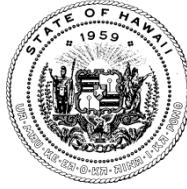


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



EDWIN H. SNIFFEN
DIRECTOR
KA LUNA HO'OKELE

Deputy Directors
Nā Hope Luna Ho'okele
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ROBIN K. SHISHIDO

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 25, 2025
2:00 P.M.
State Capitol, Room 308

H.B. 960 H.D. 1
RELATING TO TRANSPORTATION

House Committee on Finance

The Department of Transportation (DOT) **supports** of this measure. This measure proposes to increase the current limits on capital advancement contracts.

The existing law authorizes DOT to enter into capital advancement contracts with private parties for any public improvement to or construction of a state port facility when the director determines that a capital advancement contract promotes the best interest of the State. In recent years, this tool has proven effective in expediting project delivery, especially for projects that increase port resilience and operational efficiency.

The current cap of \$2,000,000 per contract or aggregate \$5,000,000 per party limits the scope and type of work and number of projects that can be done under a capital advancement contract. By increasing these caps to at least \$5,000,000 and \$20,000,000, respectively, DOT can accomplish more in improving port facilities through these contracts. DOT anticipates escalating project costs due to inflation and rising costs of materials and labor and the higher limits will facilitate improved project delivery given these factors.

Thank you for the opportunity to provide testimony.



**Testimony to the House Committee on Finance
Representative Kyle T. Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair**

**Tuesday, February 25, 2025, at 2:00PM
Conference Room 308 & Videoconference**

RE: HB960 HD1 Relating to Transportation

Aloha e Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 960 House Draft 1 (HB960 HD1), which increases the maximum value of capital advancement contracts that may be executed by the Department of Transportation without legislative approval. Repeals the requirement for the Department of Transportation to obtain legislative approval through concurrent resolution for capital advancement contracts greater than \$2,000,000. Increases the total aggregate value of capital advancement contracts that the Department of Transportation may enter into in a fiscal year. Establishes certain reporting requirements related to capital advancement contracts.

HB960 HD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Maritime. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Enhancing harbor resilience and efficiency is crucial for economic growth in Hawaii, but fiscal caps and approval requirements create delays. The Department of Transportation (DOT) can contract with private entities for harbor upgrades, but limits on project scope and mandatory legislative approval for contracts over \$2 million slow progress. Raising financial thresholds would allow the DOT to execute projects faster while maintaining oversight through reporting requirements.

This bill increases the DOT's contract limits, removes the need for legislative approval on larger projects, and strengthens reporting for transparency. By streamlining the process, it accelerates harbor improvements, bolsters economic resilience, and enhances infrastructure management. The Chamber supports this effort as it improves efficiency, reduces delays, and ensures Hawaii's harbors remain competitive and well-maintained for business and economic growth.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass House Bill 960 House Draft 1. Thank you for the opportunity to testify.



February 24, 2025

Representative Kyle T. Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair
House Committee on Finance

RE: House Bill 960 – RELATING TO TRANSPORTATION
Hearing date: February 25, 2025, 2:00 p.m.

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Thank you for the opportunity to submit testimony on behalf of Young Brothers, LLC (“YB”)¹ offering **STRONG SUPPORT** for House Bill 960 – Relating to Transportation.

This measure would increase the annual cap for the total contract value for any single Capital Advancement Contract (“CAC”) from \$2M to an unspecified amount and the annual cap for the total aggregate value of all CACs entered into by the Department of Transportation (“DOT”) from \$5M to an unspecified amount. This measure would also create a new requirement that DOT submit an annual report to the legislature of all executed CACs in the prior year.

YB notes that CACs allow the DOT to enter into an agreement with a private entity for the improvement of State harbor properties or other State-owned waterfront properties in situations where private development is likely to be cheaper, faster, or allows for more readily available funds than any other type of contract. CACs are also required to ensure that public works and procurement laws are followed. These agreements have been capped at \$2M per CAC for over 20 years. This measure would raise this cap to an unspecified amount, recognizing inflation and other design and construction costs that have escalated over time. Increasing the limit will also help support our harbors by strengthening public-private partnership agreements for certain federal grant funding.

For the reasons stated above, YB offers **STRONG SUPPORT** for this measure.

Thank you for your service to the State of Hawaii, and for the opportunity to testify offering comments on this measure.

Sincerely,

Kris Nakagawa
Vice President, External and Legal Affairs

¹ YB is a common carrier by water, transporting property by tug and barge between the islands of O‘ahu, Hawai‘i, Kaua‘i, Maui, Moloka‘i, and Lāna‘i. YB is currently the only water carrier authorized to transport property under Chapter 271G, Hawaii Revised Statutes (“HRS”) (i.e., the Hawaii Water Carrier Act), subject to the regulatory authority of the Public Utilities Commission of the State of Hawaii (“PUC”). Since 1900, customers across Hawaii have relied on YB’s frequent, regular, and universal sailings to serve as the bridge that connects all communities in this island-state.

