

DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LIEUTENANT GOVERNOR



ANNE E. PERREIRA-EUSTAQUIO  
DIRECTOR

JOANN A. VIDINHAR  
DEPUTY DIRECTOR

JOVANIE DOMINGO DELA CRUZ  
EXECUTIVE DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
**OFFICE OF COMMUNITY SERVICES**  
830 PUNCHBOWL STREET, ROOM 420  
HONOLULU, HAWAII 96813  
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Email: [dlir.ocs@hawaii.gov](mailto:dlir.ocs@hawaii.gov)

IN REPLY, REFER TO:  
**OCS 21.1051**

March 3, 2021

To: The Honorable Sean Quinlan, Chair,  
The Honorable Daniel Holt, Vice Chair, and  
Members of the House Committee on Economic Development

Date: Friday, March 5, 2021  
Time: 10:30 a.m.  
Place: Room 312 via Videoconference

From: Jovanie Domingo Dela Cruz, Executive Director  
Office of Community Services - OCS

**Re: S.B. No. 172, SD 1 RELATING TO GRANTS**

**I. OVERVIEW OF PROPOSED LEGISLATION**

This measure would allow an organization to qualify for grants under chapter 42F, Hawaii Revised Statutes, if the organization is registered with the department of commerce and consumer affairs and is in possession of a valid certificate of vendor compliance issued by the State, even if the organization is not incorporated in Hawaii.

**II. CURRENT LAW**

Under current legislation, HRS 42F-103, organizations must be incorporated in Hawaii. Chapter 42F is Hawaii's legislation that consolidates and organizes procedures for grants by the State through a legislative process to non-profit organizations for public benefit.

**III. COMMENTS ON THE SENATE BILL**

This bill would expand current legislation to create an alternative basis of eligibility for an organization to have access to Chapter 42F grant funds. The initial version of this bill would have adopted an alternative basis of eligibility for Chapter 42F grants: if a non-profit expended at least 90% of its revenues within the State of Hawaii, it would be eligible.

The Honorable Sean Quinlan, Chair,  
The Honorable Daniel Holt, Vice Chair, and  
Members of the House Committee on Economic Development  
March 3, 2021  
Page 2

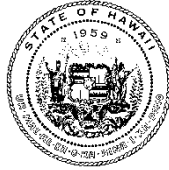
However, Senate Ways and Means decided to abandon the 90% expenditure test and instead adopt a test suggested by National Tropical Botanical Garden (NTBG) in its testimony. Accordingly, in SB 172, SD 1, Senate Ways and Means has inserted the following language as an alternative to being registered as a Hawaii non-profit corporation:

Registered with the department of commerce and consumer affairs and in possession of a valid certificate of vendor compliance issued by the State and documenting the organization's compliance and good standing with the United States Internal Revenue Service, department of taxation, department of labor and industrial relations, and department of commerce and consumer affairs.

The Office of Community Services (OCS) has been regularly designated by the Legislature to be the expending agency for a very large number of Chapter 42F grants. In the most recent pre-covid legislative year, 2019, OCS was designated as the expending agency for 63 of the 75 Capital Improvement Project GIAs appropriated under Chapter 42F. Accordingly, OCS has a great deal of experience in working with non-profits, both large and small. However, we also recognize that the decisions regarding which organizations should receive grants, for how much money, and for what purposes, are for the Legislature to make.

The present bill would merely make the NTBG eligible for Chapter 42F grants, once again, as a threshold matter. Of course, it would be up to the Legislature to decide whether to actually make a grant to NTBG. OCS would gladly administer a grant to NTBG if called upon by the Legislature to do so.

DAVID Y. IGE  
GOVERNOR



BONNIE KAHAKUI  
ACTING ADMINISTRATOR

**STATE OF HAWAII**  
**STATE PROCUREMENT OFFICE**

P.O. Box 119  
Honolulu, Hawaii 96810-0119  
Tel: (808) 586-0554  
email: [state.procurement.office@hawaii.gov](mailto:state.procurement.office@hawaii.gov)  
<http://spo.hawaii.gov>

TESTIMONY  
OF  
BONNIE KAHAKUI, ACTING ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE  
ON  
ECONOMIC DEVELOPMENT  
MARCH 5, 2021, 10:30 A.M.

