



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

Date: 02/10/2025

Time: 03:00 PM

Location: CR 229 & Videoconference

Committee: Senate Education

Senate Agriculture and Environment

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Bill Title: SB 0659 RELATING TO THE DEPARTMENT OF EDUCATION.

Purpose of Bill: Exempts from the electronic procurement system the Department of Education's purchase of fresh local agricultural products and local value-added processed, agricultural, or food products not exceeding \$100,000, subject to certain requirements. Requires the Department of Education to establish guidelines for determining a geographic preference for locally sourced products.

Department's Position:

The Hawaii State Department of Education (Department) supports SB 659.

This bill will increase the School Food Services Branch's (SFSB) small purchase procurement capacity and flexibility to procure more locally grown produce. This will aid in the Department's progress toward meeting the 30% by 2030 local farm-to school ingredients purchase goals.

The Department recognizes that it will be responsible for establishing guidelines with a geographic preference for locally sourced products in accordance with the United States Department of Agriculture's National School Lunch Program and state procurement laws, including the necessity of gathering competitive bids.

The process proposed in this bill will allow us to purchase items that currently are unavailable from our distributors such as poi and limu.

The Department's SFSB also prefers electronic transactions, but we must retain the opportunity to procure from local farmers across the state who may be electronically limited, but food safety compliant. The SFSB further recognizes that educating farmers about procurement compliance is a part of its farm to school mission.

Thank you for the opportunity to testify in support of this measure.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEAN M. MATSUKAWA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
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**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEES ON EDUCATION AND
AGRICULTURE AND ENVIRONMENT**

**MONDAY, FEBRUARY 10, 2025
3:00 PM
CONFERENCE ROOM 229**

**SENATE BILL NO. 659
RELATING TO THE DEPARTMENT OF EDUCATION**

Chairs Kidani and Gabbard, Vice Chairs Kim, and Richards, and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 659 that exempts from the electronic procurement system the Department of Education's purchase of fresh, local agricultural products and local value-added processed, agricultural or food products not exceeding \$100,000, subject to certain requirements and requires the Department of Education to establish guidelines for determining a geographic preference for locally sourced products.

The Department of Agriculture appreciates the intent of this measure and offers comments. The Department appreciates measures that remove barriers to procure locally grown fresh produce and local value-added processed, agricultural or food products and defers to the Department of Education regarding the rule changes and determining geographic preference for locally sourced products.

The Department has two additional comments – the Department surveyed attendees to the Schools of the Future Conference regarding their preferred definition of geographic preference, selecting from Complex, Island or County, the preference was County; and reinstating "Fresh meats and produce" and "Animals and plants" to Exhibit A, Chapter 3-120, Procurements exempt from Chapter 103D, HRS. Both exemptions were removed pursuant to Act 175/SLH 2009.

Thank you for the opportunity to testify on this measure.





LATE

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February 10, 2025

HEARING BEFORE THE
SENATE COMMITTEE ON EDUCATION
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 659
RELATING TO THE DEPARTMENT OF EDUCATION

Conference Room 229 & Videoconference
3:00 PM

Aloha Chairs Kidani and Gabbard, Vice-Chairs Kim and Richards, and Members of the Committees:

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 659, which allows the Department of Education to procure fresh local agricultural products and local value-added processed agricultural or food products under \$100,000 without using an electronic procurement system. It also requires the department to establish guidelines with a geographic preference for locally sourced products.

Hawai'i's Farm to School program plays a crucial role in improving student nutrition, supporting local farmers and ranchers, and increasing the state's food security. The state has committed to sourcing at least 30 percent of school meals from local food sources by 2030 under Act 175, SLH 2021. However, one of the main challenges in achieving this goal has been the complexities of the procurement process, which has historically favored large, out-of-state suppliers over local farmers.

