

NEIL ABERCROMBIE
Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
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RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

JAMES J. NAKATANI
Deputy to the Chairperson

TESTIMONY OF RUSSELL KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE
THURSDAY, FEBRUARY 24, 2011
12:00 P.M.
CONFERENCE ROOM 308

HOUSE BILL NO. 285 HD 1
RELATING TO AGRICULTURE

Chairperson Oshiro and Members of the Committee:

Thank you for this opportunity to provide testimony on House Bill 285 HD 1. The bill seeks to establish a weights and measurements special fund, with the intent of requiring the department of agriculture's measurement standards program to be financially self-supporting. The Department supports the intent of the proposed bill.

The branch forecasts the annual income from the collection of licensing fees to exceed \$485,000 during the coming fiscal year and to be further increased in 2013 as a result of newly implemented rules. Presently, annual expenditures for the weights and measurement program is \$480,000.

As a result of reductions in force, eight positions were eliminated; one on Maui, one on Hawaii County, and six on Oahu. The branch staff currently includes three device inspectors, two clerical staff responsible for licensing and fee collection and one state metrologist running the National Institute of Standards and Technology certified calibration laboratory.



An analysis of salaries, benefits, other current expenses, administrative expenses and central service assessment fees show that the program will still need general fund support.

Thank you for the opportunity to testify on this measure.

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 285, H.D. 1

February 24, 2011

RELATING TO MEASUREMENT STANDARDS

House Bill No. 285, H.D. 1, establishes the Weights and Measurements Special Fund into which all application fees and licensing fees are deposited and used for covering the costs of administering the measurement standards program in the Department of Agriculture.

As a matter of general policy, the Department of Budget and Finance 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. In regards to House Bill No. 285, H.D. 1, it is difficult to determine whether the fund will be self-sustaining.



Hawaii Farm Bureau
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February 24, 2011

TESTIMONY

HB285 HD1 RELATING TO MEASUREMENT STANDARDS

Chair Oshiro and Members of the Committee:

HFBB on behalf of our commercial farm and ranch families and organizations is in strong support of HB285 HD1, establishing a fee for services process in the Commodities Branch of the Hawaii Department of Agriculture.

In 2005, the House of Delegates governing the policies of the Hawaii Farm Bureau Federation provided direction to the organization that a fee for service program could be used to ensure timely delivery of services to our farmers and ranchers. As State budgets tightened, the choice to go without services was not an option to the industry. Without timely inspections and or certifications, movement of agricultural products would be impacted, possibly loosing markets due to shipping delays or loss of product integrity.

This measure parallels the invasive species fees and other measures we have supported to ensure that our industry can continue to function. As we support these measures it is critical that the Department identify ways to maximize productivity to minimize costs.

HFBB respectfully requests your support of this measure as written.

Thank you for this opportunity to provide our opinion on this matter. HFBB is ready and willing to work with you to identify solutions during these difficult economic times to maintain and improve the viability of our industry. If there are any questions, please contact Warren Watanabe at 2819718.