SENATE BILL 172, SD1  
RELATING TO GRANTS

Chair Quinlan Vice-Chair Holt, and members of the committee, thank you for the opportunity to submit testimony on SB172 SD1. The State Procurement Office offers the following comments:

1. A Certificate of Vendor Compliance is a term coined by the State Procurement Office in 2004 when the Central Procurement Vendor Validation System, commonly known as Hawaii Compliance Express (HCE) was developed through a contract with NIC Hawaii, dba HIC.

HCE is an electronic system that provides vendors, contractors, and service providers doing business with state or county agencies to quickly and easily document that they are compliant with applicable laws. HCE expedites the ability to furnish proof of compliance with the requirements of 103D-310(c) HRS for awards \$2,500 and over, and for final payments.

This single certificate eliminates the need to obtain individual copies of clearances with the Internal Revenue Service (IRS) - Form 8821; Department of Labor & Industrial Relations (DLIR) - Form LIR27; Department of Commerce and Consumer Affairs (DCCA) - Form COGS, and Department of Taxation (DOTAX) - Form A-6.

2. Registration in HCE is not mandatory. It is a subscription-based service through HIC, with an annual fee of \$12.00. Vendors choosing not to participate are required to retrieve their "paper" documents by physical means. Requiring the Certificate of Vendor Compliance will force all entities to register with HCE, as there is no other alternative to obtaining this certificate.

Thank you.

**COUNTY COUNCIL**

Arryl Kaneshiro, Chair  
Mason K. Chock, Vice Chair  
Bernard P. Carvalho, Jr.  
Felicia Cowden  
Bill DeCosta  
Luke A. Evslin  
KipuKai Kualii



**OFFICE OF THE COUNTY CLERK**

Jade K. Fountain-Tanigawa, County Clerk  
Scott K. Sato, Deputy County Clerk

Telephone: (808) 241-4188  
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**Council Services Division**  
4396 Rice Street, Suite 209  
Lihu'e, Kaua'i, Hawai'i 96766

March 3, 2021

**TESTIMONY OF MASON K. CHOCK,  
VICE CHAIR, KAUAI COUNTY COUNCIL  
ON  
SB 172, SD1, RELATING TO GRANTS  
House Committee on Economic Development  
Friday, March 5, 2021  
10:30 a.m.  
Via Videoconference  
Conference Room 312**

Dear Chair Quinlan and Members of the Committee:

Thank you for this opportunity to provide testimony in support of SB 172, SD1, Relating to Grants. My testimony is submitted in my individual capacity as Council Vice Chair of the Kaua'i County Council.

The National Tropical Botanical Garden (NTBG) has been operating in the State of Hawai'i since 1970 and has established four (4) botanical gardens and five (5) preserves on the islands of Kaua'i, Maui, and Hawai'i. With over one hundred full-time employees, NTBG is steward to some of the most significant cultural sites in the state and manages the largest curated living collection of native Hawaiian plants in the world, a seed bank with over 14 million seeds of rare Hawaiian plants, and a herbarium of over 90,000 specimens of Hawaiian and Pacific Island plants. Over ninety-five percent (95%) of NTBG's annual operating budget is spent in Hawai'i annually.

I believe that nonprofit organizations that are working primarily in the State of Hawai'i and are doing work that benefits Hawai'i's communities, but are not incorporated in the State, like the NTBG, should be eligible for State funding through the GIA process. I also support and recommend that SB 172, SD1, be amended to require GIA applicants be limited to organizations that spend at least ninety percent of its operating budget in the State.

Thank you again for this opportunity to provide testimony. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via E-mail to cokcouncil@kauai.gov.

Sincerely,

**MASON K. CHOCK**  
Council Vice Chair, Kaua'i County Council

AMK:dmc

# OFFICE OF THE MAYOR

DEREK S.K. KAWAKAMI, MAYOR

MICHAEL A. DAHLIG, MANAGING DIRECTOR

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Testimony of

**Michael A. Dahilig**

Managing Director, County of Kaua'i

Before the

**House Committee on Economic Development**

Friday, March 5, 2021 at 10:30 a.m.

