



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 03/24/2021

Time: 02:15 PM

Location: 309 Via Videoconference

Committee: House Higher Education &
Technology

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: SB 0913, SD2, HD1 RELATING TO SUSTAINABLE
ELECTRONICS MANAGEMENT.

Purpose of Bill: Requires persons in counties having a population greater than seven hundred fifty thousand who receive state funds and state financial assistance to donate unnecessary but functioning electronic devices and televisions to nonprofit organizations that will refurbish and distribute them to eligible persons in the State. Sets reporting requirements for donating entities, nonprofit refurbishers, and the department of accounting and general services. Sets administrative penalties for violations. Effective 7/1/2050. (HD1)

Department's Position:

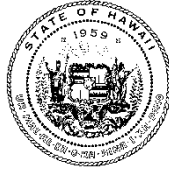
The Hawaii State Department of Education (Department) supports SB 913, SD2, HD1 requiring recipients of state funds and financial assistance to donate unnecessary but functional electronic devices, hardware, and televisions for refurbishment and distribution to eligible persons in the State.

Access to devices and technology resources for low-income families and other populations in need of access is a long-standing issue. The issue became more evident with the onset of the COVID-19 pandemic which required the people of the state to work and learn remotely. The Department appreciates that this measure recognizes the need for access to technology resources by proposing a cost-efficient solution that is also sustainable and environmentally responsible.

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

The Hawai'i State Department of Education is committed to delivering on our promises to students, providing an equitable, excellent, and innovative learning environment in every school to engage and elevate our communities. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.

DAVID Y. IGE
GOVERNOR



BONNIE KAHAKUI
ACTING ADMINISTRATOR

STATE OF HAWAII
STATE PROCUREMENT OFFICE

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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
HIGHER EDUCATION & TECHNOLOGY

Wednesday, March 24, 2021, 2:15 p.m.

SENATE BILL 913, SD2, HD1
RELATING TO SUSTAINABLE ELECTRONICS MANAGEMENT

Chair Takayama, Vice Chair DeCoite, members of the committee, thank you for the opportunity to submit testimony on SB 913, SD2, HD1.

The State Procurement Office (SPO) appreciates the intent to promote electronics stewardship and reduce electronic waste in the State by requiring all persons who are located in counties having a population greater than 750,000 and receive state financial assistance to donate unnecessary but functioning electronic devices to nonprofit organizations that will refurbish and distribute them to eligible persons in the State. However, the SPO points out that the proposed bill does not address the logistics to properly refurbish and distribute such electronic devices and to determine eligibility of the recipients of those devices. For this main reason the SPO **opposes** this bill.

Although it is not specifically identified in the bill, the SPO's Surplus Property Office is administratively connected to the Department of Accounting and General Services, which is the department named in the bill. The Surplus Property Office is the agency already tasked with surplus property such as electronic devices. Supported by the Surplus Federal Property Revolving Fund, the Surplus Property Office's objective is to re-utilize federal and state property declared surplus or excess. The fund is maintained in an amount adequate to defray the costs of procuring, storing, handling, and disposing of surplus property donated to the State under any federal act or State rules making surplus federal and state property available.

The reasons that the SPO opposes this measure are as follows:

- 1) The bill does not align with Part 102-37, Code of Federal Regulations, Donation of Surplus Personal Property. The Federal Code states that except as provided in §102-37.495, State Agencies for Surplus Property (SASP) must use funds collected from service charges, or from other sources such as proceeds from sale of undistributed property or funds collected from compliance cases, solely for the operation of the SASP and the benefit of participating donees.
- 2) The SPO's Surplus Property Office is self-sustained by charging fees to defray the costs of procuring, storing, handling, and disposing of surplus property, which is deposited into a revolving fund. SB 913, HD1, as stated on page 11, lines 19-21, and page 12, lines 1-2, does not allow the department to assess any fees on eligible recipients, covered entities, or covered refurbishers for the acts of transferring or receiving title to and possession of excess electronic devices. This would leave the Surplus Property Office to bear the burden of these additional costs, with no compensation, on an already stretched budget.
- 3) The SPO's Surplus Property Office, which is understaffed, does not have the resources to take on such a huge undertaking. The Surplus Property Office will require additional resources to develop administrative rules and funding for the administration of the program, and at least five new staff members to handle the program.
- 4) The monitoring requirements outlined in SB 913, HD1, are well outside the scope and authority of the SPO's Surplus Property Office. The SPO has no jurisdiction over private entities that are receiving state financial assistance, and will have to work with the Department of Health, Department of Human Services, as well as other agencies statewide who provide financial assistance, to determine what private entities would be eligible under this legislation.

Thank you.

