

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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 CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 2473, S.D. 2, H.D. 1

April 1, 2022
1:30 p.m.
Room 308 and Videoconference

RELATING TO ECONOMIC DEVELOPMENT

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2473, S.D. 2, H.D. 1, amends the focus, scope, responsibilities, and powers of the Agribusiness Development Corporation (ADC); amends the definition of agriculture as the term relates to the ADC; transfers the administrative attachment of the ADC from the Department of Agriculture (DOA) to the Department of Business, Economic Development and Tourism (DBEDT); amends the requirements and responsibilities of the Board of Directors of the ADC; amends the contents of the Hawaii Agribusiness Plan (HAP); appropriates \$100,000 of general funds for FY 23 for a consultant to assist the ADC in preparing and finalizing the HAP; appropriates an unspecified amount of general funds to fund 1.00 permanent full-time equivalent accountant position for the ADC; and appropriates \$500,000 of general funds for FY 23 for security guard services for the ADC, provided that once ADC land is leased, security costs shall be funded by ADC association dues from property tenants.

B&F defers to the DOA, ADC, and DBEDT to detail the impacts of this proposed transfer on their respective operations, as well as the alignment of the transfer with each

agency's respective purpose and mission. B&F does note, however, the recent audit reports of the ADC, as well as the final report of the House Investigative Committee established by House Resolution No. 164 and defers to the findings and recommendations of those reports.

Finally, B&F notes that, with respect to the general fund appropriations in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

CHUNG I. CHANG
DEPUTY DIRECTOR

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Statement of
MIKE MCCARTNEY
Director

Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Friday, April 1, 2022
1:30 PM

State Capitol, Conference Room 308 & Videoconference

In consideration of
SB2473, SD2, HD1
RELATING TO ECONOMIC DEVELOPMENT.

Chair Luke, Vice Chair Yamashita, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports SB2473, SD2, HD1, in relation to the transfer of the administrative attachment of the Agribusiness Development Corporation (ADC) from the Department of Agriculture to DBEDT.

As the lead agency in the Executive branch in achieving a Hawaii economy that embraces innovation and is globally competitive, dynamic, and productive to provide opportunities for all Hawaii's citizens, we look forward to supporting ADC in its mission of commercial agriculture development. In our most recent assessment, properly supporting ADC would require a fiscal accountant position and a procurement officer.

DBEDT defers to ADC on the specific details of their responsibilities and powers of the ADC.

Thank you for the opportunity to testify.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



JAMES J. NAKATANI
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION
BEFORE THE HOUSE COMMITTEE ON FINANCE

Friday, April 1, 2022
1:30 P.M.

SENATE BILL NO. 2473 SD2, HD1
RELATING TO ECONOMIC DEVELOPMENT

Chairperson Luke and Members of the Committee,

Thank you for the opportunity to testify on Senate Bill No. 2473 SD2 HD1. The Agribusiness Development Corporation (ADC) supports this measure, which transfers the ADC from the Hawaii Department of Agriculture (HDOA) to the Department of Business, Economic Development, and Tourism (DBEDT).

Transferring the ADC from HDOA to DBEDT could be beneficial to the State because its goals and objectives supports DBEDT's mission, which is to achieve a Hawaii economy that embraces innovation and is globally competitive, dynamic and productive, providing opportunities for all Hawaii citizens. HDOA's priority and primary functions are regulatory and enforcement, which mean non-regulatory functions are secondary. Non-regulatory functions include developing a long-term vision and overall plan for economic development to support operations such as ADC.

Thank you for your consideration of our testimony.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON FINANCE

APRIL 1, 2022

1:30 P.M.

Via VIDEOCONFERENCE & CONFERENCE ROOM 309

**SENATE BILL NO. 2473 SD2 HD1
RELATING TO ECONOMIC DEVELOPMENT**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2473 SD2 HD1. This measure transfers the administrative attachment of Agribusiness Development Corporation (ADC) from the Hawaii Department of Agriculture (HDOA) to the Department of Business, Economic Development, and Tourism (DBEDT). HDOA supports the intent of this measure and offers comments.

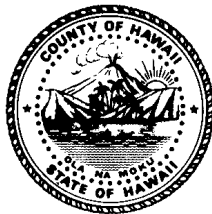
Innovative strategies are an effective means to achieve the ambitious and important goals of the State. The pandemic driven economic shut down and reset has presented Hawaii with a unique opportunity to rebuild its economy into a vibrant and globally competitive environment to re-imagine government operations and career opportunities for all Hawaii residents. The transfer of ADC from HDOA to DBEDT may support this objective by aligning similar goals of DBEDT's and ADC's respective missions to spur economic development.