Conference Room 312; Via Videoconference

In consideration of

**Senate Bill 172 SD1**

**Relating to Grants**

Honorable Chair Quinlan, Vice Chair Holt, and Members of the Committee:

The County of Kaua'i **supports** SB172 SD1 which would allow an organization to qualify for grants under Chapter 42F, Hawai'i Revised Statutes, if the organization is registered with the department of commerce and consumer affairs and in possession of a valid certificate of vendor compliance issued by the State.

We support the addition of language from the original draft which requires that an organization applying for a GIA spends at least ninety percent of its operating budget in the State as documented by financial statements certified by their governing Board Chair or President.

In rare cases, non-profits are incorporated under a Congressional Charter rather than a State Charter. Currently, non-profits with only a Congressional Charter are ineligible under Hawai'i statutes to participate in the Grant-In-Aid process.

With fewer than 100 non-profits with a Congressional Charter in existence across the country, the County of Kaua'i supports amending the existing law to allow any non-profits who spend at least ninety percent of its operating budget in Hawai'i, the same privileges as State Chartered non-profits who likewise function to improve the educational, cultural, and overall well-being of the residents and natural resources of Hawai'i.

The GIA program is robust and well vetted with many layers including Budget and Finance review. Understandably, the program is currently suspended due to the fiscal restraints from the COVID-19 pandemic. When the State is once again financially equipped to offer assistance to non-profits, we respectfully ask that all non-profits which meet the Department of Commerce and Consumer Affairs qualifications and spend at least ninety percent of its operating budget in Hawai'i be allowed to apply.

Passing SB 172 SD1 will allow organizations currently working in Hawaii who are already advancing the wellbeing of the State to be eligible to participate in the GIA process.

Thank you for your consideration in passing this measure.



# NATIONAL TROPICAL BOTANICAL GARDEN

## Saving Plants • Saving People

NATIONAL HEADQUARTERS 3530 Papalina Road, Kalāheo, Hawai'i 96741 USA  
(808) 332-7324 · Fax (808) 332-9765 · www.ntbg.org

TO: The Honorable Rep. Sean Quinlan, Chair  
The Honorable Daniel Holt, Vice Chair  
Members of the House Committee on Economic Development

DATE: Friday, March 5, 2021  
TIME: 10:30AM  
PLACE: Videoconference / Room 312

From: Chipper Wichman, President  
National Tropical Botanical Garden

**Re: Testimony in Support of SB172 SD1 RELATING TO GRANTS**

I am writing today as the President of the National Tropical Botanical Garden (NTBG), an organization I have worked proudly for since 1976. NTBG is in STRONG support of SB172 SD1 but would like to suggest an amendment to this bill.

We are very appreciative of the support the Committee on Economic Development provided for our companion bill HB75 heard by your committee on Feb 17, 2021 which resulted in HD1. Since then, SB 172 SD1 has successfully passed through the Senate with identical language to HB75 HD1. However, now that SB172 SD1 has crossed over to the House we have become aware that staff of the House Finance Committee have would like to have the “Hawaii spending requirement” language put back into this bill to ensure that the legislature does not open the door to GIA proposals from organization that are registered in Hawaii not truly operating in Hawaii.

I have discussed this concern with both legislative staff as well as with Mr. Jovanie Domingo Dela Cruz, Executive Director of the Office of Community Services (whose office administered a large percentage of the GIA awards) to get their input on how an organization could best document that they spend 90% of their operating budget in Hawaii. These discussions have been informative and **I would like to request that you amend SB172 SD1 to include the requirement that: “an organization applying for a GIA spends at least ninety percent of its operating budget in the State of Hawaii as documented by financial statements certified by their governing Board Chair or President”.**

Having the Board Chair sign a statement that the financial statements provided with the GIA application are true and accurate will help ensure that only nonprofits truly operating in Hawaii apply and create a standard way for staff working on processing GIA requests to document if an organization has properly complied with this requirement. With this new language, it should effectively limit the number of new organizations qualified to apply for a GIA to only those who are truly on the ground and working here in Hawaii!

The organization that I work for is an excellent example of why this bill is necessary. The National Tropical Botanical Garden (NTBG) has operated in Hawaii for over 50 years – we broke ground on Kauai in 1970. We spend millions of dollars every year employing Hawaii

residents, paying Hawaii taxes, and protecting Hawaii's unique biocultural heritage in a way that no other organization in Hawaii does – through a network of botanical gardens and preserves that encompasses five different ecosystems on three different islands.

