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**TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
ENERGY AND INTERGOVERNMENTAL AFFAIRS
FEBRUARY 4, 2025; 3:02 PM

SENATE BILL 1234
RELATING TO GOVERNMENTAL EFFICIENCY**

Chair Wakai, Vice Chair Chang, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 1234.

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

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.



Statement Before The
Tuesday, February 4, 2025
3:02 PM
Conference Room 016 & Videoconference

in consideration of
SB1234

RELATING TO GOVERNMENTAL EFFICIENCY.

Chair WAKAI, Vice Chair CHANG, and Members of the
Senate Energy and Intergovernmental Affairs Committee

The Legal Clinic (TLC) is testifying with comments and concerns with SB1234, 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 and requires annual report to the Legislature.

TLC is a Hawai'i nonprofit, nonpartisan organization. TLC is a direct legal services provider, representing those in Hawai'i who meet income eligibility guidelines without regard to immigration status, national origin, ethnic background, race, religion, ideology, gender identity, sexual orientation, age, or disability. TLC works alongside immigrants so they can attain authorization to work and live with dignity, reunite with their families after years of separation and escape horrific violence to find refuge in the United States. TLC recognizes that every person needs and deserves to feel a sense of trust, welcome, and belonging.

According to the 2020 U.S. Census, Hawai'i is the most diverse state in the nation.¹ In 2023, Hawai'i had about 256,000 immigrants, which is approx. 18% of the State population.² The top countries of origin for immigrants were the Philippines (45 percent of immigrants), China (9 percent), Japan (8 percent), Korea (6 percent), and the Pacific Island Nations (4 percent).³

¹ See <https://thehill.com/homenews/state-watch/567625-hawaii-california-and-nevada-are-most-diverse-states-in-the-us-census/> (retrieved 1/14/2025).

² See <https://usafacts.org/answers/how-many-immigrants-are-in-the-us/state/hawaii/> and <https://data.census.gov/profile/Hawaii?g=040XX00US15#populations-and-people> (retrieved 1/14/2025).

³ See https://www.americanimmigrationcouncil.org/sites/default/files/research/immigrants_in_hawaii.pdf (retrieved 1/14/2025).

There are between 41,000 -50,500 undocumented immigrants in Hawai'i.⁴ Hawaii is the only state where undocumented women (55%) outnumber men.⁵

Under SB1234 a department or agency established by Chapter 26, Hawaii Revised Statutes (HRS), may enter into agreements with other governmental bodies to achieve statutorily mandated goals. The Department of Law Enforcement (DLE) is established by Chapter 26, HRS. HRS § 26-14.8.

As the primary law enforcement entity, the department aims to preserve public peace, prevent crime, and protect individuals and property. It administers statewide programs to ensure public safety, safeguard state property, and enforce laws. . . . A significant focus is placed on the development, coordination, and implementation of a comprehensive **Homeland Security program for the state**. This involves **collaboration with federal**, state, county, and private sector stakeholders to address security concerns and ensure the safety of the state of Hawaii.

See <https://law.hawaii.gov/> (retrieved 2/1/2025).

TLC is concerned that, given DLE's mission is to collaborate with the federal government to ensure a Homeland Security program for the state, 287(g) agreements may be executed without appropriate oversight.⁶ Section 287(g) of the Immigration Nationality Act allows the federal government to enter into formal written agreements (Memoranda of Agreement or MOAs) with state or local law enforcement agencies that deputize selected state law enforcement officers (in this case DLE) to perform certain functions of federal immigration agents.

There is a real concern over the impact of the 287(g) program on immigrants and police-community relations. Local law enforcement is not trained in immigration enforcement, and 287(g) agreements only provide local law enforcement officials with limited training in immigration enforcement. Thus, stereotypes and discriminatory tactics are often employed to detain individuals suspected of being in the county without authorization, resulting in civil rights violations. Further, local law enforcement is under resourced and immigration enforcement is not a core function. This means that local law enforcement enforcing federal immigration laws is not an efficient use of limited resources. Additionally, 287(g) agreements do not result in localities being compensated by the federal government for immigration enforcement activities.

Currently, there are no 287(g) agreements in effect in Hawaii. However, SB1234 is broad enough that it could permit DLE to enter into one without oversight and only after the fact reporting.

Thank you for the opportunity to provide comments with concerns as to the broad language and grant of authority provided in SB1234. If you have any questions of me, please contact me at sma@tlchawaii.org.