Unlike ADC and DBEDT, HDOA's priorities and functions are primarily regulating, managing, and supporting the existing agricultural industry and community. HDOA continues to support the agricultural community and pursue and protect policies, programs, and outcomes that are in the best interests of agriculture. While the HDOA appreciates the intent of this measure to optimize rapid economic development through a focused restructuring of government, we are, however, concerned about possible unforeseen impacts that may occur from a disentanglement of our administrative and operational relationship with ADC. The agricultural industry is a unique sector of the economy that is best served by a well-coordinated oversight and management by the State. The existing relationship of HDOA and ADC, both administratively and operationally, has provided an effective means to address the diverse and widespread concerns and objectives of the agricultural community.

Thank you for your consideration of our testimony.

REBECCA VILLEGAS
Council Member
District 7, Central Kona



PHONE: (808) 323-4267
FAX: (808) 323-4786
EMAIL: Rebecca.villegas@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL

West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

March 29, 2022

TESTIMONY OF REBECCA VILLEGAS COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL ON SB 2473 SD2, RELATING TO ECONOMIC DEVELOPMENT

Committee on Finance

Friday, April 1, 2022 at 1:30pm

Aloha Chair Luke and Members of the Committees:

I thank you for the opportunity to testify in SUPPORT of SB 2473 SD2. My testimony is submitted in my individual capacity as a member of the Hawai'i County Council and Chair of the Hawai'i County Council Climate Resilience and Natural Resource Management Committee.

The ADC should support the production of local agricultural products for local consumption in a manner that is economically and environmentally sustainable while continuing to develop commercial exports of locally produced agriculture products. To further these purposes, the corporation should coordinate and administer programs to assist agricultural enterprises to facilitate the transition of agricultural infrastructure from plantation operations into other agricultural enterprises, increase local production of agricultural products for local consumption, reduce the State's reliance on imported agricultural products, and increase access to farmland and related infrastructure for small local farmers and cooperatives.

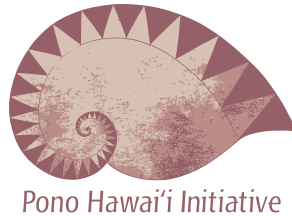
The ADC Board of Directors should develop and document annual goals and performance measures for the executive director and evaluate and document the evaluation of the ED's performance annually. The board shall document the specific authority delegated to the executive director, including but not limited to the types of access and use of corporation property that the executive director can approve without notice to or approval by the board, and the rent credits and other amendments to board-approved contract terms that the executive director may approve without notice to or approval by the board.

For the reasons stated above I urge the Committee on Finance to support this measure as well. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.

A handwritten signature in black ink, appearing to read "Rebecca Villegas".

Rebecca Villegas
Council Member, Hawai'i County Council



Tuesday, March 29, 2022

SB2473 SD2 HD1 Relating to Economic Development
Testifying in Strong Opposition

Aloha Chair and members of the committee,

The Pono Hawai'i Initiative (PHI) opposes SB2473 SD2 HD1 Relating to Economic Development. This measure would transfer the Agribusiness Development Corporation (ADC) from the Dept. of Agriculture to the Dept. of Business, Economic Development, and Tourism.

PHI opposes this transfer because it will further alienate the agency from the needs of farmers and being accountable to Hawaii's local food security needs.

The primary mission of the ADC should focus on agriculture and local food production. This should also be the mission of the Department of Agriculture. The core mission and purpose of these two entities are intertwined and thus the ADC must remain with the DOA.

Further, the amendments made to the SD2, HD1 do not go far enough to address the shortcomings of the agency outlined in the State audit, and we support the amendments laid out in HAPA testimony from the previous committee.

For these reasons we are opposed to SB2473 SD2 HD1.

Mahalo for the opportunity to testify,

Gary Hooser
Executive Director
Pono Hawai'i Initiative

SB-2473-HD-1

Submitted on: 3/29/2022 8:46:04 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy Redfeather	Ka Ohana O Na Pua	Oppose	Written Testimony Only

Comments:

I have followed this story for many years, I have watched the hearings, and read the Auditor's Report, and I oppose the intent of this Bill. Moving ADC to DBEDT is not a good idea. ADC belongs under the umbrella of HDOA, where they can work together to resolve the "effectiveness" of ADC. I realize that Mr. Nakatani had big problems finding qualified farmers who would follow the rules and regulations laid out for State Ag land tenants. But ADCs long track record of ineffectiveness that was clearly laid out for anyone to see, and the State Auditor's Report and accompanying recommendations are clearly **not** taken into account in this version of the ADC Bill for the 2022 Legislative Session. Giving funding to this quasi governmental agency at this time, with so little "meaningful" changes to the overall program would result in once again a lost opportunity for Hawaii to become more self sufficient in food that has been one of the goals of both the Legislature and the Governor for many years. Please send this Bill back for more meaningful revisions. Mahalo.

