

Honolulu, Hawaii

**MAR 18 2025**

RE: H.B. No. 159  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred H.B. No. 159, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO QUALIFIED COMMUNITY REHABILITATION PROGRAMS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify that the civil service exemption for personal service contracts for building, custodial, and grounds maintenance services with qualified community rehabilitation programs shall not cost more than \$850,000 in the aggregate per private person or entity, regardless of the number of contracts or qualified community rehabilitation programs utilized for the personal service.

Your Committee received testimony in support of this measure from the United Public Workers AFSCME Local 646, AFL-CIO; Hawaii Government Employees Association AFSCME Local 152, AFL-CIO; and Hawaii State AFL-CIO.

Your Committee finds that when the civil service exemption for personal service contracts for certain grounds maintenance services with qualified community rehabilitation programs was established, the Legislature intended to preserve the limited existing contracts of this nature. However, the number and scope of similar contracts has greatly expanded, signaling the



exemption's abuse as a loophole to avoid civil service hiring. This excessive privatization is exemplified in the County of Maui, which in fiscal year 2024 spent over \$1.76 million on contracts with one qualified community rehabilitation program rather than hiring civil service employees to perform janitorial and groundskeeping services for county parks. This measure restores balance to the exemption, protecting public sector jobs while maintaining employment opportunities for individuals with disabilities, by clarifying that the \$850,000 price cap applies in the aggregate, regardless of the number of contracts or programs utilized.

Your Committee has amended this measure by:

- (1) Deleting the amount of \$850,000 and inserting a blank amount for the exemption's yearly cost limit; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion;

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 159, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 159, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor and  
Technology,

  
HENRY J. C. AQUINO, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Labor and Technology**  
**LBT**

Bill / Resolution No.:* <i>HB159 HD1</i>	Committee Referral: <i>LBT, WAM</i>	Date: <i>3/12/25</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
AQUINO, Henry J.C. (C)	<i>✓</i>			
LEE, Chris (VC)	<i>✓</i>			
IHARA, Jr., Les	<i>✓</i>			
MORIWAKI, Sharon Y.				<i>✓</i>
FEVELLA, Kurt	<i>✓</i>			
<b>TOTAL</b>	<i>4</i>			<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; margin-top: 10px;"><i>[Signature]</i></div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes