



## HAWAI‘I STATE ETHICS COMMISSION

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

Committee: Committee on Government Reform  
Bill Number: H.B. 671, H.D.1  
Hearing Date/Time: Wednesday, February 24, 2021, 2:00 p.m.  
Re: Testimony of the Hawai‘i State Ethics Commission  
in **SUPPORT (WITH PROPOSED AMENDMENTS)** of H.B. 671  
H.D. 1, Relating to the Code of Ethics

Chair Nakashima, Vice Chair Matayoshi, and Committee Members:

The Hawai‘i State Ethics Commission (“Commission”) supports H.B. 671, H.D.1, which seeks to promote integrity in government by strengthening the wall of separation between lobbyists and high-ranking government officials. However, the Commission recommends that this Committee amend subsection (e) of this measure by using the list of 35 categories found in [S.B. 158](#) rather than the list of 36 categories found in the current draft of H.B. 671, H.D.1.

1. This bill will strengthen Hawaii’s post-employment ethics rules

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 their own agencies 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 other state agencies.<sup>1</sup> 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.<sup>2</sup>

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<sup>1</sup> The post-employment law does prohibit a former legislator/employee from representing a private client before any state agency (for twelve months), for pay, on the same matters 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.

<sup>2</sup> 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, see 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

(continued)

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.<sup>3</sup> This prohibition would help to create clearer boundaries between government and private-sector lobbyists.

2. The Commission recommends proposed amendments to address the Governor's concerns.

Last year, the Governor vetoed [H.B. 2124 HD1 SD2](#), a measure that was very similar to H.B. 671, H.D.1; the Governor expressed concern about the impact that H.B. 2124 would have on volunteer board and commission members. The current measure – H.B. 671, H.D.1 – would still apply to several volunteer board and commission members (see subsections 11 and 25-29), rather than just applying to paid employees, and thus may be subject to another veto.

To address the Governor's concerns, the Commission recommends that H.B. 671, H.D.1 be amended to use the list of 35 categories in [S.B. 158](#) rather than the list of 36 categories that currently appear in H.B. 671, H.D.1. This list of 35 categories from S.B. 158 appears to address the Governor's concerns completely.

The Commission supports this measure and respectfully asks that the Committee pass it with amendments. Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on H.B. 671, H.D.1.

Very truly yours,

Daniel M. Gluck  
Executive Director & General Counsel

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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. See HRS § 84-15(b).

<sup>3</sup> This measure will also prohibit lobbying executive agencies on administrative rule-making.

Statement Before The  
**HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS**  
Wednesday, February 24, 2021  
2:00 PM  
Via Videoconference, Conference Room 325

in consideration of  
**HB 671, HD1**  
**RELATING TO THE CODE OF ETHICS.**

Chair NAKASHIMA, Vice Chair MATAYOSHI, and Members of the Judiciary & Hawaiian Affairs Committee

Common Cause Hawaii supports HB 671, HD1, which prohibits certain state officials and employees from representing certain interests before the State for 12 months after termination from their respective positions.

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, HD1 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”. See Hawaii Revised Statutes §§ 84-18(b)-(c).

HB 671, HD1 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.

Common Cause Hawaii supports the amendment proposed by the Hawaii State Ethics Commission to amend HB 671, HD1, addressing the concerns raised 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.

Thank you for the opportunity to testify in support of HB 671, HD1. If you have further questions of me, please contact me at [sma@commoncause.org](mailto:sma@commoncause.org).

Very respectfully yours,

Sandy Ma  
Executive Director, Common Cause Hawaii





Young Progressives Demanding Action  
P.O. Box 11105  
Honolulu, HI 96828

February 24, 2021  
2:00 PM

**TO: House Committee on Judiciary & Hawaiian Affairs**  
**RE: Testimony in Support of HB671 HD1**

**TESTIMONY IN SUPPORT OF HB671 HD1 RELATING TO THE CODE OF ETHICS**

Aloha Chair Nakashima, Vice Chair Matayoshi, Members of the House Committee on Judiciary & Hawaiian Affairs,

My name is Jun Shin. I am a Junior at the University of Hawai'i at Mānoa, and currently serve as an at-large board member for the Young Progressives Demanding Action (YPDA). YPDA advocates for public policies that reflect the values of young people throughout the State of Hawai'i. YPDA is in **SUPPORT** of **HB671 HD1**, Relating to the Code of Ethics.