Testimony of Matson Navigation Company, Inc.
Support of HB960, HD1
Before the Committee on Finance
February 25, 2025

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Matson Navigation Company, Inc. (Matson) supports HB960, HD1, which increases the limit of the capital advancement contracts and statewide total limit.

As an island state, Hawaii is very dependent upon our commercial harbors to ensure the continued and unimpeded flow of cargo in and out of our State. It is estimated that over 90 percent Hawaii's imported goods pass through our commercial harbors, including consumer goods, motor vehicles, construction materials, and fuel. Given the critical role of our commercial harbors, it is imperative that the State support dependable and efficient cargo transportation and handling to service our residents and businesses.

Capital advancement contracts provide a means for the Department of Transportation to enter into an agreement with a private party to improve a state harbor, commercial harbor, roadstead, or other waterfront improvement belonging to the State when private development is likely to be cheaper than any other type of contract or is needed on a significantly timelier basis; or when public funds are not available on a timely basis. Capital advancement contracts also must ensure that public works and procurement laws are followed. These agreements have been capped at \$2,000,000 per contract for over twenty years. This measure raises the limit to \$5,000,000 per contract, recognizing inflation and escalating costs impacting design and construction materials and labor costs for future capital improvements. Increasing the limit will help also support our harbors by strengthening private-public partnership agreements for federal grant funding.

Thank you for considering our testimony in support.



Hawai'i Island Chamber of Commerce

1321 Kino'ole Street - Hilo, Hawai'i 96720

Phone (808) 935-7178 - Fax (808) 961-4435 - Email exec@hicc.biz - www.hicc.biz

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

HB 960 HD1 - Relating to Transportation – IN SUPPORT

Tuesday, February 25, 2025 2:00 PM

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

On behalf of the Hawai'i Island Chamber of Commerce, which represents over 300 businesses and individual members primarily on the East side of Hawai'i Island, I submit this testimony in strong support of House Bill 960 House Draft 1 (HB960 HD1). This bill increases the maximum value of capital advancement contracts the Department of Transportation (DOT) can execute without legislative approval, removes the requirement for legislative approval of contracts exceeding \$2 million, raises the total aggregate value of such contracts per fiscal year, and establishes new reporting requirements.

Enhancing harbor resilience and efficiency is critical to Hawai'i's economic growth, yet fiscal caps and approval requirements often cause delays. While the DOT has the ability to contract with private entities for harbor upgrades, current restrictions on project scope and mandatory legislative approval for contracts over \$2 million hinder progress. Raising these financial thresholds will allow the DOT to execute projects more efficiently while maintaining transparency through strengthened reporting requirements.

HB960 HD1 streamlines the contracting process by increasing the DOT's contract limits, eliminating unnecessary legislative delays, and reinforcing oversight through enhanced reporting. By accelerating harbor improvements, this measure strengthens economic resilience, improves infrastructure management, and ensures Hawai'i's harbors remain competitive and well-maintained.

The Chamber supports this initiative as it fosters efficiency, reduces project delays, and enhances Hawai'i's long-term economic growth. Additionally, this bill will create new opportunities to strengthen competitiveness, expand workforce skills, diversify the economy, and build greater local wealth.

I respectfully urge the passage of HB960 HD1. Thank you for the opportunity to testify.

Sincerely,

Carla Kuo

Executive Officer

Hawai'i Island Chamber of Commerce

HB-960-HD-1

Submitted on: 2/22/2025 1:04:38 PM

Testimony for FIN on 2/25/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jennifer Lum	Individual	Support	Written Testimony Only

Comments:

SNAP applicants often face 4+ hours-long waits to speak with a representative, with many giving up on the process entirely due to the inability to get help. As a result, only 62% of eligible residents, including just 35% of our kūpuna, are enrolled in this vital program. The SNAP department is critically understaffed, unable to handle the high volume of applicants. Increasing pay for SNAP workers and adding staff positions within the Department of Human Services would fill vacancies, improve efficiency, and boost enrollment. Raising the enrollment rate to just 75% could bring over \$100 million in much-needed support to struggling families in our state.

Mahalo for your consideration,

Jennifer Lum, 'Ewa Beach

HB-960-HD-1

Submitted on: 2/25/2025 11:41:58 AM

Testimony for FIN on 2/25/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Patti Hatzistavrakis	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Committee Members,

I fully support **SB960 that would provide funds to the Department of Human Services to increase the number of SNAP staff positions and their pay.** In speaking with community members, it seems there are long waits to work with customer service agents due to insufficient staffing. In some cases, applicants simply abandon the process. While others, who may be in the recertification process are not able to complete the process at the risk of losing benefits. I understand this may be a difficult position to fill and maintain. However, the customer service representatives are an integral part of the SNAP process and have the ability to help many people regain food security, which is desperately needed here in Hawaii, as one in three people are food insecure.

Thank you for your consideration of **SB960** that would provide funds to the Department of Human Services to increase the number of SNAP staff positions and their pay.