



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

Date: 03/18/2026

Time: 01:00 PM

Location: CR 229 & Videoconference

Committee: EDU

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: HB1785, HD1, RELATING TO STUDENT TRANSPORTATION.

Purpose of Bill: Authorizes the Department of Education to hire a new contractor if a contractor under a student transportation contract fails to provide service on a contracted route for five or more consecutive instructional days. Authorizes the use of the school bus fare revolving fund to offset costs associated with procuring replacement services. Effective 7/1/3000. (HD1)

Department's Position:

The Hawai'i State Department of Education (Department) appreciates the opportunity to provide comments on HB 1785, HD1 which seeks to address prolonged disruptions in school bus service and improve transportation reliability for students and families.

The Department supports efforts to improve service reliability; however, respectfully notes that statutory solutions must align with the State's contracted service model, framework, and existing oversight mechanisms. Reallocating or suspending routes does not address the underlying constraint affecting service reliability—the ongoing statewide shortage of qualified school bus drivers. The Department is concerned that increased uncertainty may further discourage carrier participation, potentially exacerbating capacity challenges rather than resolving them.

The bill authorizes interim agreements exempt from chapter 103D, Hawai'i Revised Statutes, for up to thirty months, with authorization to reprocure services. While limited flexibility may be appropriate to address short-term service gaps, extended exemptions procurement raise concerns regarding fairness, transparency, and proportionality, which are core principles of State procurement law.

The Department also notes that its current student transportation procurement and contract-management framework reflects extensive corrective actions taken in response to the State Auditor's Report No. 12-07, Management Audit of the Transportation Services, and subsequent follow-up reports. As documented by the Office of the Auditor, the Department has made changes in response to recommendations to improve route planning, performance monitoring, contract administration, procurement coordination, and competitive bidding practices.

Extended procurement exemptions or route-level contract fragmentation may undermine the changes made by the Department in response to the recommendations of the State Auditor.

The Department thanks the Committee for the opportunity to comment on HB 1785, HD1.

JOSH B. GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



BONNIE KAHAKUI
ADMINISTRATOR
DAYNA OMIYA
ASSISTANT ADMINISTRATOR

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TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
EDUCATION
MARCH 18, 2026, 1:00 PM

HOUSE BILL 1785, HD1
RELATING TO STUDENT TRANSPORTATION

Chair Kim, Vice Chair Kidani, and members of the committee, thank you for the opportunity to submit testimony on House Bill 1785, HD1, which authorizes the Department of Education (DOE) to suspend or terminate school bus contracts after five or more missed instructional days. The State Procurement Office (SPO) respectfully offers comments.

Comments

The intent of House Bill 1785, HD1, to enforce contractual remedies for non-performance, is already addressed in Hawaii Revised Statutes (HRS), Chapter 103D, Hawaii Public Procurement Code (Code), and Hawaii Administrative Rules (HAR) Chapter 3-125, which provide the statutory framework for contract enforcement, termination, and remedies for contractor non-performance. The DOE shall continue to consistently enforce the existing procurement requirements. Furthermore, redundant statutory requirements within the established framework may compromise the consistency and uniform application of the current Code.

Additionally, this bill authorizes the Governor to make procurement decisions related to the removal or suspension of school routes, and to approve interim agreements for providing transportation on affected school routes. However, pursuant to HRS Section 103D-203, the Chief Procurement Officer for the Department of Education is the Superintendent of Education. Giving the Governor the authority to intervene in DOE contracting processes usurps the CPO's authority pursuant to HRS Section 103D-205. This section of the Hawaii Public Procurement Code reads as follows:

"§103D-205 Authority and duties of the chief procurement officer. (a) For their respective jurisdictions and unless

otherwise specifically provided in this chapter, each chief procurement officer shall serve as the central procurement officer for the officer's respective jurisdiction and:

- (1) Procure or supervise the procurement of all goods, services, and construction;
- (2) Exercise general supervision and control over all inventories of goods;
- (3) Sell, trade, or otherwise dispose of surplus goods;
- (4) Establish and maintain programs for the inspection, testing, and acceptance of goods, services, and construction;
- (5) Coordinate with the administrator regarding procurement policies, opportunities for statewide innovation implementation, and concerns;
- (6) Report procurement contract data pursuant to requirements established by the administrator, in the form and manner prescribed by the state procurement office; and
- (7) Assist and cooperate with the administrator regarding any compliance review by the administrator pursuant to section 103D-206.

(b) Consistent with the provisions of this chapter and rules adopted by the policy board to implement its provisions, the chief procurement officers may adopt operational procedures to assist in the performance of these duties and responsibilities."

Authorizing one entity to intervene in another jurisdiction's procurement decisions establishes a precedent that procurement authority may be reassigned outside existing statutory structures. This undermines the uniform statewide framework established in HRS Chapter 103D and introduces uncertainty into procurement governance.

Such shifts in authority can also lead to inconsistent application of contract enforcement, and reduced vendor and public confidence. Ensuring that all agencies follow the same procurement requirements is essential to maintaining transparency, safeguarding taxpayer funds, and supporting fair and open competition.

Recommendation

The SPO respectfully recommends that the Committee defer House Bill 1785, HD1, as written and instead emphasize the consistent enforcement of existing procurement rules and contract provisions.

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

HB-1785-HD-1

Submitted on: 3/17/2026 12:08:52 PM

Testimony for EDU on 3/18/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Piikea Kalakau-Baarde	Testifying for Teach for America Hawai'i	Support	Written Testimony Only

Comments:

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

My name is Pi'ikea Kalakau-Baarde, and I work at Teach for America Hawai'i. I'm a former public school teacher and now support TFA Hawai'i's local initiatives, including our corps member programming, early literacy, alumni leadership development, external affairs, and more.

I am writing in strong support of HB1785 HD1, which authorizes the Department of Education to address service failures in student transportation proactively.

Reliable school bus service is essential to student attendance, safety, and academic success. When contractors fail to provide service for five or more consecutive days, it creates an undue burden on Hawai'i's families and leaves students without a dependable way to get to school. By allowing the Department of Education to hire new contractors and utilizing the school bus fare revolving fund to cover these costs, this bill ensures that our students' education is not disrupted by administrative or contractual failures.

This measure provides the necessary accountability and flexibility to keep our school buses running and our students in the classroom. I urge the committee to pass HB1785 HD1.

Mahalo,

Pi'ikea Kalakau-Baarde, EdD

TFA Hawai'i

HB-1785-HD-1

Submitted on: 3/16/2026 10:39:39 PM

Testimony for EDU on 3/18/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ted Meehan	Individual	Support	Written Testimony Only

Comments:

Please support HB 1785. Thank you.

Ted Meehan