



STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE

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

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
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2522

February 28, 2018
10:45 a.m.
Room 211

RELATING TO AGRICULTURE

Senate Bill No. 2522 establishes the Agriculture Accelerator Program and the Agriculture Accelerator Special Fund (AASF) to authorize the Agribusiness Development Corporation to provide funds and invest in new or existing agriculture businesses approved by the Board of Agriculture in return for equity in those agriculture businesses. The AASF would be funded by appropriations through the Legislature, grants, donations and any interest earned from the balance in the special fund.

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 Senate Bill No. 2522, it is difficult to determine if the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

DAVID Y. IGE
Governor

DOUGLAS S. CHIN
Lt. Governor



SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

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DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEE ON WAYS & MEANS

**FEBRUARY 28, 2018
10:45 A.M.
CONFERENCE ROOM 211**

**SENATE BILL NO. 2522
RELATING TO AGRICULTURE**

Chairperson Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2522. This bill establishes the agriculture accelerator program to authorize the agribusiness development corporation to provide grants and invest in existing or new agriculture businesses approved by the board of agriculture in return for equity in those agriculture businesses. The Department supports this bill provided it does not impact the Department's priorities listed in the Executive Budget.

The work of ADC is critical in moving the State toward food security and self-sufficiency. This program helps Hawaii in its efforts to provide more local products for local consumption.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
Governor

DOUGLAS S. CHIN
Lt. Governor



JAMES J. NAKATANI
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
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TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEE ON WAYS AND MEANS
Wednesday, February 28, 2018
10:45 a.m.

SENATE BILL NO. 2522
RELATING TO AGRICULTURE

Chairperson Dela Cruz and Members of the Committee:

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation (“ADC”). The ADC strongly supports Senate Bill No. 2522 that establishes the agriculture accelerator program to authorize the agribusiness development corporation to provide moneys and invest in existing or new agriculture businesses approved by the board of directors of the ADC in return for equity in those agriculture businesses. It also establishes an agriculture accelerator special fund to provide funds for the agribusiness development corporation to provide moneys to and invest in agriculture businesses under the agriculture accelerator program.

The ADC believes that agriculture development requires consistent and strategic planning and implementation over a long period. The establishment of an agriculture accelerator program and special fund will provide ADC the

necessary framework and dependable funding source to take a long-term view of the agriculture industry and the requirements needed to build a sustainable industry.

Thank you for the opportunity to testify, and for your consideration of this bill.

SB-2522

Submitted on: 2/26/2018 2:10:51 PM

Testimony for WAM on 2/28/2018 10:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dale Sandlin	Testifying for Hawaii Cattlemens Council	Support	No

Comments: