



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

March 21, 2014 at 9:10 a.m.
State Capitol, Room 211

In consideration of
H.B. 2427, H.D. 1, PROPOSED S.D. 1
RELATING TO THE REPEAL OF NON-GENERAL FUNDS.

The HHFDC *offers the following comments* on Part XVI of H.B. 2427, H.D. 1, Proposed S.D. 1, which would transfer the balance of the Fee Simple Residential Revolving Fund to the General Fund.

The Fee Simple Residential Revolving Fund is the funding mechanism for the HHFDC's Land Programs, which were created by the Land Reform Act of 1967, and codified in Chapters 516 and 519, HRS. Pursuant to Chapter 516, HRS, the HHFDC assists lessees of single family homes to purchase the leased fee interest in their houselots by petitioning the state to facilitate a lease-to-fee conversion through its use of eminent domain powers. Since inception of the Land Reform Program, over 14,600 lessees have been assisted.

Chapter 519, HRS provides the framework for the fair arbitration of renegotiated ground lease rents for one- or two-family residential leasehold lots and cooperative housing corporations. The Lease Rent Renegotiation Program is used when lessees and lessors are unable to agree on the amount of the new lease rent upon expiration of the fixed term of the lease.

As of January 31, 2014, the Fee Simple Residential Revolving Fund had a cash balance of \$60,681. Because Land Program activity has been very low for several years, HHFDC has no objection to the transfer of this balance to the General Fund.

Thank you for the opportunity to testify.

NEIL ABERCROMBIE
GOVERNOR



Dean H. Seki
Comptroller

Maria E. Zielinski
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
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P.O. BOX 119
HONOLULU, HAWAII 96810-0119



WRITTEN TESTIMONY
OF
DEAN H. SEKI, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
WAYS AND MEANS
ON
March 21, 2014

H.B. 2427, H.D. 1, Proposed S.D. 1

RELATING TO THE REPEAL OF NON-GENERAL FUNDS

Chair Ige and members of the Committee, thank you for the opportunity to submit written testimony on H.B. 2427, H.D. 1, Proposed S.D. 1.

The Department of Accounting and General Services (DAGS) supports H.B 2427, H.D. 1, Proposed S.D.1 with respect to those accounts administered by DAGS.

Thank you for the opportunity to submit written testimony on this matter.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Submitted to the
Senate Committee on Ways and Means
March 21, 2014 at 9:10am
by
Howard Todo, Chief Financial Officer
Vice President for Budget and Finance
University of Hawai'i

HB 2427 HD1 PROPOSED SD1 – RELATING TO THE REPEAL OF NON-GENERAL FUNDS

Chair Ige, Vice Chair Kidani and members of the committee:

The University of Hawai'i respectfully submits our comments on the proposed repeal of University-related non-general funds, as follows:

UOH 100 – Mānoa

Waiale'e Animal Research Special Fund (304A-2177) – The University of Hawai'i at Mānoa does not oppose the repeal of this fund.

Seed Distribution Program Revolving Fund (304A-2263) – The University of Hawai'i at Mānoa indicates that this fund is active and is presently serving the purpose for which it was established. The Seed Distribution program is directly funded by the revenues from sales of seed and such revenues support propagation of seed stock. This fund also supports students who assist with this program. Thus, we oppose the repeal of this active revolving fund.

UOH 210 – Hilo

Career and Technical Training Projects Revolving Fund (304A-2268) – The University of Hawai'i at Hilo does not oppose the repeal of this fund.

UOH700 – West O'ahu

Center for Labor Education and Research Revolving Fund (304A-2267) – The University of Hawai'i – West O'ahu does not oppose the repeal of this fund.

UOH 900 – System wide Programs

University of Hawai'i Alumni Special Fund (304A-2175) – The University of Hawai'i System Administration does not oppose the repeal of this fund.

Thank you for the opportunity to submit our comments on House Bill 2427 HD1 Proposed SD1.



**TESTIMONY OF JAN K. YAMANE, ACTING STATE AUDITOR,
ON HOUSE BILL NO. 2427, House Draft 1 and Proposed Senate Draft 1,
RELATING TO THE REPEAL OF NON-GENERAL FUNDS**

Senate Committee on Ways and Means

March 21, 2014

Chair Ige and Members of the Committee:

Thank you for the opportunity to testify in support of both House Bill No. 2427, House Draft 1 and proposed Senate Draft 1, with suggested amendments. The HD1 would repeal a number of funds and accounts and the proposed SD1 would repeal and transfer the unencumbered balances of various non-general funds and accounts.