We are also unlike any other organization in Hawaii in that we operate under a Congressional Charter rather than a State Charter – this means that NTBG was incorporated in Washington, DC not Hawaii. Being a Congressionally Chartered 501(c)3 nonprofit organization is a status given to only a small number of organizations in the entire USA.

NTBG's Congressional Charter was a result of years of hard work of Senator Daniel Inouye and Representative Sparky Matsunaga who worked tirelessly to establish NTBG for the benefit of the people of Hawaii. They believed that it would be very prestigious for Hawaii to have a Congressionally Chartered nonprofit operating in our State. We are a purpose-driven organization that was brought into being through the vision and commitment of these legendary political leaders.

Although we got our Congressional Charter in 1964, we existed in name only until we acquired our first property in 1969 on the island of Kauai. We officially broke ground on Jan 1, 1970, establishing the Lāwa'i valley as the location for our flagship operations which continues to this day. In the late 1970s, NTBG established our national headquarters in Kalāheo overlooking the Lāwa'i valley thanks to an extraordinary gift of land from Alexander and Baldwin.

From 1970 until 1990, NTBG operated solely in Hawaii. During that time NTBG acquired 2,000 acres of land including five different ecosystems and established four botanical gardens and five preserves on the islands of Kaua'i, Maui, and Hawaii.

In 1990, NTBG was gifted a 10-acre historic property in Miami, Florida. This property called The Kampong was the home of Dr. David Fairchild plant explorer extraordinaire. This is the only property NTBG holds outside of Hawaii and it is on the national register of Historic Places due to the importance of Dr. Fairchild in the history of the US Department of Agriculture.

Although NTBG does own and operate this small property in Miami, over 95% of NTBG's operating budget (which fluctuates between \$7-10 million annually) is spent exclusively in Hawaii each year. As part of our mission-driven work in Hawaii, NTBG manages the largest curated living collection of rare and endangered native Hawaiian plants in the world, a seed bank with over 14 million seeds of rare Hawaiian plants, and a research herbarium containing over 90,000 specimens of Hawaiian and Pacific Island plants and education programs that reach every school child on Kauai.

NTBG is also the steward to some of the most significant cultural sites in Hawaii including the 800-year old Piilanihale Heiau in Hana, Maui and the 1,000-year old Limahuli Archaeological Complex in Hā'ena, Kauai. NTBG's Breadfruit Institute maintains the world's largest germplasm collection of breadfruit (over 150 varieties) and has given away over 10,000 breadfruit trees to farmers and community groups in Hawaii to help establish the base of a future breadfruit industry in the Hawaiian Islands. Over the past 30 years we have been honored several times by resolutions passed by the Hawaii Legislature.

NTBG's has over 100 full-time employees in Hawaii and our payroll in Hawaii is over \$4 million per year. This is 93% of total payroll for the whole organization and NTBG pays over \$40,000 in Hawaii GET annually. NTBG also brings in millions of dollars each year to Hawaii from donors and visitors from the continental US – these are funds that would otherwise not circulate in our Hawaiian economy.

In 2008, NTBG was awarded a \$200,000 GIA (GIA log No: 189-C) to support the construction of a new \$20 million botanical research center on Kauai to house our herbarium, labs, research offices, and our seed conservation lab. We did not apply again for a GIA until 2019 which is when we discovered that HRS\_0042F-0103 now requires organizations to be incorporated in Hawaii to qualify for a GIA.

Why should an organization that has operated in Hawaii for over 50 years and does so much to benefit our State suddenly no longer qualify to apply for a GIA? We believe that ALL nonprofit organizations that are working in Hawaii and which are in good standing with the State should be eligible for State funding through the GIA process.

Having been through the GIA process in the past, I can assure you that it is very well run and very competitive. The process itself will effectively eliminate weak proposals and the Legislature will ultimately determine if a grant should be awarded.

On behalf of our employees and most importantly the natural and cultural resources of the State of Hawaii that we mālama every day, I thank you for your consideration of this testimony and hope that you agree that supporting SB172 SD1 and making the requested amendment to the language in the bill is in the best interest of our State!