SB-2473-HD-1

Submitted on: 3/29/2022 12:48:32 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
laurel brier	Kauai women's caucus	Oppose	Written Testimony Only

Comments:

ADC needs deep reform, not just moving to an different department that does not have a deep understanding of agriculture.

We can do much better than this.



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April 1, 2022

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 2473, SD1, HD1
RELATING TO ECONOMIC DEVELOPMENT

Room 308 & Videoconference
1:30 PM

Aloha Chair Luke, Vice-Chair Yamashita, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau provides comments on SB 2473, SD1, HD1, which amends the focus, scope, responsibilities, and powers of the Agribusiness Development Corporation, transfers the administrative attachment of the Agribusiness Development Corporation from the Department of Agriculture to the Department of Business, Economic Development, and Tourism, amends the requirements and responsibilities of the Board of Directors of the Agribusiness Development Corporation, and amends the required contents of the Hawai'i agribusiness plan.

The Agribusiness Development Corporation (ADC) was initiated by the agricultural industry as sugar and pineapple downsized. It was established to help transition Hawai'i's agricultural industry from plantation agriculture to smaller diversified agricultural operations. Transitioning large tracts of monoculture farmland into smaller diversified ag lots and finding and supporting bona fide farmers to work those lands is a long and complex process. Major logistical challenges such as funding and developing necessary infrastructure must also be overcome and that takes time.

Over the past decade, ADC has made significant progress in transitioning Hawai'i's ag sector. A critical review of post-plantation history reveals that ADC has been successful where no other entity has been in developing a productive diversified sector out of former sugar and pineapple lands. ADC also plays an important role in Kauai agriculture through the management of state agricultural lands and related water infrastructure. On Oahu, it manages the Waiahole Irrigation System that provides water to farmers on thousands of

acres of productive prime agricultural lands. It will provide even more opportunities for farmers with its recent acquisition and management of thousands of acres of land in central Oahu.

SB 2473, SD2, HD1, seeks to update ADC's focus, scope, and responsibilities to adjust to the changing landscape of modern agriculture. HFB agrees that Hawai'i's agricultural industry has evolved since the inception of ADC and it continues to evolve and that there is a need to review ADC's mandate and focus to ensure it can continue to help develop and promote agricultural enterprises and provide industry-wide services.

We do agree that additional funding for the Agribusiness Plan consultant and account position will provide administrative support and resources to fully realize ADC's potential. ADC has many responsibilities and continues to assist Hawai'i's transition from plantation agriculture to smaller diversified agricultural operations and needs the additional and necessary resources to support their efforts

Both ADC and the Hawai'i Department of Agriculture (HDOA) assist farmers and ranchers with land and water issues, regulatory mandates, invasive species, global competition, financing, marketing, and research funding. As the entrepreneurial arm of HDOA, ADC complements the larger agency. Both agencies are small when compared to other State departments, but they have the gargantuan responsibility of supporting Hawai'i's agricultural industry.

Thank you for the opportunity to express our respectful disagreement with this measure.



House Committee on Finance

Friday, April 1st, 2022, 1:30p.m. Conference Room 308

Hawai'i Alliance for Progressive Action (HAPA) Opposes: SB2473 SD2 HD1

Aloha Chair Luke, Vice Chair Yamashita and Members of the Committee,

Hawai'i Alliance for Progressive Action (HAPA) **opposes SB2473 SD2 HD1** in its current form which transfers the administrative attachment of the Agribusiness Development Corporation (ADC) from the Department of Agriculture (DOA) to the Department of Business, Economic Development, and Tourism (DBEDT).

We appreciate the recent amendments to the bill in the SD2 that shift the mandate of the agency towards more production of food for local consumption. However, we feel that these reforms do not go far enough to address the failures of the agency as outlined in the state audit.

Should the committee seek to pass out a revised draft of this bill we highly recommend adopting the following amendments:

- *Adopting the more comprehensive reforms reflected in **HB 2418 HD2**. We appreciate the work of this committee to pass out a strong reform bill.*
- *Removing the provision which transfers the ADC from the DOA to DBEDT, and*
- *We kindly request the following recommended percentages/benchmarks be included in SECTION 5.4.b:*
 - a. *At least 80 percent of all lands within the corporation's inventory are leased or licensed for agricultural production;*
 - b. *At least 50 percent of production from the corporation's lessees or licensees is intended for local consumption and produced in accordance with the principles of sustainable agriculture; and*
 - c. *At least 20 percent of all leases and licenses of the corporation's lands are for parcels no greater than twenty acres.*