The impetus for part of this bill (Section 40) stems from our Report No. 14-01, *Review of Special Funds Revolving Funds, Trust Funds, and Trust Accounts of the Departments of Accounting and General Services, Agriculture, and Budget and Finance*. Our review of these funds includes an evaluation of the original intent and purpose of each fund, including the degree to which each fund continues to serve its intended purpose. We also evaluate whether each fund meets statutory criteria for its respective fund type (i.e., special, revolving, or trust). The original bill—HB 2427—included all of the funds we listed as not meeting criteria in Report No. 14-01. HB 2427, HD 1, eliminated the following funds from the bill. We request they be added to the HD1 and proposed SD1:

1. Kapolei Recreational Sports Complex Special Fund (Section 109-9, HRS) (DAGS)
2. Agricultural Development and Food Security Special Fund (Section 141-10, HRS) (AGR)
3. Agricultural Park Special Fund (Section 166-10, HRS) (AGR)
4. Non-Agricultural Park Lands Special Fund (Section 16E-7, HRS) (AGR)
5. Irrigation System Revolving Fund (Section 167-22, HRS) (AGR)

Additionally, on February 19, 2014, we issued our Report No. 14-04, *Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Departments of Defense and Land and Natural Resources*. Therein, we identified 11 funds that do not meet statutory criteria and that could be added to this bill, including:

Department of Defense:

1. State DOD Physical Amelioration Donation trust fund (Administratively established; no statutory provision)

Department of Land and Natural Resources:

1. Boating Special Fund (Section 200-8, HRS)
2. Bureau of Conveyances Special Fund (Section 502-08, HRS)
3. Forest Stewardship Fund (Section 195F-4, HRS)
4. Land Conservation Fund (Section 173A-5, HRS)
5. Special Land and Development Fund (Section 171-19, HRS)

6. Na Ala Hele Special Fund (Administratively established; no statutory provision)
7. Natural Area Reserve Fund (Section 195-9, HRS)
8. Preservation of Endangered Plants trust account (Administratively established; no statutory provision)
9. Land Division—Water Monitoring Service trust account (Administratively established; no statutory provision)

Finally, on March 20, 2014, we released our Report No. 14-05, *Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Transportation*. Therein, we identified Department of Transportation funds and accounts that do not meet statutory criteria and, hence, could also be added to this bill, including:

DOT – Administration Division

1. Amtrak Trust Account (Administratively established; no statutory provision)

DOT – Airports Division

1. Transportation Use Special Fund (Section 261D-1, HRS)

DOT – Harbors Division

1. Aloha Tower Fund (Section 206J-17, HRS)
2. Hurricane Iniki Insurance Proceeds special fund (Administratively established; no statutory provision)

DOT – Highways Division

1. Deposits—Plans and Specifications trust account (Administratively established; no statutory provision)

Thank you again for the opportunity to testify in support of both HB 2427, HD1 and proposed SD1, with amendments. I am available to answer any questions you may have.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804



Date: 03/21/2014

Committee: Senate Ways and Means

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: HB 2427,HD1,SD1 Proposed(hscr694-14) RELATING TO THE REPEAL OF NON-GENERAL FUNDS.

Purpose of Bill: Repeals the following non-general funds and accounts: Donations for Voter Registration Drive Trust Account, Hawaii FYI - ICSD Trust Account, Parking Control Revolving Fund Escrow Account Revolving Fund, Returned ACH Tax Refunds Trust Account, HDOA Biocontrol Foreign Exploration Special Fund, Animal Quarantine Special Fund, and Hawaii EUTF Self-directed Investments Trust Account. Effective July 1, 2014. (HB2427 HD1)

Department's Position:

The Department of Education (Department) is providing comments on Section 11 of the proposed draft to repeal the Food Distribution Program Revolving Fund.

Subsequent to the Revolving Fund being established, the Department's Hawaii Child Nutrition Programs (HCNP) submitted a fee proposal to the USDA that would have created a source of revenue (collection of an administrative fee) for this fund. The fee proposal however, was denied. Without a source of revenue for this fund there has been no activity in this account since it was established.

If in the future, should there be the ability to receive USDA approval to assess an administrative fee, the Department may at that time seek to establish a new account.

Thank you the opportunity to submit testimony on this measure.



