

LINDA LINGLE  
Governor



SANDRA LEE KUNIMOTO  
Chairperson, Board of Agriculture

DUANE K. OKAMOTO  
Deputy to the Chairperson

State of Hawaii  
DEPARTMENT OF AGRICULTURE  
1428 South King Street  
Honolulu, Hawaii 96814-2512

TESTIMONY OF SANDRA LEE KUNIMOTO  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE  
MONDAY, FEBRUARY 22, 2010  
4:00 P.M.  
ROOM 308

*amended*

HOUSE BILL NO. 2291, HD1  
RELATING TO MEASUREMENT STANDARDS

Chairperson Oshiro and Members of the Committee:

Thank you for the opportunity to provide testimony on HB 2291, HD1 relating to the establishment of a measurement standards special fund. The Department of Agriculture offers comments.

In April 2009, the Quality Assurance Division's Measurement Standards branch raised all licensing fees. This was the first time in 28 years that the fees had been raised. At the time, it was anticipated that the branch would still receive general funds but that in 2013, a special fund would be established and fees raised again with the intention of eventually covering the personnel and operating costs of implementing chapter 486, Hawaii Revised Statutes, and central services and departmental administrative expense assessments of section 36-27 and section 36-30, Hawaii Revised Statutes.

If the branch is to be completely special funded now, the current fee schedule will not generate revenues sufficient to cover expenditures and assessments and will fall short by approximately ~~\$126,000~~<sup>\$241,000</sup>. In order to break even and cover the personnel costs of just the post RIF staff of six and the program's operating expenses and assessments, fees will have to be raised by about ~~40%~~<sup>57%</sup>.

In addition, since this would be a new special fund with no balance, it would need to be seeded with approximately \$500,000 in general funds in the first year.

**WRITTEN ONLY**

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 2291, H.D. 1

February 22, 2010

RELATING TO MEASUREMENT STANDARDS

House Bill No. 2291, H.D. 1, establishes the Weights and Measurements special fund and diverts all application and license fees charged by the Department of Agriculture, Measurement Standards Branch, that are currently deposited into the general fund to be deposited into the special fund. This bill further directs the Weights and Measurements special fund be used to cover all costs of administering Chapter 486, HRS, Measurement Standards.

As a matter of general policy, this department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the fund will be self-sustaining.