

UNIVERSITY OF HAWAI'I SYSTEM 'ÕNAEHANA KULANUI O HAWAI'I

Legislative Testimony Hōʻike Manaʻo I Mua O Ka ʻAhaʻōlelo

Testimony Presented Before the Senate Committee on Ways and Means February 18, 2025 at 10:01 a.m. By Kalbert K. Young Vice President for Budget and Finance/Chief Financial Officer University of Hawai'i System

SB 1543 SD1 – RELATING TO GOVERNMENT ACCOUNTABILITY

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The University of Hawai'i (UH) offers comments on this bill which disincentivizes external consultants assisting with State work. UH recognizes inherently governmental functions as non-transferable to contractors procured to consult on state projects and agree with the State Procurement Office that government personnel have responsibilities that they cannot and should not delegate.

The use of consultants is prevalent across services and construction. Consultants are used to cover the gaps in specialized technical knowledge and grant access to global and highly experienced resources. While there is an exclusionary section for 'highly technical or niche expertise', there may be confusion as to the definition of a consultant and the differentiating line between the two. Whether or not a consultant is hired, they should never take on inherently governmental functions. However, consultants are vital to supplement the State's small number of staff who have more generalized state experience.

Mandating justifications that include demonstrations, cost-benefit analysis, and spend limits on each action creates onerous documentation that reduces streamlining efforts. If the alternative solution is available; that is, the ability to fund, recruit and hire specialists at market industry salary levels along with their respective fringe and benefits; and these consultants can stay employed during lags; and the state is ready and able to invest in large dollar in-house design and IT systems to supplement consultant resources; then there is a different choice that can be made. But without implementing the aligned infrastructure, there is no choice and the mandate could become a compliance gate with little benefit.

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