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
COMMITTEE ON HIGHER EDUCATION AND TECHNOLOGY

WEDNESDAY, MARCH 24, 2021, 2:15 P.M.
CONFERENCE ROOM 309 VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 913, S.D. 2, H.D. 1

RELATING TO SUSTAINABLE ELECTRONICS MANAGEMENT.

Chair Takayama, Vice Chair DeCoite, and members of the Committee, thank you for the opportunity to testify on S.B. 913, S.D. 2.

The Department of Accounting and General Services (DAGS) appreciates the intent to promote electronics stewardship and reduce electronic waste in the State by requiring all persons who receive state financial assistance to donate unnecessary but functioning electronic devices to nonprofit organizations that will refurbish and distribute them to eligible persons in the State. After further review of the bill, DAGS opposes due to concerns that was not addressed in the current revision which include the following reasons.

The setting of operational rules and monitoring requirements over private, non-profit and non-government organizations is not within the DAGS scope of authority. The Department of Health (DOH) or the Department of Human Services (DHS) are in a better position to determine which non-profits receive financial assistance since they operate programs that service this community niche.

In addition, there is an operational component that is unfunded to staff this program which includes moving equipment from offices to a staging area for pick up. The challenge becomes logistics if the expectation is to centralize pick up. If interested non-profits coordinate their own pick up of unnecessary/functioning technology from departments, this may be a better solution for the State to reduce costs and for non-profits to acquire unnecessary/functioning electronic devices.

Thank you for the opportunity to testify on this matter.

SB-913-HD-1

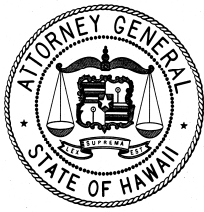
Submitted on: 3/23/2021 12:13:35 PM

Testimony for HET on 3/24/2021 2:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Audrey Hidano	Department of Accounting and General Services	Oppose	No

Comments:

I am available for comments. Testifying on behalf of Comptroller Curt Otaguro.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2021**

ON THE FOLLOWING MEASURE:

S.B. NO. 913, S.D. 2, H.D. 1, RELATING TO SUSTAINABLE ELECTRONICS MANAGEMENT.

BEFORE THE:

SENATE COMMITTEE ON HIGHER EDUCATION AND TECHNOLOGY

DATE: Wednesday, March 24, 2021 **TIME:** 2:15 p.m.

LOCATION: State Capitol, Room 309, Via Videoconference

TESTIFIER(S): Clare E. Connors, Attorney General, or
Stella M.L. Kam, Deputy Attorney General

Chair Takayama and Members of the Committee:

The Department of the Attorney General provides the following comments on this bill.

This bill creates a new chapter in Hawaii Revised Statutes that requires “covered entities” (defined as “any person receiving state funds and state financial assistance”) to transfer, as a charitable contribution, their still working but unneeded electronic devices to refurbishers so that those electronic devices can be repaired, upgraded, refurbished, and donated to individuals in need, charitable, religious, or nonprofit organizations, or government entities. The bill also requires covered entities and refurbishers to report the transfers and refurbishments to the Department of Accounting and General Services (DAGS) and requires DAGS to maintain a database with information about the transferred and refurbished electronic devices. DAGS is also required to promulgate administrative rules that would include fines for covered entities and refurbishers who violate the provisions of this new chapter. In addition, the Department of the Attorney General is authorized to file lawsuits enjoining individuals and organizations from selling or leasing the refurbished electronic devices they have received under this chapter.

This bill has good intentions, but would be difficult, if not impossible, to enforce for the following reasons:

- There is no database readily available for DAGS to determine who is a “covered entity” under this new chapter. DAGS does not maintain information concerning individuals, nonprofit organizations, or businesses receiving state “funds and financial assistance” as defined in this bill. Nor is DAGS aware of any state agency that does maintain such a list.
- There is no database readily available for DAGS to determine who is a “covered refurbisher” as defined under this new chapter. DAGS does not maintain information identifying 501(c)(3) organizations that are 1) registered to do business in the State, 2) have the ability to refurbish used electronic devices and equipment, and 3) have a location to receive and distribute refurbished devices under this chapter. Nor is DAGS aware of any state agency that does maintain such a list.
- DAGS is charged with promulgating administrative rules for this chapter, but it does not have the expertise to determine the criteria for determining who should qualify as an “eligible recipient,” particularly Hawaii residents who are “in need” of the refurbished electronics.
- The definition of an “eligible recipient” also includes “charitable, religious, or nonprofit organizations.” DAGS does not have the expertise to determine what is a charitable or religious organization that should be eligible to receive the refurbished electronics. For example, it is not clear whether any group of individuals who meet for religious practices qualify as a religious organization under this chapter. The inclusion of religious organizations also may raise legal concerns that the State is providing financial support, in the form of the refurbished electronics, to religious organizations.
- This bill requires covered entities to transfer “title to and possession of” electronics to covered refurbishers and for those covered refurbishers to transfer “title to and possession of” those refurbished electronics.

