

STAND. COM. REP. NO. **2064**

Honolulu, Hawaii

FEB. 15, 2006

RE: S.B. No. 2542

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Business and Economic Development, to which was referred S.B. No. 2542 entitled:

"A BILL FOR AN ACT RELATING TO COMMUNITY-BASED ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose of this measure is to make an appropriation for the Community-Based Economic Development (CBED) Program to provide financial assistance through low interest planning ("seed") or small implementation (matching) grants to qualifying community-based nonprofit organizations.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; the Hawaii Alliance for Community-Based Economic Development (HACBED); Kipahulu 'Ohana; Kona Pacific Farmers Cooperative; and Empower Oahu.

The CBED Program plays an important role in assisting communities to achieve their goals and visions in economic development. CBED-funded projects have created jobs, established or expanded new ventures, and economically empowered communities. In the 2005 fiscal year, the CBED Program awarded fourteen grants totaling \$200,795 to community-based nonprofit organizations. This sum was matched by an additional \$900,935 in cash and in-kind services for community-based economic development projects. Also in 2005, fourteen community organizations completed their CBED grants and reported that one hundred seventy-three jobs were created or sustained. Your Committee finds that making an

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appropriation to the CBED Program will allow the program to continue to provide financial assistance to community-based nonprofit organizations.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2542 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Business and
Economic Development,



WILL ESPERO, Chair