Me ke aloha a me ka mahalo nui,

A handwritten signature in black ink, appearing to read "Chipper Wichman", with a long, sweeping flourish extending to the right.

Chipper Wichman, President,  
National Tropical Botanical Garden





# Hanalei Watershed Hui

March 3, 2021  
Hawaii State Legislature

HOUSE OF REPRESENTATIVES COMMITTEE ON ECONOMIC DEVELOPMENT  
Rep. Sean Quinlan, Chair  
Rep. Daniel Holt, Vice Chair

## **Testimony: Relating to Grants SB172 SD1**

NOTICE OF HEARING  
DATE: Friday, March 5, 2021  
TIME: 10:30AM  
PLACE: VIA VIDEOCONFERENCE

Aloha Chair Quinlan, Vice Chair Holt and Members,  
Our organization is a community based 501c3 working on Kauai to better understand and manage natural, cultural and economic resources related to watershed issues.

We have unsuccessfully applied for a Grant in Aid in the past. We consider Grants in Aid to be a necessary method of providing economic support for needed community projects. Our organization qualifies under the existing rules for application HOWEVER we strongly support this bill to provide the same opportunity for all

Nonprofit organizations that:

1. Are registered with the Hawaii DCCA; and
2. Have a valid Certificate of Vendor Compliance issued by the State of Hawaii documenting their compliance and good standing with the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs.

**Most importantly, please add the following language:**

**“an organization applying for a GIA spends at least ninety percent of its operating budget in the State as documented by financial statements certified by their governing Board Chair or President”.**

Mahalo for your kind attention.

Makaala Kaaumoana  
Executive Director

E malama kumu wai ~ Protect the source  
5299C Kuhio Hwy, P. O. Box 1285, Hanalei, Kauai, HI 96714  
Telephone (808) 826-1985/(808)346-5458 Email: [hanaleiwatershedhui@gmail.com](mailto:hanaleiwatershedhui@gmail.com)  
[www.hanaleiwatershedhui.org](http://www.hanaleiwatershedhui.org)

The Hanalei Watershed Hui is an equal opportunity employer and provider.



TO: HOUSE OF REPRESENTATIVES  
COMMITTEE ON ECONOMIC DEVELOPMENT  
Rep. Sean Quinlan, Chair  
Rep. Daniel Holt, Vice Chair

DATE: Friday, March 5, 2021  
TIME: 10:30AM  
PLACE: VIA VIDEOCONFERENCE  
Conference Room 312  
State Capitol  
415 South Beretania Street

From: Emily Grave, Coordinator  
Laukahi: Hawaii Plant Conservation Network

**Re: Testimony in Support of SB 172, SD1 RELATING TO GRANTS**

My name is Emily Grave, and I am writing today as the Coordinator of Laukahi: Hawaii Plant Conservation Network (Laukahi). The National Tropical Botanical Garden (NTBG) is a founding member organization of Laukahi. In working for Laukahi since 2018, I have had the pleasure of completing several projects with the NTBG staff for the betterment of the land and people of Hawaii. Laukahi is in strong support of SB172 and urges the Committee on Economic Development to amend HRS\_0042F-0103 to allow organizations working and doing business in Hawaii to participate in the Grant In Aid (GIA) process.

The bill, SB172, was heard by the Senate Ways and Means Committee on February 03, 2021. It was passed unanimously with the following supportive amendments. A nonprofit 501(c)3 applying for a GIA must:

1. Be registered with the Hawaii DCCA; and
2. Have a valid Certificate of Vendor Compliance, issued by the State of Hawaii documenting their compliance and good standing with the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs.

Laukahi strongly encourages the members of the House Committee on Economic Development to pass SB172, SD1 and requests an additional amendment providing a spending requirement. We request that a nonprofit organization applying for GIA:

3. Spends at least ninety percent of its operating budget in the State, as documented by financial statements certified by their governing Board Chair or President.

This provision was discarded after being heard in the Senate Ways and Means Committee, but we feel it is necessary to exclude organizations (from the GIA process) which do not operate, and/or spend a large majority of its budget, in Hawaii.