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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KEALI'I S. LOPEZ
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DEPUTY DIRECTOR

PRESENTATION OF
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

TO THE SENATE COMMITTEE ON
WAYS AND MEANS

TWENTY-SEVENTH STATE LEGISLATURE
REGULAR SESSION, 2014

FRIDAY, MARCH 21, 2014
9:10 A.M.

TESTIMONY ON HOUSE BILL NO. 2427, H.D. 1,
PROPOSED S.D. 1
RELATING TO THE REPEAL OF NON-GENERAL FUNDS

TO THE HONORABLE DAVID Y. IGE, CHAIR,
AND TO THE HONORABLE MICHELLE N. KIDANI, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on House Bill No. 2427, H.D.1, Proposed S.D. 1 ("Proposed Senate Draft 1") Relating to the Repeal of Non-General Funds. My name is Keali'i Lopez, Director of the Department. The Department offers the following testimony in opposition to the bill.

Proposed Senate Draft 1 proposes to repeal and transfer the unencumbered balances of various non-general funds and accounts, and transfers the balance of the fee simple residential revolving fund to the general fund. With respect to the

impact upon the Department, Section 36 proposes to repeal the State Certified Motor Vehicle Arbitration Program trust fund (“Trust Fund”) and transfer the unexpended and unencumbered balance to the compliance resolution fund. The State Certified Motor Vehicle Arbitration Program, commonly known as the “Lemon Law” program, provides an arbitration mechanism for consumers and motor vehicle manufacturers to resolve defect disputes.

The Department opposes the proposed repeal of the Trust Fund and the transfer of the unexpended and unencumbered balance to the compliance resolution fund on the basis that the Trust Fund: (1) meets the trust fund criteria as determined by the State Auditor; (2) its revenues have fallen behind expenses so the bulk of the reserve funds will be needed to fulfill the program’s statutory mandate; and (3) it serves the purpose for which it was originally created and there is a continued need for its operation.

In its last review of the Department’s trust funds, the State Auditor determined that the Trust Fund met the trust fund criteria as it continued to serve the purpose for which it was originally created.¹ In its summary, the State Auditor noted that *trust funds* invoke a fiduciary responsibility of state government to care for and use the assets held for the benefit of those with a vested interest in the assets. The Trust Fund continues to facilitate the administering of fees and costs

¹See *Review of Revolving Funds, Trust Funds, and Trust Accounts of the Judiciary and the Departments of Commerce and Consumer Affairs, Hawaiian Home Lands, Health, and Human Services*; Report No. 10-09, Nov. 2010.

associated with the State Certified Arbitration Program under Section 4811-4, Hawaii Revised Statutes (“HRS”). A significant portion of the Trust Fund’s current cash balance (\$75,000) was received through the payment of a fine by one motor vehicle manufacturer, and as part of the settlement, the funds were earmarked for the Lemon Law program.² Accordingly, the Trust Fund has a fiduciary duty to ensure that these funds be expended in accordance with the settlement.

The Trust Fund’s actual expenses exceeded its revenues in fiscal years 2011 to 2013 by more than \$10,000, and the trend is estimated to continue for fiscal years 2014 to 2017. With declining revenues, the reserve trust funds are needed for the program to fulfill its statutory mandate. In addition to consumer education, the fund is used for arbitrator stipends, transportation costs for neighbor island arbitrations, arbitrator training, manufacturer and dealer training, and International Association of Lemon Law Administrators association dues and conferences. Consumers are also entitled to a refund of the \$50 filing fee if the consumer prevails in the arbitration.

Notwithstanding the recent decline in Trust Fund revenue, which may be attributed more to manufacturers’ recall programs and the reduced need for consumers’ claims, the Trust Fund continues to serve the purpose for which it was originally created. Hawaii Lemon Law disclosure notices are a recognized and integral part of the paperwork each new vehicle purchaser receives as part of the

² State of Hawaii v. Chrysler Corporation, Civil No. 91-3772-11.

sales transaction. In those instances in which the consumer encounters problems with the vehicle, the program provides an effective dispute resolution mechanism for aggrieved new vehicle purchasers. The program educates and protects consumers by ensuring that they are made aware of their rights and are not refused the information, documents, or service necessary to exercise their rights as provided in Section 4811-1, HRS.

The program benefits all consumers because it requires motor vehicle manufacturers to promptly and meaningfully respond to consumer concerns. In 2013, the program assisted consumers to recover more than \$225,300 through arbitrations or settlements relating to new vehicle defects.

