

**SB 281**

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 281, S.D. 1

February 24, 2011

RELATING TO ANIMAL INDUSTRY

Senate Bill No. 281, S.D. 1, establishes the Animal Industry special fund to be used for costs of the Division of Animal Industry including salaries, fringe benefits, operating expenses equipment, motor vehicles, contracts for livestock handling services, and operating and maintenance of animal industry facilities.

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 Senate Bill No. 281, S.D. 1, it is difficult to determine whether there is a clear nexus between the benefits sought and the charges made upon the users or beneficiaries of the program and whether the fund will be self-sustaining.