

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OU LU AINA MAHIAI

TESTIMONY OF WENDY L. GADY

EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE HOUSE COMMITTEE ON EDUCATION

March 24, 2026

2:00 p.m.

Conference Room 309 & Videoconference

SENATE BILL NO. 3063, SD1
RELATING TO DEPARTMENT OF EDUCATION PROCUREMENT

Chairperson Woodson, Vice Chair La Chica, and Members of the Committee:

Thank you for the opportunity to submit testimony in support of this measure, which exempts certain procurements of local edible produce and packaged food products from electronic procurement requirements and instead allows purchases to be made using not fewer than three written quotes. The measure applies to procurements under \$250,000, or to any procurement where local products cost not more than five per cent above non-local alternatives, with written justification required if three quotes cannot be obtained.

This proposal provides a practical and targeted adjustment to procurement procedures that supports Hawai'i's local food system while maintaining fiscal responsibility and accountability. The five per cent threshold is modest and consistent with existing policy under the State Procurement Code, which already allows a preference of up to 15 per cent for locally produced agricultural products and 10 per cent for processed goods.

By allowing procurement through written quotes, the measure reduces administrative barriers for small and mid-sized local producers, while preserving competition, transparency, and documentation requirements. This approach expands market access for local farmers and food businesses without compromising oversight.

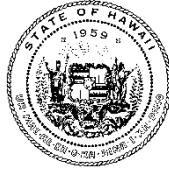
ADC also notes the importance of ensuring that procurement structures maximize direct economic benefit to Hawai'i farmers. This includes improving transparency in distributor sourcing, encouraging direct-from-producer purchasing, and expanding opportunities for local producers to participate in state contracts.

The measure strengthens farm-to-school programs, regional kitchens, and broader food security efforts by increasing access to fresh, locally produced and value-added foods while maintaining key safeguards. ADC currently has a Permitted Interaction Group actively working on a report to identify ways the organization can further support the Department of Education's local purchasing goals and the State's food security mandates.

For these reasons, we respectfully urge your favorable consideration of this measure. ADC's testimony may be further refined or amended following its Board meeting scheduled for March 31.

Thank you for the opportunity to provide testimony.

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 HOUSE COMMITTEE
ON
COMMITTEE ON EDUCATION
March 24, 2026, 2:00 p.m.

SENATE BILL 3063, SD1
RELATING TO DEPARTMENT OF EDUCATION PROCUREMENT

Chair Woodson, Vice La Chica, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 3063, SD1.

Senate Bill 3063, SD 1, amends Section 302A-1317, Hawaii Revised Statutes (HRS), authorizing the Department of Education (DOE) to purchase **any** amount of local edible produce and packaged food products that cost no more than five per cent (5%) more than non-local alternatives to be exempt from electronic procurement requirements.

The State Procurement Office (SPO) acknowledges the intent of this bill to reduce administrative burden and promote local agriculture and food producers; however, the SPO has considerable concerns and offers comments on this measure.

Comments

The SPO has significant concerns regarding the enforceability of the proposed pricing condition. The bill does not clearly define nor establish a mechanism for how the DOE is to determine, document, or verify the price of a comparable non-local alternative. A valid price comparison requires a competitive solicitation; without this, the 5% pricing threshold becomes subject to interpretation.

The intent of Chapter 302A-1317, HRS, is to exempt the purchase of local edible produce and packaged food products, less than \$250,000 from electronic procurement. Adding **any** amount

of local edible produce and packaged food products that cost no more than five percent (5%) goes beyond the intent and spirit of the law.

Exemption of **any** procurements that meet the 5% pricing threshold from electronic procurement requirements reduces transparency and competition and increases risk of collusion, resulting in limited public visibility, a smaller pool of qualified vendors, and higher costs.

Recommendations

The SPO recommends removal of language in Section 1, subsection 2, lines 9-11, in its entirety.

~~["(2) Any amount for local edible produce and packaged food products for the department that cost no more than five per cent more than non-local alternatives,"]~~

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



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March 24, 2026

HEARING BEFORE THE
HOUSE COMMITTEE ON EDUCATION

TESTIMONY ON SB 3063, SD1
RELATING TO DEPARTMENT OF EDUCATION PROCUREMENT

Conference Room 309 & Videoconference
2:00 PM

Aloha Chair Woodson, Vice-Chair La Chica, and Members of the Committee:

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 3063, SD1, which strengthens the Department of Education's ability to procure locally grown edible produce and packaged food products by providing clear procurement flexibility and recognizing a reasonable cost differential for local products.