Thank you for the opportunity to testify. I would be happy to answer any questions the Committee may have.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



LATE

LINDA ROSEN, M.D., M.P.H.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

SENATE COMMITTEE ON WAYS AND MEANS

HB2427 HD1 SD1 PROPOSED, RELATING TO THE REPEAL OF NON-GENERAL FUNDS

**Testimony of Linda Rosen, M.D., M.P.H.
Director of Health**

March 21, 2014

1 **Department's Position:** Oppose Parts XI and XIII; Comments on PART XII.

2 **Fiscal Implications:**

3 **Purpose and Justification:** HB2427 HD1 SD1 PROPOSED repeals several special funds and
4 accounts, transferring any balances to the General Fund.

5

6 The Department of Health (DOH) acknowledges the intent of this measure to streamline government
7 accounts and to create more transparency, accountability, and oversight. However, this bill has
8 unintended consequences that would disrupt and disable important legal and community obligations.

9

10 **PART XI – OPPOSE**

11 DOH requests the Legislature to delete sections 23 – 27, which repeals the Office of Health Care
12 Assurance Special Fund and diverts current monies and future deposits into the General Fund.

13 Abolishment of the account will 1) conflict with federal regulations and 2) disrupt the planned use of
14 licensing fees, including streamlining through automation and online posting of survey results for public
15 viewing.

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Conflict with Federal Regulations: The fund currently contains civil monetary penalties levied and collected by the US Centers for Medicare & Medicaid Services (CMS) from skilled nursing facilities. The current balance is approximately \$35,000 and may not be deposited into the General Fund; expenditure of funds requires federal approval, regardless of whether the fund has frequent or minimal activity or balances.

Licensing Fees: Administrative rules for licensing fees are in the final stages of approval. Pursuant to section 321-1.4, Hawaii Revised Statutes, moneys collected over an identified threshold (\$356,000) will go into the General Fund, but moneys within the threshold will be retained by the program for use insupporting the program. It is reasonable that moneys clected will directly support the program responsible for the activity. OHCA intends to use these moneys to help build a more automated survey and licensing process including a license application and fee collection system, and for a system more conducive to online posting of survey results. Fees would also be used to cover unanticipated or unbudgeted operating expenses on an ad hoc basis, such as for staff training and training sessions for providers or others interested in obtaining licenses.

PART XIII – OPPOSE

DOH requests the Legislature to delete sections 31 – 33, which repeals the Hawaii Organ and Tissue Education Special Fund and its associated fee. Repeal of the fee and fund will significantly impact the viability of Hawaii's organ donor system. Hawaii's is perilously close to failing the 50% standard for donor registration, according the the Legacy of Life Foundation of Hawaii.

1 Organ donor outreach and education are the key objectives of the fund, achieved by contract through
2 DOH with private non-profits. The fund is typically appropriated \$15,000 annually.

3
4 In Hawaii, at any given time, more than 400 seriously ill people are waiting for major organs, with
5 hundreds more in need of tissue transplants. It is clear that there are insufficient donations to meet
6 Hawaii's demand, and the primary method of closing that gap is outreach and education. The low
7 balance is in no way correlated to the actual need for services, and it should be argued that the current
8 levels of voluntary contributions to the special fund and appropriation are in fact too low.

9

10 **PART XII - COMMENTS**

11 Sections 28 – 30 repeals the Public Health Nursing Special Fund but retains the case management
12 services program it financed. DOH estimates minimal impact to public health and department
13 operations if the fund is abolished.

14

15 The fund was created to fill gaps in Hawaii's evolving health care system for the medical fragile by
16 allowing the Public Health Nursing Branch (PHNB) to provide and bill for services when private
17 contractors were unavailable. It is possible that future changes to health care and public health may
18 require similar PHNB support, and a special fund would be useful in defraying costs. However, the
19 funds provides little value to current public health nursing operations. At this time, DOH does not
20 object to the abolishment of the Public Health Nursing special fund.

21

22 Thank you for the opportunity to testify.

NEIL ABERCROMBIE
Governor



SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

KEN H. KAKESAKO
Deputy to the Chairperson

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

**BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
FRIDAY, MARCH 21, 2014
9:10 A.M.
Room 211**

**HOUSE BILL NO. 2427 Proposed SD1
RELATING TO THE REPEAL OF NON-GENERAL FUNDS**

Chairperson Ige and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 2427 Proposed SD1 that repeals specific non-general funds including: the seal of quality special fund and the Hawaii Department of Agriculture (HDOA) biocontrol foreign exploration special fund. The HDOA supports parts of this bill, but has concerns with the repeal of the seal of quality special fund.