However, electronics do not have certificates of title. Without such certificates of title, it is impossible for covered entities and/or covered refurbishers to “transfer title” and thereby comply with this chapter. Likewise, it is impossible for DAGS to enforce the provisions of this chapter if physical possession of electronics is transferred by and between covered entities and covered refurbishers without any transfer of “title.”

- DAGS is also responsible for developing administrative rules that would guide “covered entities” in their responsibility to remove “content inappropriate for individuals under the age of 18” from the electronics devices. However, such a standard is highly subjective, depending on the sensitivities of the person viewing the content. What is “inappropriate” for individuals under the age of 18 may vary greatly, which makes this requirement unenforceable.
- There seems to be no feasible enforcement mechanism for DAGS to determine, as required under this bill, whether an eligible recipient has sold or leased the refurbished electronics they have obtained under this new chapter. Although this bill allows DAGS to “conduct inspections” to determine compliance with this chapter, there are legal concerns with DAGS conducting inspections of low-income families’ living areas and residences to determine whether such families have violated the prohibition against selling or leasing the refurbished electronics.
- There are legal concerns with forcing covered entities to transfer their no longer used electronics when such electronics may not have been purchased with state funds.
- There are also legal concerns with forcing covered refurbishers to charge \$50 or less when selling the refurbished electronics.
- There is no way for DAGS to enforce whether covered refurbishers have sold the refurbished electronics to qualified low-income individuals without

requiring the covered refurbishers to obtain and maintain confidential information from low-income families about their finances.

- There is no appropriation in this bill, nor is there any provision creating positions within DAGS to carry out the responsibilities of this chapter. To implement this chapter, DAGS would need to hire personnel to implement this new program, to develop and maintain the database that the bill requires, and to conduct inspections of covered entities, covered refurbishers, and eligible recipients. Without such funding, the bill is an unfunded mandate.
- Finally, we note that the bill relies upon self-reporting to DAGS by these covered entities and refurbishers about the disposal or transfer or refurbishment of their “covered electronic devices.” If a covered entity or refurbisher does not self-report, there is no way for the State to otherwise monitor the movement of covered electronic devices within those covered entities or refurbishers, unless DAGS conducts periodic inspections that may be subject to legal challenges.

Thank you for considering our comments on this bill.

TRANSFORM
HAWAI'I GOVERNMENT
Every Citizen • Every Service • Every Island

March 24, 2021
House Committee on Higher Education & Technology
Hawai'i State Capitol, Room 309 and Videoconference

RE: Testimony in Support of SB 913 SD2 HD1
Relating to Sustainable Electronics Management

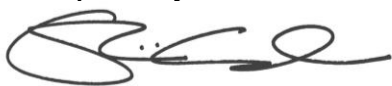
Aloha Chair Takayama, Vice Chair DeCoite, and Committee Members:

My name is Christine Sakuda and I serve as the executive director of Transform Hawai'i Government (THG), a coalition of organizations and individuals who advocate for an accessible, accountable and responsive state government that leverages technology to help citizens, communities, and businesses throughout Hawai'i to thrive. We provide a consistent and persistent voice to keep modernization a top priority of state government.

SB 913 SD2 HD1 requires persons who receive state funds and state financial assistance to donate unnecessary but functioning electronic devices, hardware, and televisions to nonprofit organizations that will refurbish and distribute them to eligible persons in the State. It sets reporting requirements for donating entities, nonprofit refurbishers, and the Department of Accounting and General Services. We believe that this bill will facilitate and help accelerate technology transformation in the state and is consistent with the Hawaii Information Technology Strategic Plan.

We urge you to pass Senate Bill 913 SD2 HD1 and thank you for the opportunity to provide testimony in support.

Respectfully submitted,



Christine Sakuda
Executive Director
Transform Hawai'i Government
email: csakuda@TransformHawaiiGov.org | phone: (808) 321-2811

Testimony for SB913 - RELATING TO SUSTAINABLE ELECTRONICS MANAGEMENT

Position : **Strong Support.**

Dear Committee Members,

My name is Curtis Kropar, Executive Director of the non profit organization, Hawaiian Hope Org.

My Testimony is broken up into 3 parts :

- 1) Introductions and background on current efforts.
- 2) Amendment comments.
- 3) Supporting arguments, statistics and photos.

1) Introductions and background on current efforts :

As you may know, Hawaiian Hope Org has been refurbishing computers in Hawaii for 14 years now. We take in donated computers, fix them up and redistribute them to local families, other non profit organizations, schools and even lend out hardware to various agencies. In 2020, we lent truckloads of hardware to the Department of Labor (DoL) for the Unemployment call center at the convention center, at no cost to the state. We also use our refurbishing project as an opportunity and train our volunteers, interns and enthusiasts how to be computer techs with real hands on experience to build their skills. And finally, we partner with other agencies and groups throughout the state of Hawaii in order to get these fully tested and refurbished computers into the hands of people that need them.