SB 659 addresses this issue by exempting the Department of Education's purchases of fresh local agricultural products and value-added food products under \$100,000 from the electronic procurement system. This change will streamline the purchasing process and make it easier for local farmers and ranchers to participate in school food procurement. By allowing DOE to establish geographic preferences, the bill ensures that local producers are given a fair opportunity to compete in supplying Hawai'i's schools.

Increasing DOE procurement of locally grown agricultural products will help create a stable and reliable market for local farmers, encouraging them to expand production. Currently, many farmers hesitate to scale up operations due to uncertainty in demand. By

simplifying the purchasing process, SB 659 helps provide the consistency that local farmers need to plan, invest, and grow more food for Hawai'i's students.

To fully support the success of this initiative, the Hawai'i Farm Bureau encourages additional efforts to assist local farmers and ranchers in navigating the procurement system. Educational workshops, technical assistance, and direct collaboration between DOE and local producers will further enhance participation and ensure that Hawai'i-grown food reaches students across the state.

We urge the committee to pass SB 659 to support local farmers, strengthen Hawai'i's Farm to School program, and increase the availability of fresh, locally grown food for Hawai'i's students.

Thank you for the opportunity to testify on this measure.



LATE

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Honolulu, O'ahu

Natalie Urminska
Kaua'i

Aloha Chair Kidani, Vice Chair Kim, and Members of the Senate Education Committee,

The Hawaii 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 and seeks to amend SB659.**

SB659 seeks to streamline the procurement of locally sourced agricultural products for Hawaii's public schools by exempting purchases under \$100,000 from the electronic procurement system and requiring the Department of Education (DOE) to establish guidelines with a geographic preference for locally sourced products.

Instead of broadly directing DOE to establish "guidelines", the bill should explicitly align these guidelines with HRS §103D-1002 (Hawaii product preferences) and enhance them by mandating the purchase of locally sourced products when priced within 10% of the lowest out-of-state option and recognizing discretionary purchases up to 15% higher with justification. This ensures stronger support for Hawaii's farmers while maintaining cost efficiency in school food procurement.

Alaska's Sec. 29.71.040 provides a model, requiring state-funded entities to buy in-state agricultural and fisheries products if they are of similar quality and price, with a 7% mandatory preference and 15% discretionary preference.

Proposed Amendment to Section 1 §302A(b):

"The department shall establish guidelines with a geographic preference for locally sourced products when procuring products. The guidelines shall include the following provisions:

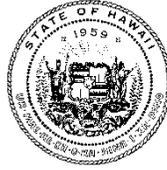
(1) The department shall award contracts for locally sourced products if the cost is no more than 10% higher than the lowest-priced out-of-state option; and

(2) The department may award contracts for locally sourced products if the cost is no more than 15% higher than the lowest-priced out-of-state option, provided that justification for the selection is documented."

This adjustment strengthens the bill's intent by ensuring that Hawaii's procurement policies prioritize local food while remaining flexible for budgetary considerations.

Mahalo for the opportunity to testify.
Hunter Heavilin

Advocacy Director
Hawai'i Farmers Union



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

TO THE SENATE COMMITTEES
ON
EDUCATION
AND
AGRICULTURE AND ENVIRONMENT

FEBRUARY 10, 2025; 3:00 PM

SENATE BILL 659
RELATING TO THE DEPARTMENT OF EDUCATION

Chairs Kidani and Gabbard, Vice Chairs Kim and Richards, and members of the committees, thank you for the opportunity to submit testimony on Senate Bill 659, which removes the requirement to use an electronic procurement for purchases of locally sourced products. The State Procurement Office (SPO) provides the following comments and recommendations.