⁴ See <https://www.civilbeat.org/2024/12/data-dive-hawaii%CA%BBi-deportation-cases-hit-quarter-century-high/> (retrieved 1/14/2025).

⁵ See <https://mchb.tvisdata.hrsa.gov/Narratives/Overview/a0ac94c0-8538-417e-85c9-da6ac5c06603> (retrieved 1/14/2025).

⁶ SB1234 only provides that it be reviewed and approved as to form and legality by the attorney general. There is no provision that SB1234 be reviewed prior to execution as to policy impacts upon the state.

Very respectfully yours,

Amy Agbayani

Amy Agbayani, Ph.D.
Board Member
The Legal Clinic

Sandy Ma

Sandy Ma
Community & Policy Advocate
The Legal Clinic



Cade Watanabe, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Eric W. Gill, Senior Vice-President

February 3, 2025

Senate Committee on Energy and Intergovernmental Affairs
Senator Glenn Wakai, Chair
Senator Stanley Chang, Vice Chair

Testimony in opposition to SB1324 for hearing on 2/4/25

Chair Wakai, Vice Chair Chang and members of the committee,

UNITE HERE Local 5 represents over 10,000 working people in the hotel, foodservice and healthcare industries across Hawaii.

We are in opposition to the intent of SB1234. The bill's language is dangerously vague. It grants broad authority for any state agency to partner with any private for-profit corporation in any "agreement." The bill offers no definition or limits to the term "agreement." The bill provides no guardrails to protect taxpayer interests nor public participation in the new "agreement" making process, except to rely on *already pre-existing law*. The bill provides no guidance or definition for the term "efficiency," nor what the efficiency metrics are and how taxpayers are intended to benefit from "efficient agreements."

SB1234 wrongly assumes that letting state government make more "agreements" with for-profit corporations will automatically result in some vaguely desirable outcome that is "efficient." The bill offers no accountability oversight or auditing of these agreements.

The bill is unnecessary. State agencies are already allowed to enter into agreements with other entities. The bill itself references HRS103D, a long-standing framework on procurement-type agreements. SB1234 requires the attorney general to approve legality of agreements, and the agreement must comply with the submitting agency's statutory mandate. This leads to questions about the vagueness of SB1234 - what new power is the bill granting to departments if the bill is saying it must follow existing statutory mandates and attorney general review? What is the intent and purpose of the bill and how does it conflict with established public policy?

The short title of the bill refers to "governmental efficiency," but the bill immediately exceeds that scope by including private for-profit companies and non-profits into its authority. This bill will likely result in less efficiency and more chaos as poorly audited agreements between state agencies and private entities compound in number over time.

We recommend the bill be rewritten to narrowly focus on intra-governmental efficiency and avoid the Pandora's box of broadly authorizing taxpayer-funded agencies to enter into "agreements" with for-profit corporations. Or alternatively, the bill's intent would be better served as a resolution to encourage government efficiency and partnership, as opposed to granting statutory authority for any state department or agency head to enter into vague "efficiency" agreements.

Thank you for this opportunity to testify.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

STERLING HIGA
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
CRAIG K. NAKAMOTO
Executive Director
Hawai'i Community Development Authority
before the
SENATE COMMITTEE ON ENERGY AND INTERGOVERNMENTAL AFFAIRS

Tuesday, February 4, 2025
3:02 PM
State Capitol, Conference Room 016 & Videoconference

In consideration of
SB1234
RELATING TO GOVERNMENTAL EFFICIENCY.

Chair Wakai, Vice Chair Chang, and members of the Committee.

The Hawai'i Community Development Authority (HCDA) supports SB1234, 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.

For example, we have partnered with private utility companies when undergrounding utilities and making public road improvements in the past.

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 Senate
Committee on Energy and Intergovernmental Affairs

LATE

Testimony by
Hawaii Government Employees Association

February 4, 2025

S.B. 1234 — RELATING TO GOVERNMENTAL EFFICIENCY

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of S.B. 1234, 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 S.B. 1234.

Respectfully submitted,


Randy Perreira
Executive Director

SB-1234

Submitted on: 2/4/2025 11:52:25 AM

Testimony for EIG on 2/4/2025 3:02:00 PM

LATE

Submitted By	Organization	Testifier Position	Testify
Liza Ryan Gill	Testifying for Hawaii Coalition for Immigrant Rights	Comments	In Person

Comments:

The Hawai'i Coalition for Immigrant Rights is concerned about potential contracts/MOUs between state/local law enforcement agencies and federal law enforcement. We would like to see more clarity on the potential for these types of agreements.