

HAWAI'I STATE ETHICS COMMISSION

State of Hawai'i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai'i 96813

Committee:	Committee on Judiciary
Bill Number:	H.B. 671, H.D.2
Hearing Date/Time:	Thursday, March 18, 2021, 9:15 a.m.
Re:	Testimony of the Hawai'i State Ethics Commission
	in SUPPORT of H.B. 671 H.D. 2, Relating to the Code of Ethics

Chair Rhoads, Vice Chair Keohokalole, and Committee Members:

The Hawai'i State Ethics Commission ("Commission") supports H.B. 671, H.D.2, which seeks to promote integrity in government by strengthening the wall of separation between lobbyists and high-ranking government officials. The Commission strongly supports the amendments made in House Draft 2 – that is, the current version of this bill – and respectfully recommends that this bill be passed unamended (or with a clean effective date).

Currently, under Hawaii's post-employment law, Hawai'i Revised Statutes ("HRS") § 84-18, former government officials are generally prohibited from representing others, for pay, before <u>their own agencies</u> for twelve months after leaving office. However, those same former government officials are generally not subject to any cooling-off period before they may be paid to represent private clients before <u>other</u> state agencies.¹ For example, a department director who appears regularly before the Legislature can leave government service and immediately begin lobbying the Legislature for pay; similarly, a legislator can immediately leave office and begin lobbying executive-branch agencies regarding proposed administrative rules.²

¹ The post-employment law <u>does</u> prohibit a former legislator/employee from representing a private client before any state agency (for twelve months), for pay, <u>on the same matters</u> in which the legislator/employee participated while serving as legislator/employee. Additionally, the contracts law, HRS § 84-15(b), restricts the extent to which former employees can assist private entities in seeking contracts with the State, when the former employee worked on the same contract matter while employed by the State.

² Except as provided in footnote 1: for twelve months, the former director or legislator in these examples could not lobby, for pay, on any matters that the director/legislator worked on while a director/legislator, <u>see</u> HRS § 84-18. Similarly, if an employee works on a contract while at the State, then leaves her state position and goes to work for a private company, the former employee cannot assist the private company in applying for that same contract for two years; if the former employee does so during the two-year cooling-off period, the State is prohibited from entering into the contract with the private company. <u>See</u> HRS § 84-15(b).

Hawai'i State Ethics Commission Testimony on H.B. 671, H.D.2 (support) March 18, 2021 Page 2

This measure would create a twelve-month cooling-off period for certain high-ranking government officials (and permanent employees of the Legislature, other than those employed in clerical positions) before those former employees could lobby the Legislature for pay.³ This prohibition would help to create clearer boundaries between government and private-sector lobbyists.

Last year, the Governor vetoed <u>H.B. 2124 HD1 SD2</u>, a measure that was similar to H.B. 671. However, House Draft 2 (the current version of this bill) appears to address the Governor's concerns completely, inasmuch as the new post-employment restrictions in House Draft 2 apply only to <u>paid</u> state officials (not to volunteer members of boards and commissions).⁴ As such, the Commission respectfully asks that the Committee pass H.B. 671, H.D.2 as is (or with a clean effective date).

Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on H.B. 671, H.D.2.

Very truly yours,

Daniel M. Gluck Executive Director & General Counsel

³ This measure will also prohibit lobbying executive agencies on administrative rule-making.

⁴ The House Draft 2 makes H.B. 671 nearly identical to <u>S.B. 158</u>, introduced this session.



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Hawaii Holding Power Accountable

> Statement Before The SENATE COMMITTEE ON JUDICIARY Thursday, March 18, 2021 9:15 AM Via Video Conference

in consideration of HB 671, HD2 RELATING TO THE CODE OF ETHICS.

Chairs RHOADS, Vice Chair KEOHOKALOLE, and Members of the Senate Judiciary Committee

Common Cause Hawaii supports HB 671, HD2, which (1) prohibits certain state officials and employees from representing certain interests before the State for twelve months after termination from their respective positions and (2) specifies that the prohibition against disclosing certain information applies to those who were employed by the State for less than one hundred eighty-one days.

Common Cause Hawaii is a nonprofit, nonpartisan, grassroots organization dedicated to reforming government and strengthening democracy. Common Cause Hawaii works to restore faith in our government and our democracy that has been shattered in the last few years through ethics, accountability, and transparency reforms. These reforms are probably the most important tools to restoring the people's trust in their elected leaders and government – to show people that their government is acting for the people's interest versus serving their own interests.

HB 671, HD2 prohibits lobbying by former legislators and executive-branch employees through instituting a twelve (12) month "cooling-off" period at the administrative level. This is needed to restore trust and confidence in government. This measure goes beyond the current ethics law, which prohibits (1) former legislators for 12 months after leaving the legislature from representing "any person or business for a fee or other consideration, on matters in which the former legislator participated as a legislator or on matters involving official action by the legislature" and (2) former government employees for 12 months after leaving state employment from representing "any person or business for a fee or other consideration, on matters in which the former employee participated as an employee or on matters involving official action by the particular state agency or subdivision thereof with which the former employee had actually served". <u>See</u> Hawaii Revised Statutes §§ 84-18(b)-(c).

