

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



BONNIE KAHAKUI
ADMINISTRATOR

DAYNA OMIYA
ASSISTANT ADMINISTRATOR

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
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**TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE**

**TO THE SENATE COMMITTEE
ON
COMMITTEE ON WAYS AND MEANS
February 25, 2026, 10:56 a.m.**

**SENATE BILL 3063, SD1
RELATING TO DEPARTMENT OF EDUCATION PROCUREMENT**

Chair Dela Cruz, Vice Moriwaki, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 3063, SD1.

Senate Bill 3063, SD 1, amends Section 302A-1317, Hawaii Revised Statutes (HRS), authorizing the Department of Education (DOE) to purchase **any** amount of local edible produce and packaged food products that cost no more than five per cent (5%) more than non-local alternatives to be exempt from electronic procurement requirements.

The State Procurement Office (SPO) acknowledges the intent of this bill to reduce administrative burden and promote local agriculture and food producers; however, the SPO has considerable concerns and offers comments on this measure.

Comments

The SPO has significant concerns regarding the enforceability of the proposed pricing condition. The bill does not clearly define nor establish a mechanism for how the DOE is to determine, document, or verify the price of a comparable non-local alternative. A valid price comparison requires a competitive solicitation; without this, the 5% pricing threshold becomes subject to interpretation.

The intent of Chapter 302A-1317, HRS, is to exempt the purchase of local edible produce and packaged food products, less than \$250,000 from electronic procurement. Adding **any** amount

of local edible produce and packaged food products that cost no more than five percent (5%) goes beyond the intent and spirit of the law.

Exemption of **any** procurements that meet the 5% pricing threshold from electronic procurement requirements reduces transparency and competition and increases risk of collusion, resulting in limited public visibility, a smaller pool of qualified vendors, and higher costs.

Recommendations

The SPO recommends removal of language in Section 1, subsection 2, lines 9-11, in its entirety.

~~["(2) Any amount for local edible produce and packaged food products for the department that cost no more than five per cent more than non-local alternatives,"]~~

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



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/25/2026

Time: 10:56 AM

Location: CR 211 & Videoconference

Committee: WAM

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB3063, SD1, RELATING TO DEPARTMENT OF EDUCATION
PROCUREMENT.

Purpose of Bill: Exempts from the Hawaii Public Procurement Code procurements by the Department of Education of any amount of local edible produce and packaged food products that do not cost more than 5% of non-local alternatives. (SD1)

Department's Position:

The Hawaii State Department of Education (Department) respectfully provides comments on SB 3063 SD 1.

The Department remains committed to increasing locally sourced products for the school meal program in alignment with Act 175, Session Laws of Hawaii 2021 (Act 175), and appreciates the potential ability to expend up to 5% more to procure local edible produce and packaged food products compared to non-local alternatives.

Under Hawaii Public Procurement Code, the Department can already apply a 15% differential for agricultural products and a 10% differential for processed goods. Since the current logistics of our program depend on distributors who win an entire contract rather than specific line items, and the Department has very minimal direct contracts because of operational logistics, the differential or the ability to expend more for local products are difficult to utilize at this time. As we move into the Regional Kitchen model and have contracts directly with producers, these two mechanisms will be a catalyst for more local purchasing.

Thank you for the opportunity to provide comments on SB 3063 SD 1.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OULU AINA MAHIAI

TESTIMONY OF WENDY L. GADY

EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

February 25, 2026
10:56 a.m.
Conference Room 211 & Videoconference

SENATE BILL NO. 3063, SD1
RELATING TO DEPARTMENT OF EDUCATION PROCUREMENT

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

Thank you for the opportunity to submit testimony in support of this measure, which allows the department to procure local edible produce and packaged food products—when priced not more than five per cent above non-local alternatives—without using the electronic procurement system, and instead of not fewer than three written quotes, with written justification required if three quotes cannot be obtained.

This proposal represents a practical and balanced adjustment to existing procurement procedures that strengthens Hawai'i's local food system while maintaining fiscal responsibility and accountability.

Supporting Local Agriculture While Maintaining Cost Discipline

The bill permits streamlined procurement only when local products cost no more than five per cent above comparable non-local alternatives. This modest pricing threshold recognizes that locally produced food may carry slightly higher upfront costs due to Hawai'i's scale, labor, and input expenses, while ensuring public agencies remain disciplined stewards of taxpayer resources.

Reducing Administrative Barriers

Electronic procurement systems are important for transparency but can create administrative barriers for small and mid-sized local producers who may lack technical or staffing capacity to participate. Allowing purchases through not fewer than three written quotes:

- Maintains competition and price comparison safeguards.
- Preserves documentation and accountability.
- Reduces procedural delays; and
- Expand market access for local farmers and food producers.

The requirement for written justification when three quotes cannot be obtained ensures transparency while acknowledging the limited number of local suppliers for certain products.

Strengthening Food Security, Farm-to-School, and Regional Kitchens

Purchasing more local produce and value-added food products supports Hawai'i's food mandates, which prioritize sourcing from local agricultural producers to strengthen the State's food system. Specifically, this measure:

- Supports farm-to-school programs, allowing schools to access fresh, locally grown produce that enhances student nutrition, promotes food literacy, and provides predictable markets for farmers.
- Strengthens regional kitchens and meal preparation programs, which rely on consistent local supply for healthy, scratch-cooked meals; and
- Expands market stability for local farmers and food processors while keeping more economic value in Hawai'i.

By reducing barriers for state departments to purchase competitively priced local products, this measure helps align procurement practices with broader public health, education, and food security objectives.

