

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development and Tourism
before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 22, 2018
11:00 a.m.
State Capitol, Conference Room 308

in consideration of
HB 2560, HD2
RELATING TO A SUSTAINABLE ECONOMIC DEVELOPMENT STRATEGY.

Chair Luke, Vice Chair Cullen, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **supports the intent with comments** on House Bill 2560, HD2.

HB2560, HD2 requires the state's sustainability coordinator to develop a sustainable economic development strategy, derived from data mining services provided by the University of Hawaii, and using genuine progress indicators (GPI) to generate recommendations that promote indigenous-based economies, and the economic diversity, and sustainability of the State's economy.

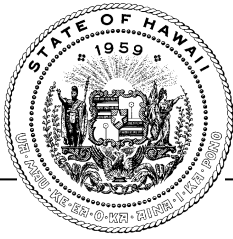
DBEDT offers the following comments:

- 1) We support the development of a sustainable economic development strategy and the development of genuine progress indicators as a set of metrics to supplement the measurement of the gross domestic product (GDP). Genuine progress indicators (GPI) are more commonly used in ecological economics to appropriately measure sustainability initiatives by measuring whether the environmental impact and social costs of economic production and consumption are negative or positive factors in overall health and well-being.
- 2) The Sustainability Coordinator would require two appropriations in order to complete the strategy: \$500,000 to UH for data-mining services; and

\$100,000 to OP for research services, provided that it does not replace or adversely impact the priorities indicated in the Executive Budget.

- 3) DBEDT supports the use of both GDP and GPI measures to be used as appropriate.

Thank you for the opportunity to offer comments on HB 2560, HD2.



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DAVID Y. IGE
GOVERNOR

LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING

Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 22, 2018
11:00 AM
State Capitol, Conference Room 308

in consideration of
HB 2560, HD 2
RELATING TO A SUSTAINABLE ECONOMIC DEVELOPMENT STRATEGY.

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

The Office of Planning (OP) supports House Bill 2560, HD 2 provided that its passage does not replace or adversely impact the priorities indicated in the Executive Budget. HB 2560, HD 2 requires the state's sustainability coordinator to develop a sustainable economic development strategy, derived from data mining services, and using genuine progress indicators (GPI) to generate recommendations that promote indigenous-based economies, and the economic diversity, and sustainability of the State's economy.

The Office of Planning offers the following comments:

- 1) We support the development of a sustainable economic development strategy and the development of genuine progress indicators as a set of metrics to supplement the measurement of the gross domestic product (GDP). Genuine progress indicators (GPI) are more commonly used in ecological economics to appropriately measure sustainability initiatives by measuring whether the environmental impact and social costs of economic production and consumption are negative or positive factors in overall health and well-being.
- 2) The Sustainability Coordinator would require the following appropriations in order to complete the strategy: \$500,000 to contract data-mining services; and \$100,000 for GPI research services, provided that it does not replace or adversely impact the priorities indicated in the Executive Budget.

Thank you for the opportunity to offer support on HB 2560, HD 2.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
February 22, 2018 at 11:00 a.m.

By
Jan Gouveia
Vice President for Administration
University of Hawai'i

HB 2560 HD2 – RELATING TO A SUSTAINABLE ECONOMIC DEVELOPMENT STRATEGY

Chair Luke, Vice Chair Cullen, and members of the committee:

Thank you for the opportunity to present testimony on HB 2560 HD2 – Relating to a sustainable economic development strategy. The University of Hawai'i ("University") supports the initiatives set forth in this measure to develop a sustainable economic development strategy for the state, but has concerns about requiring the University to provide data mining services for the state sustainability coordinator without providing appropriate funding and resources.

More specifically, the University seeks clarification on the definition and scope of data mining services as used in this measure. It is unclear whether such services are available within the organization, and whether the level of effort involved can be managed within existing resources. While the University is agreeable to participating in data analysis, it cannot commit to meeting these requirements without appropriate funding and resources.