SPO recommends revisions to Section 2, page 2, lines 17-21, and page 3 lines, 1 – 11 to read:

§302A – Local edible produce and packaged local food products procurement; small purchases. Notwithstanding section 103D-305(c) and any law to the contrary, procurements less than \$100,000 for local edible produce and package local food products for the department shall be exempt from the requirement to conduct procurements through an electronic system and shall instead be subject to no less than three written quotes for procurement of \$25,000 to less than \$100,000; provided that the department may allow for no less than two written quotes for procurements of \$25,000 to less than \$100,000 for local edible produce and packaged local food products to supply schools in rural communities, as determined by the department, and provided further that if the department is unable to receive the required number of written quotations as required by this section, written justification shall be provided and kept by the department; provided that the department develop a form to capture the quotations in a uniform manner. All awards exceeding \$2,500 shall be posted electronically on the Hawaii Awards and Notice Data System, or similar department of education platform, and shall be compliant with Section 103D-310(c).

The department must exercise diligence diligent in ensuring that agencies are not engaging in parceling, which is the artificial division of goods so as to intentionally circumvent the procurement process.

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

SB-659

Submitted on: 2/9/2025 12:59:28 PM

Testimony for EDU on 2/10/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Testifying for Climate Protectors Hawaii	Support	Written Testimony Only

Comments:

Climate Protectors Hawaii **SUPPORT** this bill if it will help DOE obtain more local produce from farmers.

SB-659

Submitted on: 2/7/2025 2:13:37 PM

Testimony for EDU on 2/10/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy Redfeather	Testifying for Ka Ohana O Na Pua	Support	Written Testimony Only

Comments:

Aloha Chair Gabbard, I am hoping that this will become yet another incentive for the DOE to move forward on using locally produced foods and food products and integrating them into the children's breakfast and lunch meals. Mahalo for your Kokua on this Senator Gabbard.

SB-659

Submitted on: 2/7/2025 3:57:19 PM

Testimony for EDU on 2/10/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy D Moser	Individual	Support	Written Testimony Only

Comments:

In SUPPORT of SB 569.

Aloha Chair and members of the Committee,

Please vote YES on this measure to assure that DOE creates the guidelines and practical steps to procure locally sourced products. Mahalo,

Nancy Moser in Waikoloa on Hawai'i Island



LATE

Email: communications@ulupono.com

SENATE COMMITTEES ON EDUCATION & AGRICULTURE AND THE ENVIRONMENT
Monday, February 10, 2025 — 3:00 p.m.

Ulupono Initiative supports SB 659, Relating to Department of Education.

Dear Chair Kidani, Chair Gabbard, and Members of the Committees:

My name is Mariah Yoshizu, and I am the Government Affairs Associate at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy, clean transportation choices, and better management of freshwater resources.

Ulupono supports SB 659, which exempts from the electronic procurement system the Department of Education's (DOE) purchases of fresh local agricultural products and local value-added processed, agricultural, or food products not exceeding \$100,000, subject to certain requirements. This bill also requires the DOE to establish guidelines for determining a geographic preference for locally sourced products.

Ulupono supports the State's farm-to-institution efforts, including the DOE's Farm to School Program, which has the potential to leverage the department's significant buying power to become one of the state's largest purchasers of local food (perhaps one day the largest) while also shaping the tastes, attitudes and eating habits of Hawai'i's keiki for healthy outcomes. The State has committed to local food procurement goals through 2050 (including the DOE's own statutorily required goal of 30% local by 2030), and it is important to provide opportunities for local producers to participate in institutional purchasing.

While the DOE's regional kitchen construction plans advance, the fact remains that these facilities won't be operational for many years. The department should seize current opportunities to strengthen relationships with local food producers. By engaging farmers now, we can align DOE's food requirements with local agricultural production and build supply chain capacity. This proactive approach not only serves today's students better than waiting for kitchen completion, but also sets up the regional kitchen strategy for long-term success — ensuring a robust supply chain is ready when these facilities open.

Investing in a Sustainable Hawai'i



By expanding the small purchase exemption for the DOE, schools across the state will have an additional tool now to procure fresh products from local farmers and ranchers.

Thank you for the opportunity to testify.

Respectfully,

Mariah Yoshizu
Government Affairs Associate