

RICHARD T. BISSEN, JR.
Mayor

JOSIAH K. NISHITA
Managing Director



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TO: Representative Jackson D. Sayama, Chair
Representative Mike Lee, Vice Chair
Committee on Labor

FROM: Richard T. Bissen, Jr., Mayor
Victoria J. Takayesu, Corporation Counsel

DATE: February 4, 2024

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 \$850,000 in the aggregate per private person or entity, regardless of the number of contracts or qualified community rehabilitation program utilized for the personal service.

Our comments at this time are:

The County is committed to supporting the disabled community and Ka Lima O Maui's workforce which provides important services to the County, particularly for the Department of Parks and Recreation. The County has made extensive efforts to try to reach a mediated agreement with UPW and Ka Lima O Maui that could be jointly presented to the legislature, which safeguards civil service law while also continuing to provide work opportunities for the disabled community. The County would welcome clarification to HRS § 76-77(16), but believes that an aggregate ceiling of \$850,000.00 does not reflect the current costs for the services Ka Lima provides. The County would support any efforts by the legislature to increase the cap on qualified rehabilitation program services.

Mahalo for your consideration.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

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

COMMITTEE ON LABOR
Rep. Jackson D. Sayama, Chair
Rep. Mike Lee, Vice Chair

Thursday, February 6, 2025, 9:00 AM
Conference Room 309 & Videoconference

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

Chair Sayama, Vice Chair Lee, 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 also represents 1,500 members in the private sector.

UPW **strongly supports** HB159, 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 \$850,000 in the aggregate per private person or entity, regardless of the number of contracts or qualified community rehabilitation program utilized for the personal service.

HRS Section 76-77(16) provides for a limited exemption allowing a county 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 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 abused.

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 contracts with the County of Maui have typically been an additional \$150,000 per year. These contracts are in lieu of and replacing 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 county contracts with all qualified community rehabilitation organizations,

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cumulatively and across the entire county (including Molokai and Lanai, not just Maui, and all departments within the county).

We believe this bill 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.

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

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The Thirty-Third Legislature
House of Representatives
Committee on Labor

Testimony by
Hawaii State AFL-CIO

February 6, 2025

TESTIMONY IN SUPPORT OF HB159 - RELATING TO QUALIFIED COMMUNITY REHABILITATION PROGRAMS

Chair Sayama, Vice Chair Lee, 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 are in support of HB159 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 Perreira".

Randy Perreira
President



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 Labor

Testimony by
Hawaii Government Employees Association

February 6, 2025

H.B. 159 — 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, 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 \$850,000 in the aggregate per private person or entity, regardless of the number of contracts or qualified community rehabilitation program 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.

Respectfully submitted,

Randy Perreira
Executive Director