When advocating for economic, social, and environmental justice issues, having an accountable and responsive government goes a long way in having much needed discussions, and more importantly, proper action on issues like climate change, criminal justice reform, and poverty. What this measure does is address an important area of concern in public affairs, and that is the "revolving door". The "revolving door" of politics has been defined as, "the means by which government officials leave office to become lobbyists, and by which lobbyists become government officials"<sup>1</sup>.

HB671 HD1 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. Why is it crucial? Because when tough calls need to be made by the people sitting in all of these important positions, what's best for the people and the future of Hawai'i needs to be the priority at the end of the day. Public interest must

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<https://theconversation.com/the-revolving-door-why-politicians-become-lobbyists-and-lobbyists-become-politicians-64237>

continue to win out in the end over personal interests, former relationships, and consideration of future employment, otherwise trust between government and the public will continue to remain broken. Members of the public should be able to have the same amount of access and responsiveness from their government as lobbyists.

Young Progressives Demanding Action is in **SUPPORT** of **HB671 HD1**. We request for you to pass this bill out of your committee, and restore faith in the political process.

Mahalo for the opportunity to testify,

Jun Shin,  
Board Member At-Large  
Young Progressives Demanding Action (YPDA)  
Cell: 808-255-6663  
Email: junshinbusiness729@gmail.com  
CC: action@ypdahawaii.org

**HB-671-HD-1**

Submitted on: 2/22/2021 3:46:21 PM

Testimony for JHA on 2/24/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
lynne matusow	Individual	Support	No

Comments:

This 12 month cooling off period at the administrative level is needed. It will restore trust in government.

**HB-671-HD-1**

Submitted on: 2/23/2021 6:23:11 AM

Testimony for JHA on 2/24/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
David Anderson	Individual	Support	No

Comments:

HB 671, HD1 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".

HB 671, HD1 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 submit testimony on this bill.



**HB-671-HD-1**

Submitted on: 2/23/2021 10:08:35 AM

Testimony for JHA on 2/24/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Caroline Kunitake	Individual	Support	No

Comments:

Dear Chair Nakashima, Vice Chair Matayoshi and Committee on Judiciary and Hawaiian Affairs,

Please support HB671 HD1.

HB 671 HD1 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.

Effective lobbyists build and leverage key relationships at the State Capitol to introduce and pass specific bills. However former legislators and executive-branch employees enjoy these key relationships/friendships since they naturally develop due to everyday contact with the people working in the State Capitol.

This bill will prohibit certain state officials and employees from representing certain interests before the State for twelve months after termination from their respective positions.

Thank you for taking the time to review this issue. I appreciate the opportunity to provide testimony in support of HB671 HD1.

Mahalo,

Caroline Kunitake

**HB-671-HD-1**

Submitted on: 2/23/2021 11:12:52 AM

Testimony for JHA on 2/24/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Larry Meacham	Individual	Support	No

Comments:

Testimony SUPPORTING HB 671, HD 1, Expands the scope of the twelve-month cooling off period for former government employees lobbying

Thank you for the opportunity to offer testimony.

This is similar to the requirement that former federal employees, including legislators, wait 12 months before engaging in lobbying. It strikes a compromise between former government employees abusing their connections in government in favor of their clients, and the right of people to lobby. We need such a separation to maintain the public's faith that undue influence will not distort the policy process. This bill expands the scope of the 12-month separation to lobbying all administrative agencies rather than only the legislature or the agency the employee served in, because their knowledge of the general policy process gives them an unfair advantage over the average citizen.

Thank you for the opportunity to offer testimony.

**HB-671-HD-1**

Submitted on: 2/23/2021 1:11:59 PM

Testimony for JHA on 2/24/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Edward B Hanel Jr	Individual	Support	No

Comments:

Concur with the comments of Common Cause Hawaii supporting passage of HB471. A cooling off period for representing the private sector before state organizations, based on insider information gained while in public office, should be of concern to every citizen. It should be a price expected to be paid by appropriate government employees.