Maintaining Accountability and Fiscal Responsibility

This measure preserves key safeguards:

- A cap on the allowable price differential at five per cent.

- Requirement of not fewer than three written quotes; and
- Written justification if the required number of quotes cannot be obtained.

These provisions balance support for local agriculture with the State's responsibility to use public funds efficiently.

Conclusion

This measure strengthens Hawai'i's local food system by supporting farm-to-school initiatives, regional kitchens, and other food programs while maintaining accountability and fiscal discipline. By streamlining procurement of competitively priced local food products, the Legislature can expand access to fresh, local, and value-added foods, support farmers and processors, and advance statewide food security and public health goals.

For these reasons, we respectfully urge your favorable consideration of this measure.

Thank you for the opportunity to provide testimony.

Respectfully Submitted



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February 25, 2026

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 3063, SD1
RELATING TO DEPARTMENT OF EDUCATION PROCUREMENT

Conference Room 211 & Videoconference
10:56 AM

Aloha Chair Dela Cruz, Vice-Chair Moriwaki, 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 SB 3063, SD1, which strengthens the Department of Education's ability to procure locally grown edible produce and packaged food products by providing clear procurement flexibility and recognizing a reasonable cost differential for local products.

Hawai'i's farmers and ranchers operate in one of the highest cost environments in the nation. Land, labor, transportation, invasive species pressures, and limited scale all impact the price of locally grown food. The 5% allowance gives DOE reasonable flexibility to prioritize Hawai'i-grown products while maintaining responsible cost controls.

SB 3063, SD1 also complements the State's Farm to School initiatives and Regional Kitchens. Procurement flexibility is essential to ensure that regional kitchens can effectively source Hawai'i-grown products at a meaningful scale. Without workable procurement pathways, farmers and food processors cannot reliably access institutional markets.

By clarifying and strengthening DOE's authority to prioritize local products within a defined cost framework, this measure advances food security, supports rural economies, and creates stable markets for Hawai'i's agricultural producers.

SB 3063, SD1 represents a practical, accountable step toward increasing the use of Hawai'i-grown food in our public school system.

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

Officers

Kaipo Kekona
State President



Christian Zuckerman
Vice-President

Maureen Datta
Secretary

Reba Lopez
Treasurer

Chapter Presidents

Kelii Gannet
Kohala, Hawai'i

East Hawai'i

Puna, Hawai'i

Ka'u, Hawai'i

Maureen Datta
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Gina Lind
Hāna, Maui

Mason Scharer
Haleakalā, Maui

Kaiea Medeiros
Mauna Kahālāwai,
Maui

Kaipo Kekona
Lahaina, Maui

Kilia Avelino-Purdy
Moloka'i

Negus Manna
Lāna'i

India Clark
North Shore, O'ahu

Christian Zuckerman
Wai'anae, O'ahu

Rachel LaDrig
Waimānalo, O'ahu

Vincent Kimura
Honolulu, O'ahu

Natalie Urminska
Kaua'i

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Ways and Means Committee,

The Hawai'i Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFU supports SB3063.**

SB3063 is a commendable initiative that promotes the integration of locally sourced produce and packaged food products into the procurement practices of the Department of Education. By allowing an expenditure up to 5% more for local alternatives this bill supports Hawaii's agricultural communities.

Supporting local farmers and producers contributes significantly to the state's economy, keeping the financial resources within the community and strengthening the local agricultural sector. This bill encourages the growth and sustainability of farming enterprises that are vital to Hawaii's rural communities, empowering farmers to innovate and diversify their operations. Moreover, reducing the dependency on imported foods minimizes the carbon footprint associated with long-distance transportation, aligning with Hawaii's broader environmental goals.

Mahalo for the opportunity to testify.

Hunter Heavilin
Advocacy Director
Hawai'i Farmers Union



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February 23, 2026

Aloha e Chair Dela Cruz, Vice Chair Moriwaki and Members of the Senate Committee on Ways and Means,

On behalf of **Agriculture Stewardship Hawai'i**, we support **SB 3063, S.D.1**, which clarifies Department of Education small purchase possibilities for local edible produce and packaged food products.

Agriculture Stewardship Hawai'i leads the [Statewide Food Systems Coordination Initiative \(HSFSC\) initiative](#), launched in 2024 with philanthropic and gubernatorial support. The initiative works to align agricultural stakeholders, address infrastructure barriers, secure federal resources, advance **institutional procurement of local food**, and support policy priorities that strengthen Hawai'i's food system. SB 3063 directly advances this work by giving DOE practical flexibility to prioritize locally grown products in schools, **supporting Regional Kitchen efforts and creating reliable markets for farmers statewide**. Many states across the country such as Washington and Maine use similar provisions on local procurement compatible with USDA geographic preference standards.

As an island state, Hawai'i relies heavily on imported foods, and transportation, labor, and scale limitations often make locally grown products more expensive to procure. Despite these challenges, Hawai'i has a vibrant agricultural sector capable of supplying schools with fresh, nutritious, and culturally relevant foods—but only if school food services have **practical flexibility to prioritize local products**.

By giving DOE clear authority and flexibility to prioritize local foods within defined cost thresholds, SB 3063 strengthens Hawai'i's ability to support local farmers, expand access to fresh and culturally relevant meals for students, and build resilient, locally based food systems. We respectfully urge the Committee to support SB 3063, S.D.1, as a practical and impactful step toward sustaining a thriving, locally sourced school food system.

Mahalo for your time and consideration,

A handwritten signature in black ink, appearing to read "A. Shaw".

Dr. Amanda Shaw, PhD, Statewide Food Systems Coordinator
Email: amanda@agstewardshiphawaii.org, Tel: 808 429 5310