We also recommend that the bill is amended to ensure that the ADC achieve the following by July 1, 2027:

- *Leases or licenses of at least 20% of all lands within the corporation's inventory prohibit the use of any materials not compliant with the United States Department of Agriculture National Organic Program regulations pursuant to title 7 Code of Federal Regulations part 205*
- *No land within the corporation's inventory shall be leased or licensed to any agricultural operation that meets the regulatory definition of a concentrated animal feeding operation as defined by United States Environmental Protection Agency regulations pursuant to title 40 Code of Federal Regulation section 122.23.*
- *The corporation shall test the soils of all lands it leases or licenses prior to occupancy.*
- *All leases of lands under the corporation's direct or indirect control shall contain provisions requiring that prior to expiration of the lease or the lessee's or licensee's vacating of the leased property, the lessee or licensee shall procure the service of an independent third-party to test the soils and remove any and all contaminants above the levels existing at commencement of the lease or license term.*

In January of 2021 the State Auditor released its audit report to the legislature and found that in its nearly 30 year history, the Agribusiness Development Corporation “has done little to support the development of diversified agriculture and fill the economic void created by the demise of sugar and pineapple”.¹

The ADC Should Be Aligned w/ State Mandates to Increase Local Food Production

Since the creation of the ADC, the state has shifted its focus from agricultural production for export towards increasing Hawaii’s food production for local consumption and public procurement. The state has enacted policies to increase state procurement of locally grown and raised food, initiated a robust state-wide farm to school program and set benchmarks for the percentages of local food procurement. To successfully meet these state policies for increased procurement of local food, the management of agricultural lands under the state’s purview must be aligned to support these mandates. It is not clear how removing the agency from agricultural expertise within the DOA will support those mandates. Furthermore, there may be unintended consequences that might arise from transferring the ADC to DBEDT such as the loss of key technical expertise housed under the DOA.

¹ ADC Audit (page 1)

The ADC is Lacking in Agricultural Expertise

One reason attributed to the agencies failings is a lack of food production or food systems expertise on the staff or board of the ADC, along with the absence of a strategic planning process (which is mandated by statute) that meaningfully engages a broad array of food producers input. In fact during the audit process the ADC Executive Director admitted that “no one here has deep agricultural experience”². The audit finds that “even if ADC had the correct strategy in place, it does not have the staff to do the work of an industry leader.”³ Food producers and the organizations that represent them are intimately acquainted with the challenges faced on the ground. Moving the ADC out of the Department of Agriculture will further alienate the agency from the knowledge and expertise needed to inform the ADC on how it can successfully meet state goals for ramping up local food production.

While some business and economic development expertise should certainly guide the effort of increasing local food production enterprises in Hawaii, an agency tasked with catalyzing the transition from pineapple and sugar to diversified agriculture must be well versed in the needs of the agricultural sector. Moving the agency into DBEDT would only further alienate the agency from its key stakeholders. The agency does not need to be housed under DBEDT to access business and economic development acumen.

Farmers Identify Access to Affordable Land as a Major Barrier:

Multiple farmer surveys have been conducted which consistently find access to affordable land as the primary barrier that farmers face.^{4 5} The ADC could be leading the way in ensuring that farmers have access to the ADC inventory of lands, along with a clear and equitable process of applying for ADC leases that are sized to a variety of farmer/food producers needs. However, the audit found that “when we requested documents we believed would be essential to the day-to-day operations of a corporation that manages land and properties – such things as land management policies, land acquisition guidelines, inventories of land holdings, and tenant listings – we were informed that the requested materials did not exist and would need to be assembled.”⁶ It is not clear how moving the agency from DOA to DBEDT will remedy this shortcoming.

The ADC leases have not been scaled to meet the needs of small or mid sized producers. Yet small and mid sized producers represent the largest share of the food produced sustainably for local consumption.

² ADC Audit (page 11)

³ ADC Audit (page 11)

⁴ Malama Kaua'i Farmer Survey

<https://secureservercdn.net/45.40.148.147/i79.5c3.myftpupload.com/wp-content/uploads/2019/06/2017-Kauai-Farmer-Survey-Report.pdf>

⁵ Hawaii Farmers Survey <https://www.hawaiifarmersurvey.com/>

⁶ ADC Audit (page 17)

HD2418 HD2 contains provisions to right size ADC leases for small and mid-sized local food producers, and to ensure that farmers seeking ADC leases are able to clearly see what ADC landholdings are available for lease and are provided equal footing in the application process.

Thank you for your consideration.

Respectfully,

A handwritten signature in black ink, appearing to read "Anne Frederick". The signature is fluid and cursive, with a long horizontal stroke at the end.

