foods.

Uniform Purchase Limit

It is important to note that all other Departments have a \$100,000 threshold (e.g., Department of Agriculture (DOA), Department of Transportation (DOT), Department of Human Services (DHS), etc.). DOE is the only one with the lower \$25,000 threshold. This lower threshold dramatically limits the ability of schools to purchase local foods, as the amount demanded is usually well above this amount.⁴

Accountability Recommendations

Furthermore, the State Procurement Office (SPO) shall suggest to DOE's School Food Services Branch (SFSB) financial system accountability recommendations to reduce the risk of financial mistakes that run afoul of parceling. SPO is welcome to review SFSB's progress in implementing SPO's suggested financial safeguard protocols.⁵

 $\frac{https://www.hawaiipublicschools.org/ConnectWithUs/Vendors/Selling/Pages/home.aspx\#:\sim:text=Schools\%20and\%20 offices\%20are\%20authorized.or%20like\%20goods\%20and\%20services."$

 $\frac{https://spo.hawaii.gov/for-vendors/vendor-guide/methods-of-procurement/goods-services-construction/small-purchas}{es-procurement-method/}$

² New Mexico Public Education Department, "Farm to School Procurement Guidelines." https://webnew.ped.state.nm.us/bureaus/student-success-wellness/nutrition/farm-to-school/

³ Hawai'i Farm to School Resource Hub - Advocacy, legislation, & policy. (n.d.). https://sites.google.com/hiphi.org/hawaiif2s/advocacy-legislation-policy

⁴ Hawaii DOE | Selling goods and services to the DOE. (n.d.).

⁵ Small Purchases Procurement method. (n.d.).



More Regionalized Purchasing

For several years, the Hawai'i Farm to School Network, HIPHI, and partner organizations have advocated for regionalizing local food purchases. For example, bananas to be served in school breakfasts on Kaua'i should be purchased from farmers on that island. This arrangement fosters stronger relationships between the school community and local farmers, increasing nutritional education and knowledge of locally grown and raised foods among Hawai'i's students. HB 1293 will positively impact the health of our keiki and contribute to the development of sustainable food systems in Hawai'i.

Meeting our 30% by 2030 Goal

Under Act 175, the DOE is required to purchase locally grown food as 30% of total procurement by 2030 and 50% by 2050. The added flexibility in HB 1293 will help achieve these goals and support students and their families in understanding the importance of local food systems. Additionally, a sunset clause ensures that the policy can be evaluated and adjusted to meet the evolving needs of Hawai'i's schools and agricultural communities.

Mahalo for this opportunity to testify in support of HB 1293.

Mahalo,

Kawika Kahiapo

Hawai'i Public Health Institute

Hawai'i Farm to School Network Program Coordinator

https://www.civilbeat.org/2023/12/hawaii-education-department-takes-big-first-step-to-increase-local-food-in-school s/

⁶ Tagami, M.(2023, December 12). Hawaii Education Department takes 'Big first step' to increase local food in schools. *Honolulu Civil Beat*.

Submitted on: 2/10/2025 7:41:28 AM

Testimony for EDN on 2/11/2025 2:01:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|---------------------------|---------------------------|
| Erika Kuhr | Individual | Support | Written Testimony Only |

Comments:

Aloha,

As someone who talks directly to Kohala youth about school lunch, I know that the food available to them is not fresh, does not taste good, and not enough quantitiy for the high school students needs. PLEASE Raise the DOE small purchase procurement limit from \$25,000 to \$100,000, in alignment with all other state departments. Small purchase procurement offers a streamlined process for government agencies to acquire goods and services.

The DOE's lower threshold of \$25,000 hinders local food purchases, as amounts exceeding this threshold must go through formal competition and public advertising.

This will eliminate a barrier that limits its ability to purchase local foods.

Support Hawai'i's goal to source 30% of school food locally by 2030 (as mandated by Act 175, 2021 / HRS 302A-405.6).