The above amendments should be used as an appropriate filter for determining which entities can apply for a GIA, rather than where the organization is chartered. An organization that operates under a Congressional Charter should be allowed the same opportunities as an organization operating under a State of Hawaii Charter, as long as the above conditions are met, including the spending requirement.

We believe the National Tropical Botanical Garden (NTBG) is an excellent example of why this bill should pass. NTBG has been doing business in the State of Hawaii for over 50 years. Over 95% of NTBG's annual operating budget (\$8-10 million) is spent in Hawaii each year, and the organization pays over \$40,000 in Hawaii GET annually. Not only does it spend millions of dollars in Hawaii each year, but it employs over 100 Hawaii residents and most importantly –works to protect and restore Hawaii's natural beauty, culture, and biodiversity through its actions. NTBG works to preserve Hawaii's unique biocultural resources (what we know as Hawaii) across three islands in five different ecosystems. No other organization holds more curated collections of rare, threatened and endangered, plants in storage (or as herbaria specimens) for use in research endeavors or future restoration efforts. Not only do they have a large holding of Hawaiian species, but also collections from across the Pacific! As a former student researcher, I know (personally) how helpful these collections are in ascertaining species-specific information which may not exist anywhere else in the world.

It is in the state's best interest to open the eligibility door for all nonprofit entities operating in good standing with the State of Hawaii, and spending a large majority of its budget in Hawaii, for state funding via the GIA process. The proposed amendment of HRS\_0042F-0103 is intended to allow that to happen whilst ensuring that only organizations that are truly working in Hawaii will qualify. Where an organization is chartered is less important than the impact an organization is having in Hawaii. There will only be more opportunities for more good work to transpire in our state as a result.

On behalf of Laukahi, our partners, and the biocultural resources of Hawaii, I thank you for your consideration of this testimony. We hope you agree that providing this opportunity to more hard-working, Hawaiian organizations will only benefit our great state.

Mahalo nui loa,

A handwritten signature in cursive script that reads "Emily Grave".

Emily Grave, Laukahi Network Coordinator  
Laukahi: Hawaii Plant Conservation Network



TO: The Honorable Rep. Sean Quinlan, Chair  
The Honorable Daniel Holt, Vice Chair  
Members of the House Committee on Economic Development

DATE: Friday, March 5, 2021

TIME: 10:30AM

PLACE: Videoconference/Room 312

FROM: Stacy Sproat-Beck, Executive Director, The Waipā Foundation

RE: Testimony in Support of SB172 SD1 RELATING TO GRANTS

Aloha,

My name is Stacy Sproat-Beck, and I have served as a founder and board member of the Waipā Foundation from 1994-2001 and then as Executive Director since 2001. I am writing in support of SB172 SD1 and specifically, addition of the following requirement to this bill, to further ensure that applicants are benefitting the people and resources here in Hawai`i. An organization applying for a GIA should spend at least ninety percent of its operating budget in the State as documented by financial statements certified by their governing Board Chair or President. This should further limit the potential applicants for a GIA to those focused on Hawai`i.

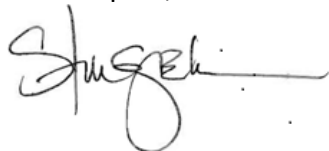
While Waipā Foundation will not directly benefit from this bill, others such as the National Tropical Botanical Garden, would. As a Congressionally Chartered organization, they are ineligible to apply for a GIA under current law. The NTBG's Limahuli Garden is located in our community and we have partnered and worked together on many occasions in my 26 years with Waipā. I can say their work in our community, and in Hawai`i is valuable and irreplaceable. In addition to their own important work, NTBG with Chipper Wichman as Director, through partnership, mentoring and networking, elevates the work of non-profits and cultural and community organizations such as Waipā, Hui Maka`ainana o Makana and countless others within our communities. Through their educational programs, mentoring and internships they also have made a significant contribution to growing the next generation of Hawaiian environmental and community leaders.

My organization-The Waipā Foundation-was a successful applicant for and beneficiary of a GIA back in 2013. The \$200,000 CIP grant that we received contributed to the construction of Lukupu-a certified community kitchen and hale imu which is now utilized by many food entrepreneurs and food and produce distributors in our community. I am fully aware of how competitive and intensively managed the GIA process is, and know that if any organization in Hawai`i should be able

to apply for a GIA, and has the capacity to bring benefits to Hawai'i's communities-both human and plants-it is the National Tropical Botanical Garden.

