

Honolulu, Hawaii

February 14, 2017

RE: H.B. No. 556

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committees on Human Services and Health, to which was referred H.B. No. 556 entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

beg leave to report as follows:

The purpose of this measure is to amend Section 103F-401.5, Hawaii Revised Statutes (HRS), to:

- (1) Require applicants who submit contract proposals to operate a child care program to have the necessary business licenses; and
- (2) Exempt applicants who submit proposals to operate a child care program or group living facility from having to obtain licenses to operate under Section 346-161, HRS, and Chapter 321, HRS, prior to their proposal being accepted.

The Department of Human Services testified in support of this measure. The Department of Health (DOH) and State Procurement Office commented on this measure.

DOH testified that the requirement under Section 103F-401.5, HRS, that applicants obtain licensure prior to being awarded a state contract has served as a barrier to new service providers entering the system. Your Committees also note that the State Procurement Office testified that Section 103F-401.5, HRS,



restricts competition among qualified health and human service providers.

Upon careful consideration, your Committees have amended this measure by deleting its contents and inserting the contents contained in H.B. No. 557 (2016), Relating to Procurement, the purpose of which is to repeal Section 103F-401.5, HRS.

Your Committees also amended this measure by changing its effective date to July 1, 2075, to facilitate further discussion.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 556, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 556, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committees on Human Services  
and Health,



DELLA AU BELATTI, Chair



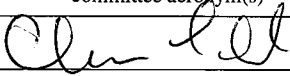
DEE MORIKAWA, Chair



State of Hawaii  
House of Representatives  
The Twenty-ninth Legislature

HSC 269

**Record of Votes of the Committee on Human Services**

<b>Bill/Resolution No.:</b> HB 556	<b>Committee Referral:</b> HUS/HLT, FIN	<b>Date:</b> 02/08/17		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HUS Members	Ayes	Ayes (WR)	Nays	Excused
1. MORIKAWA, Dee (C)	/			
2. TODD, Chris (VC)	/			
3. BELATTI, Della Au	/			
4. HAR, Sharon E.	/			
5. KOBAYASHI, Bertrand	/			
6. OSHIRO, Marcus R.	/			
7. TUPOLA, Andria P.L.				/
<b>TOTAL (7)</b>	6			1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
<b>Vice Chair's or designee's signature:</b> _____ <div style="text-align: center; font-size: 1.5em;">  </div>				
<b>Distribution:</b> Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO				

State of Hawaii  
House of Representatives  
The Twenty-ninth Legislature

HSCR 269

**Record of Votes of the Committee on Health**

<b>Bill/Resolution No.:</b> HB 556	<b>Committee Referral:</b> HVS/HLT, FIN	<b>Date:</b> 2-8-17		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>HLT Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. BELATTI, Della Au (C)	/			
2. KOBAYASHI, Bertrand (VC)	/			
3. HAR, Sharon E.	/			
4. MORIKAWA, Dee	/			
5. OSHIRO, Marcus R.	/			
6. TODD, Chris	/			
7. TUPOLA, Andria P.L.				✓
<b>TOTAL (7)</b>	6	<del>0</del>	<del>0</del>	1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b> _____ <span style="font-size: 2em; font-family: cursive; margin-left: 100px;">Bj</span>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				