Anne Frederick
Executive Director

SB-2473-HD-1

Submitted on: 3/30/2022 4:25:57 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
brandi corpuz	Rooted Kekahi Me Ka Aina	Oppose	Written Testimony Only

Comments:

Aloha my name is Brandi Corpuz. I am the executive director of Rooted Kekahi Me Ka Aina. We are a community agriculture 501c3 nonprofit who began our organization in Whitmore Village Oahu. I am also a homeowner and land owner in Kihei Maui and Kaunakakai Molokai. I strongly oppose the transfer of the ADC to the DBEDT for the following reasons.

1. The ADC has yet to ever fulfill their kuleana as a state funded corporation. They have misused and mismanaged Hawaiian agriculture lands for 30 years. They lease our precious resources to big biotech and other forms of food production but have shown very little concern for farmers who actually grow food for us. They have destroyed peoples farms and lives through their dangerous and uncaring practices. They have stated that they have no agriculture knowledge and have proven that this is true on many occasions.
2. The transfer of ADC means a transfer of their mission from developing ag lands for sustainability to developing tourism. If they are put under DBEDT the ADC will then be focused on developing our ag lands for business and tourism purposes. This is not what we need in Hawaii. If the ADC does not help with ag sustainability then they should not be here in the first place.

I strongly oppose this transfer. sincerely Brandi Corpuz

SB-2473-HD-1

Submitted on: 3/30/2022 7:07:31 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert Boudreaux	Individual	Oppose	Written Testimony Only

Comments:

Rather than strengthen food/agricultural sustainability goals, this proposal flies in the face of the focus that needs to be placed on Hawaiian agriculture. Instead of lumping Agriculture in the same boat as tourism and "economic development", it needs its own vehicle for mission sustainability. This legislation weakens the ADC's core mission.



PO Box 1177 Koloa HI 96756
808.652.5286 hawaiiSEED.org

March 29, 2022

In STRONG OPPOSITION OF SB2473 SD 2 HD1 – Transferring the ADC to Department of Business, Economic Development and Tourism

Aloha House Committee on Finance Chair, Vice-Chair and Committee Members,

In the words of Wendall Berry, “The care of the Earth is our most ancient and worthy, and after all our most pleasing responsibility. To cherish what remains of it and to foster its renewal is our only hope.”

We strongly believe that the ADC belongs under the direction of the Department of Agriculture, with increased attention to management. The Department of Agriculture is the agency that works most closely with farmers, agricultural lands, and food security. Relocating the agency to DEBT would separate it from the potential lease holders, education, variety trials, CTAHR, and all things ag. In truth, food for the people should be considered in decision making in a number of committees, but the lead agency for the ADC should be the Department of Agriculture. It must be reformed and improved. Food growers, local food consumers and production models are very active right now. It is a good opportunity to reform and excel.

We must get the ADC on track to perform with integrity. The scathing audit shows the depth of mismanagement, damage to the land and criminal activity. This is apparent and reinforced through the audit and the follow up audit committee. We must address the previous failings of the ADC. The time to grow our future food needs is now.

As stated in the ADC mandate, I find this point critical: the legislature finds that the downsizing of the sugar and pineapple industries presented an unprecedented opportunity for the conversion of agriculture into a dynamic growth industry. By caring for public agricultural lands to enhance the local economy, provide employment opportunities, decrease reliance on imported agricultural products, and provide more sources of locally grown food for residents.

This Bill could go farther to support and solidify the production of local agricultural products for local consumption in a manner that is economically and environmentally sustainable to supply our residents, institutions and visitors is necessary in an ever-changing world. We must not only prepare, but catch up to the lag in 28+ years of mandated preparation that has been squandered. The people of Hawai`i would benefit and be more food secure by making optimal use of agricultural lands for local food production and create jobs near communities.

Increasing local production of agricultural products for local consumption reduce the State’s reliance on imported agricultural products. Increased access to farmland and related infrastructure for small local farmers and diversified cooperatives is an honorable and necessary direction that has not received the attention and action that the Agricultural Development Corporation was created for. This Bill could be strengthened by including specific reforms in HB2418 HD2. We want the future of non-toxic agriculture and healthy food production to succeed. These large areas of acquired land and abundant resources may be needed, and should be ready, to feed the entire island chain in case of drought or unforeseen disaster. Let us correct and re-design the agricultural use of the lands under DOA management of the ADC.

Mahalo,

Jeri Di Pietro, President

Hawai`i SEED, Koloa, HI



Hawai'i Food+ Policy Testimony in Opposition to SB2473

April 1, 2022

To the honorable members of the House Finance Committee:

Hawai'i Food+ Policy expresses our continued **opposition to SB2473**. As it does not make sense to transfer an agriculture-based agency under a new authority, the issue is not which department it is under but rather the people employed to manage the ADC. Why make a solution that has nothing to do with the problem at hand?

