

HB-2174

Submitted on: 1/29/2018 10:57:55 AM

Testimony for EDB on 1/31/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Randall Francisco	County of Kauai	Support	No

Comments:



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

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Wednesday, January 31, 2018
10:00 a.m.
State Capitol, Conference Room 309

in consideration of

HB 2174
RELATING TO BUSINESS DEVELOPMENT.

Chair Evans, Vice Chair Keohokalole, and Members of the Committee on Economic Development & Business.

The Department of Business, Economic Development, and Tourism (DBEDT) **supports the intent** of HB 2174, 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.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Economic Development & Business
Wednesday, January 31, 2018 at 10:00 A.M.
Conference Room 309, State Capitol**

RE: HOUSE BILL HB 2174 RELATING TO BUSINESS DEVELOPMENT

Chair Evans, Vice Chair Keohokalole, and Members of the Committee:

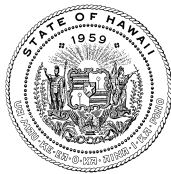
The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2174, which establishes the high-growth grant program and special fund to provide grants to qualified businesses for certain business development activities.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ 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 2174 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.

DAVID Y. IGE
GOVERNOR



LAUREL A. JOHNSTON
ACTING DIRECTOR

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

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

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

WRITTEN ONLY

**TESTIMONY BY LAUREL A. JOHNSTON
ACTING DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS
ON
HOUSE BILL NO. 2174**

**January 31, 2018
10:00 a.m.
Room 309**

**RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM**

House Bill No. 2174 establishes the High Growth Grant Program (HGGP) to provide grants to qualified businesses for certain business development activities; establishes the HGGP Special Fund (HGGPSF); and appropriates an unspecified amount of general funds for FY 19 to be deposited into the HGGPSF provided that no more than an unspecified amount can be expended on administrative expenses.

While the Department of Budget and Finance takes no position on the establishment of the HGGP, as a matter of general policy, the department 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. 2174, it is difficult to determine whether the proposed special fund would be self-sustaining.

We defer to the Department of Business, Economic Development and Tourism on the operational impacts of implementing the HGGP.

Thank you for your consideration of our comments.

February 17, 2015

Testimony
HB2174 Relating to the Department of Business, Economic Development, and Tourism
House Committee on Economic Development and Business

Chair Evans and Members of the House Committee on Economic Development and Business,

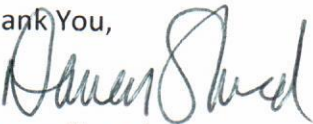
I am Darren Strand and I am the president of Maui Gold Pineapple Company. We are farming pineapple on nearly 1000 acres below Makawao town. Currently we have 71 full time employees who are well paid and have access to subsidized health and welfare for their families along with many other benefits. I am testifying in support of HB2174 as it will greatly benefit farms like ours. On behalf of Maui Gold Pineapple Company's employees, customers and stakeholders; I **STRONGLY SUPPORT HB2174.**

In 2009 Maui Pineapple Company closed its pineapple operations and in January of 2010 Haliimaile Pineapple Company, now Maui Gold Pineapple Company was born. Pineapple has always had a unique place in Maui's culture and the rebirth, continued operations and successes of Maui Gold can be attributed to the collective experience of the employees and the continuous innovation and development of new technologies.

The implementation of these new technologies and systems is often difficult or financially out of reach for farms and ranches. A high growth grant program provides a great mechanism for an operation like ours to fund programs and ideas that we might not without some assistance. It also allows us to reach out and find investment partners to move projects forward without putting our current operations at risk.

The County of Maui Office of Economic Development has awarded Maui Gold several small grants to "seed" projects. With this help we have installed and are operating a tunnel freezer, installed a water system to meet FSMA food safety standards and installed an ozone generator to control mold in our cold storage. The high growth grant program under DBEDT will provide a similar type of momentum and support to the agricultural businesses of Maui.

Thank You,



Darren Strand

President, Maui Gold Pineapple Co.