I urge you to very strongly consider and support SB172 SD1.

Mahalo piha,

A handwritten signature in black ink, appearing to read "Stacy Sproat-Beck". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stacy Sproat-Beck  
Executive Director

## **HOUSE OF REPRESENTATIVES**

### **COMMITTEE ON ECONOMIC DEVELOPMENT**

**Rep. Sean Quinlan, Chair**

**Rep. Daniel Holt, Vice Chair**

#### **Testimony in favor of SB172**

Passing SB172 is in the best interest of the State of Hawaii as it will allow organizations currently working in Hawaii who are already advancing the wellbeing of the State to be eligible to participate in the GIA process.

Please include the following amendments to provide more clarity on what organizations are eligible to apply for a GIA.

Nonprofits applying for a GIA must:

1. Be registered with the Hawaii DCCA;
2. Have a valid Certificate of Vendor Compliance issued by the State of Hawaii documenting their compliance and good standing with the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs.”

Chairman Quinlan, please include the following amendment:

3. An organization applying for a GIA spends at least ninety percent of its operating budget in the State as documented by financial statements certified by their governing Board Chair or President”.

For the National Tropical Botanical Garden (NTBG) it is important that they qualify for Grant In Aid (GIA) funding to continue providing educational and other programs in direct support to our state and local communities.

As a private citizen and volunteer at NTBG I have personally had the opportunity to introduce hundreds of students each year to NTBG’s McBryde Garden on Kauai where they have an opportunity to learn about plant evolution as well as historical and current Hawaiian cultural uses of plants. As we move towards building a more sustainable future for our state these are important learning opportunities for our students who will be our leaders of tomorrow.

I have been privileged to work at NTBG's Botanical Research Center to help make over 90,000 botanical specimens of Hawaiian and Pacific Island plants available digitally online to scientists and researchers around the world.

Over the 12 years I have been a volunteer at NTBG I have also worked with NTBG's Breadfruit Institute that has given away over 10,000 breadfruit trees in Hawaii to help establish a sustainable breadfruit industry in Hawaii.

These are just a few personal examples from a private citizen of the many contributions that the National Tropical Botanical Garden is making to our local community and state.

Nonprofit organizations that are working primarily in Hawaii and are doing work that benefits the State of Hawaii, but are not incorporated in Hawaii (like NTBG) should be eligible for State funding through the GIA process.

**TESTIMONY OF FRANK O. HAY, Before the HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ECONOMIC DEVELOPMENT, on Friday, March 5, 2021  
Rep. Sean Quinlan, Chair  
Rep. Daniel Holt, Vice Chair**

**Testimony in Strong Support of SB172**

Passing SB172 is in the best interest of the State of Hawaii as it will allow organizations currently working in Hawaii who are already advancing the wellbeing of the State to be eligible to participate in the Grant In Aid process.

May I respectfully suggest the following amendments to provide more clarity on which organizations are eligible to apply for a Grant In Aid. I suggest that nonprofits applying for a GIA must:

1. Be registered with the Hawaii DCCA;
2. Have a valid Certificate of Vendor Compliance issued by the State of Hawaii documenting their compliance and good standing with the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs.

I further ask that you please include the following amendment:

3. An organization applying for a Grant In Aid shall expend at least ninety percent of its operating budget in the State, as documented by financial statements certified by their governing Board Chair or President.

For the National Tropical Botanical Garden (NTBG) it is important that they qualify for Grant In Aid (GIA) funding to continue providing educational and other programs in direct support to our state and local communities.

As a private citizen and long-time volunteer at the Garden I have personally had the opportunity to introduce hundreds of visitors and students each year to the McBryde Garden on Kauai where they have an opportunity to learn about plant evolution, as well as historical and current Hawaiian cultural uses of plants. As we move towards building a more sustainable future for our state these are important learning opportunities for our students who will be our leaders of tomorrow. These are just a few personal examples from a private citizen of the many contributions that the National Tropical Botanical Garden is making to our local community and state.

Nonprofit organizations that are working primarily in Hawaii and are doing work that benefits the State of Hawaii, but are not incorporated in Hawaii (like NTBG, that is chartered by Congress) should be eligible for State funding through the GIA process.