Mahalo,

Erika Kuhr

Submitted on: 2/10/2025 12:54:09 PM

Testimony for EDN on 2/11/2025 2:01:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|--------------|---------------------------|---------------------------|
| Danielle Lee | Individual | Support | Written Testimony Only |

Comments:

I SUPPORT this bill and empowering the DOE to more effectively procure local food to achieve Hawaii's goal to source 30% of school food locally by 2030.

Submitted on: 2/10/2025 7:25:39 PM

Testimony for EDN on 2/11/2025 2:01:00 PM



| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|---------------------------|
| Amy Brinker | Individual | Support | Written Testimony Only |

Comments:

I strongly support this practical measure to give the necessary flexibility for local food procurement.

Mahalo,

Amy Brinker

Ala Moana/Kaka'ako

Submitted on: 2/10/2025 7:45:37 PM

Testimony for EDN on 2/11/2025 2:01:00 PM



| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|---------------------------|
| Joseph Wat | Individual | Support | Written Testimony Only |

Comments:

Aloha nui kākou,

This body has the incredible opportunity to leverage the huge ammount of school lunches provided by HDOA to further the states goals for a sustainable and local food system.

While working with Farm to School measures in the past, the DOE procurement proceedures have consistently been a barrier. Mahalo for considering appropriate adjustments to these rules in order to support the local procurement goals, deeply invest in local foods, and take a step towards students having access to healthy and delicious lunches each day.

Aloha nō,

- Joe

Submitted on: 2/10/2025 8:24:26 PM

Testimony for EDN on 2/11/2025 2:01:00 PM



| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|---------------------------|---------------------------|
| Ella Aki | Individual | Support | Written Testimony Only |

Comments:

I support this bill!

Submitted on: 2/10/2025 9:54:06 PM

Testimony for EDN on 2/11/2025 2:01:00 PM



| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|---------------------------|---------------------------|
| Yuka takasu | Individual | Support | Written Testimony Only |

Comments:

It make sense for crating a good cycle!

Submitted on: 2/10/2025 11:13:33 PM Testimony for EDN on 2/11/2025 2:01:00 PM



| Submitted By | Organization | Testifier Position | Testify |
|------------------|--------------|---------------------------|---------------------------|
| Dana Sato | Individual | Support | Written Testimony Only |

Comments:

I support this Bill.

Submitted on: 2/10/2025 11:58:42 PM Testimony for EDN on 2/11/2025 2:01:00 PM



| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|---------------------------|---------------------------|
| Earl Kawaa | Individual | Support | Written Testimony Only |

Comments:

You wonder why students do eat their lunch. Well dont wonder any more. All legislators to eat lunches at all the schools in their district 24 times a school year.

My daughter is a at teacher. She brought home three school lunches. None of you would serve you children DOE cafateria lunches. Must be okay of OTHER children.

All of you to have lunce served from different schools, every day during the Leg. Cession.

I attended Milokai High School in the 60ties. Lunches were a quarter and 5 cents Mac salid was added. Lunches were good, ono, made that day.

When tired of eating school lunches we 4 would bring home lunches until that was drip also.

Mai hana ino na pua.

Kawa'a

Submitted on: 2/11/2025 4:37:46 AM

Testimony for EDN on 2/11/2025 2:01:00 PM



| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|---------------------------|---------------------------|
| Aileen Waiau | Individual | Support | Written Testimony Only |

Comments:

I wholeheartedly support this bill because it "creates some exemptions for local food for schools, which will make it easier to increase the amount of local food purchased for DOE, farmers, and food hubs." (HB1293)

Submitted on: 2/11/2025 8:02:13 AM Testimony for EDN on 2/11/2025 2:01:00 PM



| Submitted By | Organization | Testifier Position | Testify |
|---------------------|--------------|---------------------------|---------------------------|
| Vance Arakaki | Individual | Support | Written Testimony Only |

Comments:

I support local food for schools, which will make it easier to increase the amount of local food purchased for DOE, farmers, and food hubs.