

RICHARD T. BISSEN, JR.
Mayor

JOSIAH K. NISHITA
Managing Director



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TO: Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Committee on Ways and Means

FROM: Richard T. Bissen, Jr., Mayor
Josiah K. Nishita, Managing Director

DATE: April 1, 2025

SUBJECT: COMMENTS FOR HB159 RELATING TO QUALIFIED COMMUNITY REHABILITATION PROGRAMS

Thank you for the opportunity to share comments of this measure which clarifies that the civil service exemption for personal service contracts for building, custodial, and grounds maintenance services with qualified community rehabilitation programs shall not cost more than an unspecified amount in the aggregate per private person or entity, regardless of the number of contracts or qualified community rehabilitation programs utilized for the personal service. Effective 7/1/2050.

Our comments are as follows:

1. We would request the measure to be deferred since this topic is still in litigation, and we are committed to supporting our union employees and are hopeful to find a resolution that is in the best interest of Maui Nui.
2. If the Committee does decide to move this Bill forward, we respectfully request that any cap in dollar amount reflect realistic number of at least \$2 million aggregate for FY26 with allowance for inflation year over year.

For reference, the contracted amounts are as follows:

FY23 was \$1,479,878

FY24 was \$1,765,789

FY25 was \$1,861,513

You can see that year over year, there is an increase for inflation. Please note that the scope of work has not increased, in fact, we have decreased when/where possible.

Again, we'd request a consideration for increasing the cap and accounting for inflation.

3. We'd like to bring awareness to the good work that Ka Lima O Maui does for the community:
 - a. Ka Lima O Maui is a vocational rehabilitation program providing job training and employment opportunities for adults with disabilities who statistically would otherwise have a hard time finding job placement.
 - b. Additionally, those employed via Ka Lima O Maui have families that depend on not only the wages they earn, but the care they receive. Ka Lima O Maui provides the necessary support for their clients (individuals carrying out the contracted work) through health and personal assistance, job training, job coaching and job placement.
 - c. Recruiting for jobs across the counties has proven challenging for the past few years, particularly but not limited to custodial and ground maintenance work. While Maui County actively recruits to fill these critical roles as well as others, there remains to be challenges in regards to finding candidates to fill these positions.
 - d. The work provided by Ka Lima O Maui (contracted servicer to carry out custodial and grounds maintenance services for many parks facilities) provides a needed service to Maui County Communities. Without these contracts, Maui County would be met with the challenge to find manpower to carry out this work. A low cap would mean we have to cut almost half the work being done currently, leaving Maui County facilities at a deficit for care and maintenance

Mahalo for your consideration.



HAWAII STATE AFL-CIO

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The Thirty-Third Legislature
The Senate
Committee on Ways and Means

Testimony by
Hawaii State AFL-CIO

April 3, 2025

TESTIMONY IN SUPPORT OF HB159 HD1 SD1 – RELATING TO QUALIFIED COMMUNITY
REHABILITATION PROGRAMS

Chair Dela Cruz, Vice Chair Moriwaki, and members of the committee:

The Hawaii State AFL-CIO is a state federation of 76 affiliate labor organizations representing over 69,000 union members across Hawaii in industries including healthcare, construction, hospitality, entertainment, transportation, and government. The Hawaii State AFL-CIO serves its affiliates by advocating for the rights of working families, promoting fair wages, safe working conditions, and policies that strengthen Hawaii's workforce.

We support HB159 HD1 SD1 because it ensures a fair balance between protecting public sector jobs and maintaining employment opportunities for individuals with disabilities. Setting clear cost limitations on contracts prevents excessive privatization while allowing Qualified Community Rehabilitation Programs to continue providing meaningful work.

Public sector jobs remain vital to the stability of Hawaii's workforce. Safeguards that prevent unlimited outsourcing help protect these jobs while ensuring that community rehabilitation programs continue to serve individuals who rely on them for employment. Maintaining this balance strengthens the workforce, promotes fairness, and ensures that taxpayer dollars are used responsibly.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy Pereira", is written over a faint circular stamp.

Randy Pereira
President



"Enhancing Lives Through Self-Reliance"

April 2, 2025

TO: Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Committee on Ways and Means

SUBJECT: **COMMENTS FOR HB159 RELATING TO QUALIFIED COMMUNITY REHABILITATION PROGRAMS**

I want to thank you for the opportunity to provide testimony on this measure.

Ka Lima O Maui has been providing grounds and custodial services to Maui County for over 47 years. As a qualified community rehabilitation program and the largest employer of adults with disabilities in Maui County, we employ over 50 adults with disabilities.

The jobs our clients hold are essential, not only to themselves and their family's financial survival, but to their sense of self-worth, purpose and mental health. 50% of our disabled staff has been employed with Ka Lima O Maui for over 15 years, providing stability and structure to their lives.

