

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



BONNIE KAHAKUI
ADMINISTRATOR

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
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TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
ECONOMIC DEVELOPMENT & TECHNOLOGY
JANUARY 31, 2025, 10:00 AM

HOUSE BILL 1292
RELATING TO GOVERNMENTAL EFFICIENCY

Chair Ilagan, Vice Chair Hussey, and members of the committee, thank you for the opportunity to submit testimony on House Bill 1292.

The State Procurement Office (SPO) appreciates the overall intent of this bill, however, intergovernmental agreements and partnerships are already addressed in Hawaii Revised Statutes (HRS) Chapter 103D - Part VIII - Governmental Relations and Cooperative Purchasing.

The concept of intergovernmental agreements and partnerships are defined in HRS, Section 103D-801 and described in Section 103D-804. HRS Section 103D-801 defines "cooperative purchasing" as "procurement conducted by a public or external procurement unit with one or more public procurement units, external procurement units, or nonprofit private procurement units, pursuant to this chapter." HRS Section 103D-804 states that "a public procurement unit may enter into an agreement, independent of the requirements of parts III and XII, with any other public procurement unit, external procurement unit, or nonprofit private health and human services organization." While HRS Chapter 103D, Part VIII, does not specifically address agreements or partnerships with private sector entities, they must comply with the HRS Chapter 103D, Part III - Methods of Procurement.

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



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
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STERLING HIGA
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
CRAIG K. NAKAMOTO
Executive Director
Hawai'i Community Development Authority
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

Friday, January 31, 2025
10:00 am
State Capitol, Conference Room 423 & Videoconference

In consideration of
HB1292
RELATING TO GOVERNMENTAL EFFICIENCY.

Chair Ilagan, Vice Chair Hussey, and members of the Committee.

The Hawai'i Community Development Authority (HCDA) supports HB1292, which authorizes executive and administrative departments and agencies to enter into intergovernmental and partnership agreements with private sector entities, nonprofit organizations, and other governmental bodies.

Cooperation, as described in this measure, is envisioned to make government more efficient by allowing state entities to collaborate with other government agencies and the private sector.

The HCDA was established by the Legislature to design community development plans in community development districts; determine community development programs; and cooperate with private enterprise and the various components of federal, state, and county governments to bring community development plans to fruition.

Thus, we understand the importance of various government entities working together with the private sector to accomplish projects for the betterment of the state.

Thank you for the opportunity to provide testimony.



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 House of Representatives
Committee on Economic Development

Testimony by
Hawaii Government Employees Association

January 31, 2025

H.B. 1292 — RELATING TO GOVERNMENTAL EFFICIENCY

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of H.B. 1292, which authorizes Executive and Administrative Departments and Agencies to enter into intergovernmental and partnership agreements with private sector entities, nonprofit organizations, and other governmental bodies.

The HGEA raises serious concerns over this measure as it proposes to blanketly grant the state executive departments the authority to enter into partnership agreements with the private sector and nonprofit organization. **We view this as an open door, with little oversight, to privatize and outsource hundreds of government services that are currently provided by government employees, our union members.**

We recognize that the state's workforce is facing a 24% vacancy rate. The state needs to invest in its current and future workforce – increasing the position pay and offering modern and attractive recruitment and retention incentives, along with reforming the administrative rules to streamline hiring time is paramount. Our public workforce must become more flexible, competitive, and adaptive to the current job market and public demands. The answer to ensure that government staffing and services remain adequate is not to privatize government services, but to make an investment into our existing and future workforce. Therefore, we respectfully request that this measure be filed.

Thank you for the opportunity to provide testimony in opposition of H.B. 1292.

Respectfully submitted,

Randy Perreira
Executive Director



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

**HOUSE OF REPRESENTATIVES
THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2025**

COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

Rep. Greggor Ilagan, Chair
Rep. Ikaika Hussey, Vice Chair

Friday, January 31, 2025, 10:00 AM
Conference Room 423 & Videoconference

Re: Testimony on HB1292 – RELATING TO GOVERNMENTAL EFFICIENCY

Chair Ilagan, Vice Chair Hussey, 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 **opposes** HB1292, which authorizes Executive and Administrative Departments and Agencies to enter into intergovernmental and partnership agreements with private sector entities, nonprofit organizations, and other governmental bodies. This measure also requires an annual report to the Legislature.

This bill, and others like it, opens the door for the privatization of government services. There have been a handful of bills in recent years that have authorized public-private partnerships in an effort to finance capital projects and/or deliver services under the guise of cost savings and efficiency.

These partnerships often leave the operation and management of these projects to nongovernmental partners without consultation with relevant stakeholders. Public employees and their exclusive representatives are not consulted with until a partnership has been entered into, or, in the worst-case scenario, after a project has been completed. We humbly ask the committee to defer this measure.

Mahalo for this opportunity to testify on this measure.

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