HB 671, HD2 expands the cooling off period (1) for legislators to administrative actions and (2) for employees to any legislative action or administrative action and not just those involving the particular agency or subdivision in which they served. This will provide more of a distinct wall of separation



between lobbyists and the State's elected officials and certain other government employees, which will better serve the public interest.

HB 671, HD2 addresses the concerns raise by the Governor in vetoing HB 2124, HD1, SD2, which was passed by the legislature in 2020 to adopt a similar 12 month cooling off period, through removing from coverage certain members of boards and commissions.

Thank you for the opportunity to testify in support of HB 671, HD2. If you have further questions of me, please contact me at sma@commoncause.org.

Very respectfully yours,

Sandy Ma Executive Director, Common Cause Hawaii

<u>HB-671-HD-2</u> Submitted on: 3/13/2021 1:11:44 PM Testimony for JDC on 3/18/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	Individual	Support	No

Comments:

Aloha Senators,

I support HB 671 HD 2.

Mahalo for your consideration,

Michael Golojuch, Jr.

<u>HB-671-HD-2</u> Submitted on: 3/13/2021 2:01:06 PM Testimony for JDC on 3/18/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dyson Chee	Individual	Support	No

Comments:

Thank you for the opportunity to testify in support of HB671 HD2.

Submitted on: 3/13/2021 6:45:38 PM Testimony for JDC on 3/18/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Linda Morgan	Individual	Support	No

Comments:

i strongly support HB671, as it will put a time distance between lobbying and legislating or working in the government. The swinging door that is open now promotes corruption in government. Please support HB671 to improve democracy in Hawaii.

HB-671-HD-2

Submitted on: 3/14/2021 11:20:46 AM Testimony for JDC on 3/18/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Caroline Kunitake	Individual	Support	No

Comments:

Dear Chair Rhoads, Vice Chair Keohokalole, and Committee on Judiciary,

Please support HB671, HD2.

HB 671, HD2 expands the cooling off period (1) for legislators to administrative actions and (2) for employees to any legislative action or administrative action and not just those involving the particular agency or subdivision in which they served.

This will provide more of a distinct wall of separation between lobbyists and the State's elected officials and certain other government employees, which will better serve the public interest.

The public's interest is best serve when there is less opportunities for conflicts of interest.

Thank you for the opportunity to testify in support of HB 671, HD2.

Mahalo,

Caroline Kunitake

<u>HB-671-HD-2</u> Submitted on: 3/14/2021 1:28:36 PM Testimony for JDC on 3/18/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Best	Individual	Support	No

Comments:

Lessens "revolving door."

HB-671-HD-2

Submitted on: 3/14/2021 1:46:44 PM Testimony for JDC on 3/18/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
tlaloc tokuda	Individual	Support	No

Comments:

Dear Committee,

I strongly support this bill.

• HB 671, HD2 expands the cooling off period (1) for legislators to administrative actions and (2) for employees to any legislative action or administrative action and not just those involving the particular agency or subdivision in which they served.

• This will provide more of a distinct wall of separation between lobbyists and the State's elected officials and certain other government employees, which will better serve the public interest.

• Mahalo for the opportunity to testify in strong support of HB 671, HD2.

Mahalo for your consideration,

Tlaloc Tokuda

Kailua Kona, HI 96740

Submitted on: 3/14/2021 7:59:23 PM Testimony for JDC on 3/18/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
lynne matusow	Individual	Support	No

Comments:

This 12 month cooling off period at the administrative level is needed. It will restore trust in government. Additionally, this will provide more of a distinct wall of separation between lobbyists and the State's elected officials and certaain other government employees, which will better serve the public interest.

HB-671-HD-2 Submitted on: 3/14/2021 9:21:06 PM Testimony for JDC on 3/18/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathy Jaycox	Individual	Support	No

Comments:

Thank you for the opportunity to submit testimony in support of this bill.

Submitted on: 3/15/2021 12:57:14 AM Testimony for JDC on 3/18/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Edward B Hanel Jr	Individual	Support	No

Comments:

Concur with Common Cause Hawaii comments. Pass HB671 HD2

Submitted on: 3/15/2021 6:50:43 PM Testimony for JDC on 3/18/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
laurie boyle	Individual	Support	No

Comments:

I support sb671 for the simple reason that the revolving lobbyist-poliyician door should not be available for AT LEAST one year in order to reduce the money for favors, fzvirs for money to reduce corruption.

Submitted on: 3/16/2021 2:12:45 AM Testimony for JDC on 3/18/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Azuma Chrupalyk	Individual	Support	No

Comments:

It would be unethical to allow ex-position holder to continue their advocacy in certain resective areas, which in doing so would imply a lack of control over potential corruption.

Submitted on: 3/17/2021 6:39:15 AM Testimony for JDC on 3/18/2021 9:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
David Anderson	Individual	Support	No

Comments:

HB 671, HD2 expands the cooling off period (1) for legislators to administrative actions and (2) for employees to any legislative action or administrative action and not just those involving the particular agency or subdivision in which they served.

This will provide more of a distinct wall of separation between lobbyists and the State's elected officials and certain other government employees, which will better serve the public interest.

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