Additionally, past experience from other states who have adopted a Genuine Progress Indicator (GPI), as an alternative to Gross Domestic Product (GDP), suggests that deciding on the final indicators and data with which to track them requires a consultative process across multiple agencies who might also be data holders. It is during that process that the most appropriate (and routinely available) data are identified, and state agencies then commit to report on the GPI aggregators. Again, the University is agreeable to participating in this process, but cannot commit to serving a primary or principle role in this process without appropriate funding and resources.

Thank you for the opportunity to present testimony in general support of HB 2560 HD2, but with the above stated reservations.

HB-2560-HD-2

Submitted on: 2/21/2018 10:41:34 AM

Testimony for FIN on 2/22/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES

DEMOCRATIC PARTY OF HAWAI'I

TO THE COMMITTEE ON FINANCE

THE HOUSE OF REPRESENTATIVES

TWENTY-NINTH LEGISLATURE

REGULAR SESSION OF 2018

Thursday, February 22, 2018

11:00 AM

Hawaii State Capitol, Conference Room 308

RE: Testimony in Support of HB 2099 HD1 A SUSTAINABLE ECONOMIC DEVELOPMENT STRATEGY

To the Honorable Sylvia Luke, Chair; the Honorable Ty J.K. Cullen, Vice-Chair, and Members of the Committee on Finance:

Good morning. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawai'i. Thank you for the opportunity to provide written testimony on House Bill No HB2560 HD2 relating to sustainability; economic development strategy, and genuine progress indicators to achieve a sustainable "Indigenous-based economy," hence, economic activity derived from the native Hawaiian host culture.

The OCC Legislative Priorities Committee is in favor of House Bill No. HB2560 HD2 and supports its passage.

House Bill No. HB2560 HD2 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH") as it requires the State Sustainability Coordinator to develop a sustainable economic development strategy using genuine progress indicators to generate recommendations that promote indigenous-based economies, economic diversity, and sustainability and report to the Legislature; and it requires the University of Hawaii to provide data mining services and makes an appropriation.

House Bill No. HB2560 HD2 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it requires the State Sustainability Coordinator to develop a sustainable economic development strategy using genuine progress indicators to generate recommendations that promote indigenous-based economies, economic diversity, and sustainability.

The Democratic Party of Hawai'i believes that the preservation and restoration of our natural environment are essential. We support a sustainable society that utilizes the earth in such a way that future generations will benefit from the practices of our generation. We support the restoration, preservation, and protection of our native ecosystems on each island. We believe in integrated approaches, practices, and support public policies that create and maintain a sustainable way of life in Hawai'i. We believe in supporting best management practices in sustaining our environment and in increased citizen involvement. We support programs that encourage sustainable clean, efficient, creative and environmentally friendly modes of transportation, recycling, and waste reduction. (Platform of DPH, P. 8, Line 407-415 (2016)).

Agriculture in our state must be preserved and its future strengthened. Sufficient prime agricultural lands must be maintained for the health, economic wellbeing and sustenance of the people. We believe in an integrated approach to agricultural innovation and sustainability. We encourage the responsible development of ocean resources in order to achieve sustainability of our marine resources and ensure and improve the health of our reef and marine life.

This approach includes but is not limited to, the adoption of the native Hawaiian concept of ahupua'a, an integrated approach to land management. This could also include the development of economic, land and ocean use policies that foster sustainable crops both for local consumption and for export, policies to foster agriculture-related infrastructure at shipping points, and increased inspection to protect against invasive species and to encourage reduced holding times. (Platform of DPH, P. 2, Line 76-86 (2016)).

Given that House Bill No. HB2560 HD2 requires the State Sustainability Coordinator to develop a sustainable economic development strategy using genuine progress indicators to generate recommendations that promote indigenous-based economies, economic diversity, and sustainability and report to the Legislature; and

it requires the University of Hawaii to provide data mining services and makes an appropriation, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

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