Hawai'i's farmers and ranchers operate in one of the highest cost environments in the nation. Land, labor, transportation, invasive species pressures, and limited scale all impact the price of locally grown food. The 5% allowance gives DOE reasonable flexibility to prioritize Hawai'i-grown products while maintaining responsible cost controls.

SB 3063, SD1 also complements the State's Farm to School initiatives and Regional Kitchens. Procurement flexibility is essential to ensure that regional kitchens can effectively source Hawai'i-grown products at a meaningful scale. Without workable procurement pathways, farmers and food processors cannot reliably access institutional markets.

By clarifying and strengthening DOE's authority to prioritize local products within a defined cost framework, this measure advances food security, supports rural economies, and creates stable markets for Hawai'i's agricultural producers.

SB 3063, SD1 represents a practical, accountable step toward increasing the use of Hawai'i-grown food in our public school system.

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



Farmer owned, 'āina grown

Aloha Chair Woodson, Vice Chair La Chica, and Members of the Senate Committee on Education (EDN),

This testimony provided on behalf of the Hawai'i 'Ulu Producers Cooperative is in **strong support of SB3063**, which establishes a five per cent geographical preference for the procurement of agricultural products by the Department of Education.

About Us

The Hawai'i 'Ulu Co-op (HUC) is an agricultural producer cooperative founded in 2016 with 9 small, family farmers around Hawai'i Island. We are a social enterprise created to provide a stable and reliable market for Hawai'i's 'ulu farmers, united in their belief that 'ulu (breadfruit) can and should be revitalized as a dietary staple for Hawai'i's food security, environmental resilience, cultural integrity, and sustainable economic development. Over the past 10 years, we have grown organically and now represent over 220 farmer-members across four islands (Hawai'i Island, Maui, O'ahu, and Kaua'i). Through the cooperative business structure, we have been able to aggregate economies of scale, develop minimal and value-added processing capabilities that comply with FSMA, and serve markets larger than any of our members would be able to reach on their own – including all 258 public schools of the Hawai'i Department of Education. Today, we are one of DOE's largest local suppliers. For us and other cooperative businesses in Hawai'i, ongoing access to development support resources including both funding and technical assistance is critical to our continued survival and success.

Through the cooperative business structure, we have been able to aggregate economies of scale, develop minimal and value-added processing capabilities that comply with FSMA, and serve markets larger than any of our members would be able to reach on their own – including public schools of the Hawai'i Department of Education. Today, we are one of DOE's largest local suppliers. For us and other cooperative businesses in Hawai'i, initiatives that prioritize local procurement are critical to our continued survival and success.

The Importance of Geographical Preference

For many local producers, the primary barrier to entry in the institutional market is the "price gap" between low-cost, mainland-imported commodities and the actual cost of producing fresh, high-quality food in Hawai'i. SB 3063 addresses this directly by allowing the DOE to



Hawai'i 'Ulu Producers Cooperative

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prioritize local growers through a 5% geographical preference. This is not just a policy change; it is an investment in our soil and our students.

Why Hawai'i Needs This Bill

Currently, our procurement systems often favor the lowest bidder, which almost always results in tax dollars leaving the state to pay for imported goods. This creates significant barriers for local agriculture:

- **Economic Leakage:** When the DOE purchases mainland produce, that capital is extracted from our islands. SB 3063 keeps that wealth within our community.
- **Nutritional Integrity:** Our keiki deserve the freshest possible produce. By incentivizing the purchase of local 'ulu, poi, and other staples, we ensure higher nutrient density in school meals.

The Benefit to Hawai'i's Communities

Supporting local procurement through SB 3063 is an economic strategy for resilience. This preference will:

- **Scale Local Farming:** Knowing there is a procurement preference allows cooperatives like ours to plan plantings and harvests with greater confidence, leading to expanded production.
- **Support Rural Livelihoods:** The 200+ family farms we represent rely on the stability of institutional contracts. This bill reinforces the viability of farming as a profession in Hawai'i.
- **Environmental Stewardship:** Reducing the "food miles" associated with school lunches lowers our collective carbon footprint and supports the regenerative agroforestry practices our members employ.

Support for the Measure

We strongly support SB 3063 as a vital tool to reach the state's goal of 30% locally produced food in public schools by 2030. It provides the "unified, flexible procurement framework" our state needs to move away from import-dependency and toward a self-sustaining future.

Mahalo for the opportunity to testify,



Dana Shapiro
Hawai'i 'Ulu Cooperative Co-founder and CEO