In light of the recent audit, it is clear that resources are better allocated to directly benefit our farmers rather than further bureaucracy and mismanagement from this agency. The ADC has had over 25 years to help revitalize Hawai'i's Agricultural Industry and yet we ask ourselves today, where are the results? We would recommend that the ADC be repealed and resources allocated to directly support our farmers and other existing government programs that have demonstrated their ability to bolster our food systems. **There are other ways and means which can support our farmers.**

The Honolulu Civil Beat reported on January 14, 2021, that "In recent years, the Legislature has appropriated more than a quarter of \$1 billion to the ADC, including about \$23.4 million for operations and \$238 million for capital investments. But it has been difficult at times for lawmakers to determine where that money had gone and how well the corporation had been fulfilling its duties." To have a mystery of where a quarter of \$1 billion has gone is beyond concerning and raises questions of whether such an agency should continue operation. An ongoing House investigation into the auditor has opened the door for public speculation into the integrity of our elected officials.

Therefore, there remains a need to take action that will bolster the public's faith in our elected officials. The public needs to see money well spent with tangible results that we can enjoy. Such as alternative means to bolster our food systems to provide locals with affordable healthy foods. Such as:

1. Removing the GET tax on organic produce;
2. Leasing Agricultural lands to produce organic food, not GMO or chemical test sites;
3. Development of added value sites; and
4. Development of affordable farm plots.

Hard-earned taxpayer dollars should not be used to feed a machine that is broken. It is time for the State to pursue other avenues to revitalize Hawai'i's agricultural industry and take more

bottom-up methods to work with and directly serve communities. We must build from the bottom-up rather than filtering resources down, with farmers and those working within the food system industry receiving the pennies of the pot.

Mahalo for taking the time to read this testimony and please vote no on SB2473, we need solutions, this is not a reformation at all, but the passing of a troubled child around thinking he will change without discipline.

Mahalo,
Bronson Azama

SB-2473-HD-1

Submitted on: 3/28/2022 5:43:16 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
B.A. McClintock	Individual	Oppose	Written Testimony Only

Comments:

We're just plain tired of business as usual. This bill does exactly that. Please **OPPOSE** this bill!

SB-2473-HD-1

Submitted on: 3/28/2022 6:04:53 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dawn Morais Webster Ph.D.	Individual	Oppose	Written Testimony Only

Comments:

Senators:

Please let us not play musical chairs with the ADC. Changing where the agency sits will not ensure the future of food and agricultural production in Hawaii. I am sure you recognize that.

After 30 years of dysfunction, it is clear that failing to adopt the comprehensive reforms proposed in HB2418 HD2 puts the needs of the people of Hawaii in jeopardy. Transferring oversight of the ADC to DBEDT will not address the deeply rooted problems within the ADC and ignores the needs of key stakeholders.

When the music stops, will we have the kind of agriculture sector we need so desperately? The audit and the House investigation showed us what is needed. Let us act on what those reviews told us needed to be fixed rather than simply play musical chairs. If this bill is moved forward, please amend to include ALL the reforms outlined in HB2418 HD2. Adopting just a few of them will not suffice. I believe you really want to reform the ADC and address the needs of farmers and all of us who depend on their hard work. If that is true, do not let this bill move forward without amendments.

SB-2473-HD-1

Submitted on: 3/28/2022 6:39:22 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Toni Withington	Individual	Oppose	Written Testimony Only

Comments:

I very strongly oppose this bill. The ADC has proven to be a sham and should disappear from the earth. Not transfered to a different agency. Kill the bill.

Toni Withington -- Hawi, Hawaii

SB-2473-HD-1

Submitted on: 3/28/2022 8:52:00 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Johanna Stone	Individual	Oppose	Written Testimony Only

Comments:

Aloha mai kākou e nā hoa ʻē,

I OPPOSE THIS BILL.

While some business and economic development expertise should certainly guide the ADC's effort of increasing local food production enterprises in Hawai'i, an agency tasked with catalyzing the transition from pineapple and sugar to diversified agriculture must be well versed in the needs of the agricultural sector.

Moving the agency into DBEDT would only further alienate the agency from its key stakeholders. The agency does not need to be housed under DBEDT to access business and economic development acumen.

The legislature should take a more comprehensive approach to address the failings of the agency and enact reforms based on the recommendations of the state audit.

While we support some of the reforms of the ADC that have been added to this bill, they do not go far enough.