To our knowledge, Hawaiian Hope Org is the single largest refurbisher of computers in the state.

In 2018 we produced over 1,000 computers,
and, in 2019 we produced over 1,800 computers.

With this bill, SB913, we, other non profit organizations, and ultimately families in Hawaii, will now have the opportunity to get access to a much larger quantity of computers from the state. **These computers are otherwise normally discarded as eWaste.** We estimate this to be over 40,000 a year. We appreciate your efforts to pass this bill and get computers to the people that need them.

With **the current laws**, there is no mandate for reuse first, and there should be. As this bill states on line 9, "**preventing waste in the first place is preferable to any waste management option.**" Often state agencies are not aware of the option for donating hardware for reuse, and instead refer to all methods of discarding computers as "eWaste" or "recycling." The current law was enacted after the findings of a 2012 "*Hawaii Electric Device Recycling Task Force*" was recommended to the legislature. All calls and recommendations for "reuse first" were ignored during the task force, and instead the primary focus was "recycling." I know this as, I was one of the 90+ participants of this task force, the lone voice promoting "reuse" and was far outnumbered by the various representatives of recycling agencies nation wide. Recycling is NOT reuse. And, as no one in Hawaii "recycles" devices, all recycled devices are shipped out of state and instead represent a massive waste of educational resources to the people of Hawaii.

In addition, enacting this bill will ultimately save the state money !

Currently, when discarding these devices there is often a disposal fee assessed. The fee is based on the weight of the equipment being discarded. One vendor we know of on Oahu charges \$0.40 cents per pound to trash (recycle) perfectly working hardware. Another vendor we are aware of, in Hilo on the big island, "Mr K's Recycle & Redemption Center" states on their website, they charge \$.95 cents per pound, and additionally charge \$3 per mile for picking up discarded devices. As a single pallet of computers may weigh over 1,000 pounds, this can become very expensive, very quickly.

ReUse first is the most logical conclusion for taking electronics devices out of the waste stream, and instead getting them to the people in Hawaii that need them.

- **It will provide more educational resources directly to families.**
- **It will better promote a culture of good stewardship of resources.**
- **It will save the state money.**

2) Comments :

With SB913, the goal of this bill is to help give reusable hardware a 2nd life in the community that already paid for it. This bill will make it possible for all residents of the state to benefit even more from their tax dollars, as they are the ones that ultimately paid for the hardware to begin with. We support this effort state wide, not just on Oahu.

One particular note is that the entire intent of this bill is to prevent eWaste to begin with, and instead repurpose hardware that still has life left in it and to reuse it. The currently laws and rules in place, simply do not do enough to promote this.

We appreciate that SB913 has made it though the legislative process this far, and recognizing the support of the Department of Education and others that likewise see the strategic benefit of getting more hardware into the hands of local families that need it.

3) Supporting arguments, statistics and photos :

While reuse of computers is an option, it is not common knowledge with state agencies. We have found, if we do not deliberately go out of our way to intercept "eWaste" computers, many of the otherwise perfectly working state computers get scrapped as eWaste recycling.

We also recognize that some state agencies may in fact need access to computer hardware. As an example, we provided several truckloads of hardware to the Department of Labor to help with the temporary Unemployment Office set up at the convention center. In addition to our hardware, they pulled hardware from several other departments as well. Likewise, I am sure some schools would appreciate more computer hardware, if it fits their requirements. With this said, we would support a "first right of refusal" from state agencies and schools, including charter schools, to fill their needs first from computer hardware that may otherwise be deemed as "eWaste."

We participate in eWaste collection events as part of the "Aloha Aina Recycling Drives." These events are held primarily at DoE schools. We have been participating in these events since 2018 and have collected literally **thousands** of laptops from the schools **and other government agencies**. We are only one collector and typically only get the laptops. Most of the hardware instead goes to a eWaste recycler. If we were not there to deliberately intercept these laptops, they would instead be going to an eWaste processor.

- **The total collected in just 2 schools years was over 100 tons of electronics**
- 2017-2018 : 105,230 lbs with an average of ~6,000lbs collected per event
- 2018-2019 : 98,517lbs with an average of ~5,500lbs collected per event

On Saturday, Feb 13th, we participated in an Aloha Aina Recycling Drive, One of more than 15 scheduled this year. The below photos are a PORTION of the hardware we collected at this event, almost all of it from schools.

In total, we collected over 1,000 laptops **at this ONE event**.



SB913 is what will ensure this process makes the best use of hardware, **locally**, and promoting a more thorough stewardship of the resources available to all of us that live in the state.

Thank you !
We are available to answer any questions you may have.