On a daily basis, Ka Lima O Maui support staff strive to help make our clients successful. We often pick up staff from home to begin the day, and drop them off at home at the end of the day. Work crews start as early as 3:30 am. The accommodations and modifications our support staff must make in maintaining our client's productivity and success is comprehensive. Unfortunately, most of the disabled adults we employ would have a very challenging time finding employment in traditional work environments.

In the last decade, inflation and service costs have increased dramatically. Our contract bids with the county have grown, but only because of the realities of these increased costs. The scope of work we've contracted with the county for has essentially remained unchanged during that time, and we are delivering the same services, at mostly the same sites as we have going back decades. We respectfully request that any cap in dollar amount reflect the realistic number of \$2 million aggregate for FY26 with allowance for inflation year over year.

Mahalo for your consideration.

JD Wyatt
Executive Director



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Third Legislature, State of Hawaii
The Senate
Committee on Ways and Means

Testimony by
Hawaii Government Employees Association

April 3, 2025

H.B. 159, H.D. 1, S.D. 1 — RELATING TO QUALIFIED COMMUNITY REHABILITATION PROGRAMS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of H.B. 159, H.D. 1, S.D. 1, which clarifies that the civil service exemption for personal service contracts for building, custodial, and grounds maintenance services with qualified community rehabilitation programs shall not cost more than an unspecified amount in the aggregate per private person or entity, regardless of the number of contracts or qualified community rehabilitation programs utilized for the personal service.

Our organization represents blue collar supervisors organized into bargaining unit two that may be impacted by the use of personal service contracts as specified under Chapter 76-77, Hawaii Revised Statutes. We appreciate the intent of this measure as it aims to set a clear cost limitation on the use of personal service contracts. By providing clarity to this provision, it prevents the excessive and unchecked use of privatization/outsourcing of government services that are currently provided by civil servants, which we believe is not what this provision was intended for. Furthermore, it forces the employer to ensure that our workforce is adequately staffed to meet the demands of the public, rather than contracting out to the private and non-profit sector.

Thank you for the opportunity to provide testimony in support of H.B. 159, H.D. 1, S.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

THE SENATE KA 'AHA KENEKOA

THE THIRTY-THIRD LEGISLATURE REGULAR SESSION OF 2025

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Thursday, April 03, 2025, 10:01 AM
Conference Room 211 & Videoconference

Re: Testimony on HB159, HD1, SD1 – RELATING TO QUALIFIED COMMUNITY REHABILITATION PROGRAMS

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO ("UPW") is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW **strongly supports** HB159, HD1, SD1, which clarifies that the civil service exemption for personal service contracts for building, custodial, and grounds maintenance services with qualified community rehabilitation programs shall not cost more than an unspecified amount in the aggregate per private person or entity, regardless of the number of contracts or qualified community rehabilitation programs utilized for the personal service.

Currently, HRS Section 76-77(16) provides for a limited exemption allowing an employer to enter into private "contracts for building, custodial, and grounds maintenance services with qualified community rehabilitation programs ... lasting no more than a year and at a cost of no more than \$850,000." At the time the statute was enacted, it was intended to preserve the limited, but similar, types of private contracts with such organizations that were then in place. However, we believe the number and total amounts of these types of contracts have since greatly expanded and the \$850,000 cap is being misused in some jurisdictions.

For example, the County of Maui has contracts for janitorial and groundskeeping services for its parks and other county departments being performed by disabled workers from the qualified rehabilitation organizations Ka Lima O Maui on Maui and Molokai Occupational Center on Molokai. The County of Maui's contracts with Ka Lima O Maui alone totaled as follows: Fiscal Year 2022 - \$1,441,766; FY 2023 - \$1,479,878; FY 2024 - \$1,765,789; and FY 2025 - \$1,861,513.92. Molokai Occupational Center's

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contracts with the County of Maui have typically been an additional \$150,000 per year. These contracts are in lieu of and replacing the hiring county parks employees to provide the same services. With this bill, we are asking the Legislature to make it clear that the \$850,000 is an annual aggregate cap that applies to all contracts with all qualified community rehabilitation organizations, cumulatively and across the entire jurisdiction.

United Public Workers (“UPW”) recently received an unfavorable decision in Maui’s Third Circuit regarding the \$850,000 cap provided for in HRS Section 76-77(16). Despite this setback, we still believe that an employer’s parceling of contracts to remain under the \$850,000 cap does not conform with the intent of this statutory provision. Although UPW sought a judicial remedy against Maui County, these personal services contracts are being used in other jurisdictions due to personnel shortages. We fear that the decision in Maui will embolden employers to utilize such contracts more rather than recruiting to fill vacancies.

We believe this bill ensures a fair balance between protecting the work of our members and maintaining employment opportunities for individuals with disabilities. Setting clear cost limitations on contracts prevents excessive privatization while allowing Qualified Community Rehabilitation Programs to continue providing meaningful work.

Mahalo for the opportunity to testify in support of this measure.

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