Should the House Committee on Agriculture decide to pass out this measure, we recommend the following amendments:

- Remove the provision that transfers the agency from the DOA to DBEDT
- Include the deeper and more specific reforms in HB 2418 HD2

Mahalo nui for upholding your civic responsibility to all of LIFE!

me ke aloha nui

johanna k stone

SB-2473-HD-1

Submitted on: 3/29/2022 1:36:33 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessica Kuzmier	Individual	Oppose	Written Testimony Only

Comments:

Aloha, I am writing in opposition of SB2473 SD2 HD1 in its limited forms, and believe it should ential many more provisions before moving forward.

While some business and economic development expertise should certainly guide the ADC's effort of increasing local food production enterprises in Hawai'i, an agency tasked with catalyzing the transition from pineapple and sugar to diversified agriculture must be well versed in the needs of the agricultural sector.

Moving the agency into DBEDT would only further alienate the agency from its key stakeholders. The agency does not need to be housed under DBEDT to access business and economic development acumen.

The legislature should take a more comprehensive approach to address the failings of the agency and enact reforms based on the recommendations of the state audit.

While we support some of the reforms of the ADC that have been added to this bill, they do not go far enough.

- Should the House Committee on Agriculture decide to pass out this measure, I recommend the following amendments be added to this bill:
 -
 - Remove the provision that transfers the agency from the DOA to DBDET, and include the deeper and more specific reforms in HB 2418 HD2

Please do what you can to include these provisions before moving forward on passing this bill. Mahalo for taking the time to hear my views and for your hard work.

SB-2473-HD-1

Submitted on: 3/29/2022 6:00:26 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
HANDS, E.J.	Individual	Oppose	Written Testimony Only

Comments:

The department of Agriculture is in dire need of REFORM.

Integrating it with any other department would dilute any effectiveness it currently has or could have in future.

SB-2473-HD-1

Submitted on: 3/29/2022 9:51:56 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sherry Pollack	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB2473 SD2 HD1. This bill will not address the longstanding structural problems that have led to the failures of the ADC but simply shift the problem to another agency. The ADC does not need to be housed under DBEDT to access business and economic development acumen. The legislature should take a more comprehensive approach to addressing the failings of the agency and enact reforms based on the recommendations of the state audit.

SB-2473-HD-1

Submitted on: 3/29/2022 10:18:59 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
denise woods	Individual	Oppose	Written Testimony Only

Comments:

Please oppose this bill.

SB-2473-HD-1

Submitted on: 3/30/2022 8:24:45 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
pamela burrell	Individual	Oppose	Written Testimony Only

Comments:

Aloha Senators,

I feel there are better ways to support our local agriculture. The agency does not need to be housed under DBEDT to access business and economic development acumen, which seems to be the main issue. Keep agriculture in the the department of Agriculture.

Mahalo,

Pamela Burrell

Kalihiwai, Kaua'i

SB-2473-HD-1

Submitted on: 3/30/2022 9:03:52 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy Hall	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill because the State needs to fully strengthen our Agricultural lands and agencies to make Hawai'i food secure and independent.

SB-2473-HD-1

Submitted on: 3/30/2022 9:59:51 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tony Radmilovich	Individual	Oppose	Written Testimony Only

Comments:

Please do not support this bill...

SB-2473-HD-1

Submitted on: 3/30/2022 11:51:06 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Wendy Arbeit	Individual	Oppose	Written Testimony Only

Comments:

ADC has done a terrible job. The way to fix it isn't by moving it from Ag to business. It's by firing its current head and replacing him with someone concerned with following the corporation's intent, which is supporting agriculture. And by further defining its mission, which HB2418 does.

It's not by shuffling it into a different department. Oppose this bill.

SB-2473-HD-1

Submitted on: 3/30/2022 1:24:23 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Barbara Best	Individual	Oppose	Written Testimony Only

Comments:

Rather than strengthen food/agricultural sustainability goals, this proposal weakens the ADC's core mission.

SB-2473-HD-1

Submitted on: 3/30/2022 3:01:43 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Malia Chun	Individual	Oppose	Written Testimony Only

Comments:

As a voting citizen, who has witness first hand how the ADC has continually mismanaged land, water and money at the expense of our land and natural resources and hard working tax payers, like myself, I STRONGLY APPOSE SB2473 SD2. Which Amends the focus, scope, responsibilities, and powers of the Agribusiness Development Corporation. Amends the definition of the term "agriculture" as the term relates to the Agribusiness Development Corporation. Transfers the administrative attachment of the Agribusiness Development Corporation from the Department of Agriculture to the Department of Business, Economic Development, and Tourism. Amends the requirements and responsibilities of the Board of Directors of the Agribusiness Development Corporation. Amends the required contents of the Hawaii agribusiness plan. Appropriates moneys. This Amendment is the equivalent of putting a new paint job on a broken, useless car and trying to sell it. Abolish the ADC and buy a new car already!!

