

LATE

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

March 21, 2016
1:30 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.