

HB 285, HD2

NEIL ABERCROMBIE
Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
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TESTIMONY OF RUSSELL KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEES ON AGRICULTURE AND
COMMERCE AND CONSUMER PROTECTION
THURSDAY, MARCH 18, 2011
10:00 P.M.
CONFERENCE ROOM 229

HOUSE BILL NO. 285 HD 2
RELATING TO AGRICULTURE

Chairperson Nishihara, Chairperson Baker and Members of the Committee:

Thank you for the opportunity to provide testimony on House Bill 285 HD 2. 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 has concerns.

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.

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. However, to become special funded, a minimum of approximately \$700,000 would be needed to cover the current personnel salaries, fringe



benefits, vacation accrual, operating expenses and other overhead expenses. This would require that current fees be raised by 50%.

In addition, the rising cost of petroleum could also potentially cause companies to close and impact the fees needed to be collected to fund the program.

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 SENATE COMMITTEES ON AGRICULTURE
AND COMMERCE AND CONSUMER PROTECTION
ON
HOUSE BILL NO. 285, H.D. 2

March 18, 2011

RELATING TO MEASUREMENT STANDARDS

House Bill No. 285, H.D. 2, establishes the Weights and Measurements Special Fund into which all application fees and licensing fees are deposited to be used for covering the costs of administering the measurement standards program in the Department of Agriculture.

The department recognizes the benefit of user fees to offset operational expenses and costs. However, as a matter of general policy, the Department of Budget and Finance expects the creation of any special fund would 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. 2, it is difficult to determine whether the fund will be self-sustaining.