The proposed amendment of HRS\_0042F-0103 is intended to allow that while still ensuring that only organizations that are truly working in Hawaii will qualify.



March 4, 2020

Aloha House of Representatives Committee on Economic Development  
Rep. Sean Quinlan, Chair  
Rep. Daniel Holt, Vice Chair

I am submitting written testimony today in support of SB172 SD1. Passing SB172 SD1 is in the best interest of the State of Hawaii because it will allow organizations currently working in Hawaii who are already advancing the wellbeing of the State to be eligible to participate in the GIA process.

As a Native Hawaiian woman, born and raised on Kaua'i, I am currently the School Leader for Namahana School, the first public middle and high charter school for the North Shore of Kaua'i. My background in education and working within our Halele'a community is why I am submitting testimony today. I believe that non-profit organizations that are working primarily in Hawai'i – paying taxes, employing Hawai'i residents, and providing learning opportunities for our youth – and doing work that benefits the State of Hawaii, but are not incorporated in Hawaii should be eligible for State funding through the GIA process.

The proposed amendments are intended to allow that to happen while still ensuring that only organizations that are truly working in Hawaii will qualify. I humbly ask that you consider the following amendments which would provide more clarity on what organizations are eligible to apply for a GIA:

Nonprofits applying for a GIA must:

- 1) Be registered with the Hawaii DCCA;
- 2) Have a valid Certificate of Vendor Compliance issued by the State of Hawai'i documenting their compliance and good standing with the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs;
- and **3) an organization applying for a GIA must spend at least ninety percent of its operating budget in the State of Hawaii as documented by financial statements certified by their governing Board Chair or President.**

These amendments not only provide more clarity around which organizations are eligible, they are also a more appropriate filter for who should be allowed to apply for a GIA than where an organization is chartered. Additionally, the third amendment would limit the number of new organizations qualified to apply for a GIA to only those who are truly on the ground and working here in the State of Hawai'i.

An example of the significance of this amendment and its effect can be seen with the National Tropical Botanical Garden (NTGB) which operates under a Congressional Charter rather than a State Charter. As a Native Hawaiian woman here on Kaua'i, I am so grateful for the important work NTGB has done for our community on Kaua'i and throughout Hawai'i. NTBG is a steward to some of the most significant cultural sites in Hawaii including the Piilanihale Heiau in Hana, Maui and the Limahuli Archaeological Complex in Hā'ena, Kauai. NTGB has worked to educate

communities on 'ulu through their Breadfruit Institute which maintains the world's largest germplasm collection of breadfruit (over 150 varieties) and has given away over 10,000 breadfruit trees in Hawaii to help establish the base of a future breadfruit industry in Hawaii. NTGB also manages the largest curated living collection of native Hawaiian plants in the world, a seed bank with over 14 million seeds of rare Hawaiian plants, and a herbarium of over 90,000 specimens of Hawaiian and Pacific Island plants.

Where I am from here on Kaua'i, the work of NTGB through Limahuli has provided countless opportunities for family members and multi-generational residents to be employed caretakers of this 'āina. NTGB has brought educational opportunities through plants and stories of place, and allows for hands-on learning within our community in the areas of science, restoration, and cultural practice (to name a few). NTGB has over 100 full-time employees in Hawai'i and its payroll in Hawaii is approximately \$4-5 million per year, which is 93% of the total payroll for the whole organization. NTGB is supporting residents, communities, 'āina primarily throughout the State of Hawaii.

NTBG has been operating here in Hawaii for 50 years and my hope is that they will continue to be able to do this amazing work, supporting the State of Hawaii, and employing our Hawaii residents for future generations to come. However, under the current process, NTGB is an example of a non-profit organization that is not currently eligible to apply for a GIA because they are chartered by the US Congress.

Therefore, I urge you to pass SB172 SD1 with the amendments I have listed above. Passing SB172 SD1 is in the best interest of the State of Hawaii because it will allow organizations currently working in Hawai'i (like NTGB) who are already advancing the wellbeing of the State to be eligible to participate in the GIA process.

Mahalo for your time and consideration,

Kapua L. Chandler, Ph.D.  
Kīlauea, Ko'olau, Kaua'i