

FEB 10 2012

SENATE CONCURRENT RESOLUTION

REQUESTING THE EXTENSION OF THE PROMPT PAYMENT TASK FORCE TO DEVELOP RECOMMENDATIONS TO ADDRESS ISSUES THAT AFFECT PROMPT PAYMENT FOR GOODS AND SERVICES PURCHASED THROUGH NONPROFIT ORGANIZATIONS, INCLUDING HUMAN SERVICE NONPROFIT ORGANIZATIONS THAT DELIVER PIVOTAL GOODS AND SERVICES TO INDIVIDUALS, FAMILIES, COMMUNITIES, AND OTHER SMALL BUSINESSES.

1 WHEREAS, nationally, state and local governments contract
2 with nonprofit organizations - particularly human service
3 organizations - to deliver pivotal services to individuals,
4 families, and communities; and
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6 WHEREAS, in October 2010, the Urban Institute released
7 three related reports, including a "National Study of Nonprofit-
8 Government Contracting, State Profiles", which outlined a
9 variety of problems faced by these nonprofits; and
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11 WHEREAS, key problems included payments not covering full
12 program costs, complex and time-consuming applications and
13 reporting, changes to contractual and grant agreements, and late
14 payments; and
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16 WHEREAS, in Hawaii, one hundred sixty-one human service
17 nonprofits provided services to state and county government in
18 2009, and fifty per cent of the nonprofits reported problems
19 with late payments, which is substantially higher than the
20 national average of forty-one per cent; and
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22 WHEREAS, small businesses that contract with governments
23 report the same concerns and face the same negative
24 consequences, and both nonprofits and businesses struggle to
25 make ends meet in an economy that has faltered; and
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27 WHEREAS, upon adoption of Senate Concurrent Resolution
28 No. 28, S.D. 2, in 2011, the Comptroller established a prompt



1 payment task force and invited as initial members of the task
2 force, at least one member from each of the following:

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4 (1) The State Procurement Office of the Department of
5 Accounting and General Services;
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7 (2) The Department of Budget and Finance;
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9 (3) The Department of Health;
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11 (4) The Department of Human Services;
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13 (5) The Hawaii Alliance of Nonprofit Organizations;
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15 (6) The Building Industry Association of Hawaii or The
16 Pacific Resource Partnership;
- 17
18 (7) The Senate Committee on Economic Development and
19 Technology;
- 20
21 (8) The Senate Committee on Human Services;
- 22
23 (9) The Senate Committee on Public Safety, Government
24 Operations, and Military Affairs;
- 25
26 (10) The House of Representatives Committee on Economic
27 Revitalization and Business;
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29 (11) The House of Representatives Committee on Human
30 Services; and
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32 (12) The House of Representatives Committee on Public
33 Safety and Military Affairs; and

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35 WHEREAS, the prompt payment task force has held at least
36 three meetings since August 2011, and the chairs of the Senate
37 Committee on Economic Development and Technology and the House
38 of Representatives Committee on Economic Revitalization and
39 Business assumed responsibility for co-chairing the task force
40 after the Comptroller's transition to the Office of the Governor
41 in September 2011; and

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43 WHEREAS, recommendations of the task force will benefit
44 from pilot projects involving the use of "dashboard" and other



1 information technology infrastructure enhancements proposed for
2 implementation in 2012; now, therefore,

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4 BE IT RESOLVED by the Senate of the Twenty-sixth
5 Legislature of the State of Hawaii, Regular Session of 2012, the
6 House of Representatives concurring, that the prompt payment
7 task force is requested to be extended until December 31, 2012;
8 and

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10 BE IT FURTHER RESOLVED that the prompt payment task force
11 is requested to develop recommendations to address issues that
12 affect prompt payment for goods and services purchased through
13 nonprofit organizations, including human service nonprofit
14 organizations that deliver pivotal goods and services to
15 individuals, families, communities, and other small businesses;
16 and

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18 BE IT FURTHER RESOLVED that the prompt payment task force
19 is requested to submit a report of its findings and
20 recommendations to the Legislature no later than December 31,
21 2012; and

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23 BE IT FURTHER RESOLVED that the prompt payment task force,
24 upon the request of the Legislature, participate in a joint
25 informational briefing to discuss its report; and

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27 BE IT FURTHER RESOLVED that certified copies of this
28 Concurrent Resolution be transmitted to the Chief of Staff,
29 Office of the Governor; the Comptroller; the Administrator of
30 the State Procurement Office, Department of Accounting and
31 General Services; the Director of Finance; the Director of
32 Health; the Director of Human Services; the Chair of the Board
33 of Directors of the Hawaii Alliance of Nonprofit Organizations;
34 the President of the Building Industry Association of Hawaii;
35 the Executive Director of The Pacific Resource Partnership; the
36 Chair of the Senate Committee on Economic Development and
37 Technology; the Chair of the Senate Committee on Human Services;
38 the Chair of the Senate Committee on Public Safety, Government
39 Operations, and Military Affairs; the Chair of the House of
40 Representatives Committee on Economic Revitalization and
41 Business; the Chair of the House of Representatives Committee on
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1 Human Services; and the Chair of the House of Representatives
2 Committee on Public Safety and Military Affairs.
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