



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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GOVERNOR

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE
Tuesday, March 1, 2016
1:00 pm
State Capitol, Conference Room 308

in consideration of
HB 2545, HD1
RELATING TO BUSINESS DEVELOPMENT.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance.

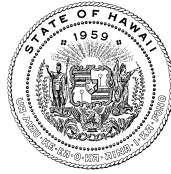
The Department of Business, Economic Development, and Tourism (DBEDT) **supports the intent** of HB 2545, HD1 which establishes the high-growth grant program and special fund in DBEDT to provide grants to qualified businesses for expansion of business operations, improving business productivity or investing in food safety or quality control programs.

DBEDT appreciates that this measure will support business by making possible grants to purchase equipment, conduct management and workforce training, improve infrastructure, and conduct consulting or feasibility studies by businesses that have been in business for at least two full years and have demonstrated the ability to export products.

DBEDT supports the bill as long as it does not either replace or adversely impact the Administration's priorities. We defer to the Department of Budget and Finance for the fiscal impact of this measure on the state budget.

Thank you for the opportunity to provide this written testimony.

DAVID Y. IGE
GOVERNOR



WRITTEN ONLY

WESLEY K. MACHIDA
DIRECTOR

RODERICK K. BECKER
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 2545, H.D. 1**

March 1, 2016
1:00 p.m.

RELATING TO BUSINESS DEVELOPMENT

House Bill No. 2545, H.D. 1: establishes the High-Growth Grant Program; establishes a special fund to provide grants to qualified businesses for certain business development activities; and appropriates funds.

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, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 2545, H.D. 1, it does not appear that the proposed special fund would be self-sustaining.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Tuesday, March 1, 2016 at 1:00 PM.
Conference Room 308, State Capitol**

RE: HOUSE BILL 2545 HD 1 RELATING TO BUSINESS DEVELOPMENT

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2545 HD 1, which establishes the high-growth grant program and special fund to provide grants to qualified businesses for certain business development activities.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber supports efforts to expand and diversify the economy. HB 2545 HD 1 would provide necessary capital to assist small businesses in expansion, improving the quality and efficiency of their operations, and to stay updated with safety and quality control programs. It is crucial that Hawaii's businesses receive support in order to grow to the next level and be able to compete globally.

Thank you for the opportunity to testify.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Tuesday, March 1, 2016 — 1:00 p.m. — Room 308

Ulupono Initiative Strongly Supports HB 2545 HD 1, Relating to Agriculture

Dear Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

My name is Kyle Datta and I am General Partner of Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally produced food; increase affordable, clean, renewable energy; and reduce waste. We believe that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

Ulupono strongly supports HB 2545 HD 1, which establishes the high-growth grant program and special fund, because it aligns with our goal of creating more locally produced food.

Agriculture is one of Hawai'i's most important and yet most challenging industries. A critical challenge for our local farmers and ranchers is to obtain adequate financing. The grant funding in this bill will stimulate and increase new investment in Hawai'i's agricultural industry as it requires a match from the private sector.

We are concerned that with the closure of HC&S, there will be an increasing need to find new investment to support a diversified agricultural base and to find meaningful employment for the many families that would otherwise be displaced. The Department of Agriculture recently released a study that showed a pronounced decrease in local farming and ranching, and we need to reverse this trend.

As Hawai'i's local food issues become more complex and challenging, organizations need additional resources and support to address and overcome them. We appreciate this committee's efforts to look at policies that support local food production.

We believe that by collaborating, we can help produce more local food and support an economically robust homegrown agriculture industry, which strengthens our community with fresh, healthy food. Thank you for this opportunity to testify.

Investing in a Sustainable Hawai'i



Respectfully,

Kyle Datta
General Partner

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 27, 2016 4:21 PM
To: FINTestimony
Cc: kevink59@gmail.com
Subject: *Submitted testimony for HB2545 on Mar 1, 2016 13:00PM*

HB2545

Submitted on: 2/27/2016

Testimony for FIN on Mar 1, 2016 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin Kelly	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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