The Agricultural Seal of Quality Special Fund was created by Act 120 of the 2007 Legislative Session to promote and ensure a high standard of quality for fresh and processed agricultural products produced in Hawaii. Since 2007, the Seal of Quality program has been a success, with over 50 companies participating in the program with participants in all counties. In line with growing public sentiment expressing a desire to support local agriculture and local small businesses, the Seal of Quality program highlights local products and promotes the vision of greater statewide self-reliance. HDOA respectfully requests that if the seal of quality special fund is repealed, a sufficient amount of funds from the general fund be allocated to cover the cost of the program.



With regards to the HDOA Biocontrol Foreign Exploration Special Fund, HDOA has since closed this fund and has had the remaining monies returned to the Department of Land and Natural Resources.

Thank you for the opportunity to present testimony.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Friday, March 21, 2014
9:10 A.M.
State Capitol, Conference Room 211**

**In consideration of
HOUSE BILL 2427, HOUSE DRAFT 1, PROPOSED SENATE DRAFT 1
RELATING TO THE REPEAL OF NON-GENERAL FUNDS**

House Bill 2427, House Draft 1, Proposed Senate Draft 1 proposes to repeal and transfer the unencumbered balances of various non-general funds and accounts. **The Department of Land and Natural Resources (Department) supports this measure as it pertains to the Kikala-Keokea Infrastructure Development Fund described in PART III.**

The Department completed construction of the Kikala-Keokea Subdivision in 2007. The infrastructure improvements were accepted by Hawaii County. As such, the Kikala-Keokea Infrastructure Development Fund is no longer needed.

Thank you for the opportunity to testify on this measure.

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

JESSE K. SOUKI
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: gottlieb@hawaii.rr.com
Subject: Submitted testimony for HB2427 on Mar 21, 2014 09:10AM
Date: Wednesday, March 19, 2014 5:37:32 PM

HB2427

Submitted on: 3/19/2014

Testimony for WAM on Mar 21, 2014 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Gottlieb	Hawaii Cattlemen's Council	Oppose	No

Comments: Our concern is only with Part VI of teh proposed SD1: The Proposed SD1 version, part VI, repeals the UH Seed Distribution Revolving Fund, which is the means by which they are able to sell all CTAHR developed seeds (papaya, corn, etc). Without it, they will have no way to process their revenues and use those funds to grow and harvest more seed. This fund was set up by the Leg. in 1975 and supports 5 UH students and helps to buy equipment and supplies for CTAHR field stations, where the seeds are produced, and they need it to keep distributing seeds. It brings in about \$60,000 each year, and it's all spent each year too. A true, active, revolving fund. Hope you can help keep this fund alive.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: kennethg@hawaii.edu
Subject: Submitted testimony for HB2427 on Mar 21, 2014 09:10AM
Date: Wednesday, March 19, 2014 8:18:59 PM

HB2427

Submitted on: 3/19/2014

Testimony for WAM on Mar 21, 2014 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
J. Kenneth Grace	Individual	Oppose	No

Comments: Personal Testimony in Opposition to HB2427 HD1 SD1 Proposed, Part VI. My name is J. Kenneth Grace, and I am employed as Interim Associate Dean for Research in the College of Tropical Agriculture and Human Resources (CTAHR), at the University of Hawaii at Manoa. However, I am providing personal testimony in opposition to Part VI of HB2175 HD1 SD1 Proposed, which would repeal CTAHR's Seed Distribution Program Revolving Fund. The UH Seed Distribution Program was established by the Legislature in 1975 under HB 680 to enable the distribution of CTAHR-developed seeds to Hawaii's farmers, gardeners, and seed stores. In addition, papaya seeds are distributed to 10-12 countries. Details on this popular program can be found at <http://www.ctahr.hawaii.edu/seed/index.asp>. The revolving fund to support this program was reviewed and approved by the Board of Regents, and reports are filed annually to ensure transparency. It is an active revolving fund, with revenues of approximately \$60,000 generated annually and used to employ five UH students, pay partial staff salaries, and support the CTAHR field stations at which the seeds are cultivated. My sole opposition to this bill is to Part VI, and as a friendly amendment I suggest that Part VI be deleted to permit the CTAHR Seed Distribution Program to continue to serve the people of Hawaii in the manner intended by the Legislature when this program was created in 1975.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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