SB-2473-HD-1

Submitted on: 3/30/2022 3:29:38 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lee Eisenstein	Individual	Oppose	Written Testimony Only

Comments:

Rather than strengthen food/agricultural sustainability goals, this proposal weakens the ADC's core mission.

SB-2473-HD-1

Submitted on: 3/31/2022 6:15:44 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Vanessa Ott	Individual	Oppose	Written Testimony Only

Comments:

Aloha House Committee on Finance Members,

PLEASE VOTE NO ON SB2473 SD2 HD1.

Agricultural development and self-sustainability have a direct conflict of interest with the tourism industry. We need an agency devoted to and responsible for the interests of farmers.

If the Agribusiness Development Corporation is having difficulties operating properly, then fix the problems. Don't create the insurmountable problem of a conflict of interest within the Department of Business, Economic Development, and Tourism.

We need to strengthen the mission of the Agribusiness Development Corporation, not legislate it out of existence.

I ask that the House Committee on Finance vote NO on SB2473 SD2 HD1.

SB-2473-HD-1

Submitted on: 3/31/2022 7:57:01 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lisa Seikai Darcy	Individual	Oppose	Written Testimony Only

Comments:

Transferring a program which is broken does not fix the problems.

OPPOSE SB2473 SD2 HD1, please.

Mahalo,

Lisa Darcy

Maui County

SB-2473-HD-1

Submitted on: 3/31/2022 9:42:44 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jazmine	Individual	Oppose	Remotely Via Zoom

Comments:

I, Jazmine Corpuz am writing to oppose this bill that Transfers the administrative attachment of the Agribusiness Development Corporation from the Department of Agriculture to the Department of Business, Economic Development, and Tourism. As a community member of Whitmore Village, Wahiawa I have dealt, interacted with, and witnessed the failures and disregard of ADC. Therefore, there are many reasons that this bill should not be considered but to explain a few;

- 1) ADC for the past 30 years has done little to nothing for the success of our "agriculture" systems and food security/ sovereignty issues.
- 2) Within the 30 years, ADC has been accused and sued for multiple violations to our people, land and natural resources. All due to their lack of oversight, lack of agriculture experience, lack of connection to our land and people, and their constant push for commercial large-scale businesses.
- 3) ADC has been evaluated and audited in which has provided opportunity for the corporation to right their wrongs and better themselves as a whole to support our people and all the AG Land they have claim too. Passing this bill will NOT address, but more so IGNORE the needs of betterment, and of the solutions provided by the evaluation and audit process of ADC.
- 4) The Incorporated State of Hawaii, through the work of the attached agency ADC, is currently the biggest stakeholder of Agriculture lands across the Islands of Hawai`i, so to transfer the oversight of that much land away from Agriculture to Business Economic Development and Tourism is to prove that money and business is more important than the sustainability of the health and wellbeing of our people and the little land we have left to sustain.
- 5) Last, but definitely not least, ADC has yet to provide documentation of an unbroken chain of ownership that validates their claims to land they manage.

As stated above, there are many reasons this bill should not be considered but the few explained should be enough to validate the opposition of this bill. If there is anything that this 3-year pandemic has taught us, and should have taught you all as Government Officials, is that the sovereignty and security of our natural resources and food for our people/communities should be our top priority. By passing this bill, you all will be held liable and responsible for the decision of moving the majority of our AG land we have left to grow food for our communities, and

blatantly choosing business, Tourism and money over the health and wellbeing of our people AGAIN! Please make the PONO decision for our people and the land that continues to provide for us.

Mahalo nui,

Jazmine Corpuz

SB-2473-HD-1

Submitted on: 3/31/2022 3:57:22 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Barbara Barry	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I oppose the transfer of ADC to DBET.

It won't solve the problem.

- Moving the agency into DBEDT would only further alienate the agency from its key stakeholders. The agency does not need to be housed under DBEDT to access business and economic development acumen.
- The legislature should take a more comprehensive approach to address the failings of the agency and enact reforms based on the recommendations of the state audit.
- While we support some of the reforms of the ADC that have been added to this bill, they do not go far enough.
- Should the House Committee on Agriculture decide to pass out this measure, we recommend the following amendments:
 - Remove the provision that transfers the agency from the DOA to DBEDT
 - Include the deeper and more specific reforms in HB 2418 HD 1.

SB-2473-HD-1

Submitted on: 3/31/2022 4:16:06 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tierra Bartolotti	Individual	Oppose	Written Testimony Only

Comments:

Aloha Hawai'i State House Committee on Finance,

I strongly OPPOSE the transfer of the administrative attachment of the agribusiness development corporation from the department of agriculture to the department of business, economic development, and tourism. Please do not pass this bill.