



Hanalei Watershed Hui

February 15, 2021
Hawaii State Legislature
House Committee: Economic Development

Testimony: HB75 Relating to Grants
2-17-2021 Rm. 312

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.

Mahalo for your kind attention.

Makaala Kaaumoana
Executive Director

DAVID Y. IGE
GOVERNOR

JOSH GREEN
LIEUTENANT GOVERNOR



ANNE E. PERREIRA-EUSTAQUIO
DEPARTMENT DIRECTOR

JOANN A. VIDINHAR
DEPARTMENT 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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February 13, 2021

To: The Honorable Sean Quinlan, Chair,
The Honorable, Vice Chair, and
Members of the Senate Committee on Health

Date: Wednesday, February 17, 2021

Time: 10:00 a.m.

Place: Room 312 via Videoconference

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

Re: H.B. No. 75 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 spends at least ninety per cent of its operating budget in 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. When this bill's Senate companion, SB 172, came up for hearing before the Senate Ways and Means Committee recently, the purpose of the pair of bills became disclosed: To make the National Tropical Botanical Garden (NTBG), which has four nurseries on Kauai, eligible for Chapter 42F grants.

In detailed testimony, the president of the NTBG outlined the mission and work of the NTBG on Kauai since the 1970s. The testimony states that NTBG has more than 100 full-time employees in Hawaii and expends more than \$4 million in Hawaii

annually. According to the testimony, the 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, all of which are being preserved for the people of Hawaii. In addition, the NTBG has several heiau and other cultural sites under its care. Evidently the NTBG had received a \$200,000 grant from the Legislature in 2008, before the present version of Chapter 42F was enacted. The NTBG has a Congressional Charter, and thus is not incorporated under Hawaii State law, as is the ordinary situation for Hawaii's non-profit organizations.

The solution sought in the original version of SB 172, as in HB 75, was to create an eligibility test based on an organization's expenditures: If 90% of its expenditures are made in Hawaii, it would be eligible for Chapter 42F grants. (The NTBG has a small property in Florida where, it believes, it makes no more than 5% of its expenditures.)

However, Senate Ways and Means decided to abandon this 90% expenditure test and instead adopt a test suggested by NTBG in its testimony, and indeed, 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, and its Senate companion, would merely make the NTBG eligible for Chapter 42F grants, once again. And it appears that NTBG has substantial support on Kauai for such eligibility. 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.

From:
Sabra Kauka
P.O. Box 3870
Lihue HI 96766

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

Date: February 15, 2021

Re. Support for HB75

Aloha Rep. Quinlan and Rep. Holt,
Passing HB75 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.

On Feb. 3 SB172 passed unanimously with the following amendments that I ask the House to also add. Nonprofits 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.

Please make these same amendments to HB75 as they are a more appropriate filter for who should be allowed to apply for a GIA than where an organization is chartered.

For the past 33 years I have had great admiration and appreciation for the good work that the National Tropical Botanical Garden does in Hawaii. As a Kumu of Hawaiian Studies and Hula the native and canoe plants that they nurture are vital to the teaching and perpetuation of Hawaiian culture. NTBG has operated in Hawaii for 50 years. They pay taxes into the State system and employ 100 residents of Hawaii. But they are not currently eligible to apply for a GIA because they were chartered by the US Congress.

Me Kealoha,
Sabra Kauka
Sabrakauka@icloud.com

February 15, 2021

Hawaii State House of Representatives
Economic Development Committee

**RE: TESTIMONY IN STRONG SUPPORT OF HB75 AND THE PROPOSED
AMENDMENT OF HRS_0042F-0103**

...Relating to Grants

Aloha ‘oukou e Members of the House Committee on Economic Development:

My name is Dominique Leu Cordy, work for Huliauapaa, a local Hawaii based 501(c)3 organization and I am on the Board of Kipuka Kuleana, a Kauai based 501(c)3 organization.

Mahalo nui for allowing me this opportunity to testify in support of passing HB75. Which, 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.

I support these excellent amendments that provide even 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; 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.”

Without the above amendments, nonprofit organizations that are working primarily in Hawaii and are doing work that benefits that State of Hawaii, but are not incorporated in Hawaii would not be eligible for State funding through the GIA process. These two amendments are key to include non-profits operating in Hawaii that both of my organizations partner with.

I was born and raised on Oahu, I live on Kauai and I work with two Hawaii based non-profits, one of which has been operating for over a decade in Hawaii. I am testifying specifically on behalf of one of our partner organization: the National Tropical Botanical Garden (NTBG), which continues to have many positive impacts in the North Shore community on Kauai, in terms of careers, resource management, ecology, economic opportunities, and educational outreach.

- NTBG has been operating in Hawaii for 50 years, specifically in rural communities (Haena, Kauai), creating jobs and opportunities. NTBG’s has over 100 full-time employees in Hawaii and its payroll in Hawaii is approximately \$4-5 million per year. This is 93% of total payroll for the whole organization.
- Over 95% of NTBG’s annual operating budget (\$8-10 million) is spent in Hawaii each year.
- NTBG pays over \$40,000 in Hawaii GET annually

Both of the Hawaii based non-profits I work with partner with NTBG in some capacity; on grants, information sharing, NTBG will host one of our AmeriCorps interns next year, and we coordinate on educational outreach with them – However, NTBG is not currently eligible to apply for a GIA because they were chartered by the US Congress.

Please consider how such a simple amendment can have such a big impact, not only for NTBG, but for all the people and partner organizations working with NTBG and other organizations left out of the GIA process because of exclusive wording.

I, and the Hawaii based non-profit organizations I represent, believe that nonprofit organizations that are working primarily in Hawaii and are doing work that benefits that State of Hawaii, but are not incorporated in Hawaii (like NTBG) should be eligible for State funding through the GIA process.

The proposed amendment of HRS_0042F-0103 is intended to allow that to happen while still ensuring that only organization that are truly working in Hawaii will qualify.

Please support this Bill.

Me ka ha'aha'a,

Dominique Leu Cordy
Huliauapaa, Innovation Officer
Kipuka Kuleana, Board of Directors – Secretary

Testimony in favor of HB75

Passing HB75 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; 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.”

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.

The proposed amendment of HRS_0042F-0103 is intended to allow that to happen while still ensuring that only organizations that are truly working in Hawaii will qualify.



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

DATE: Wednesday, February 17, 2021

TIME: 10:00AM

PLACE: Conference Room 312

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

RE: Testimony in Support of HB 75 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 HB75 and I believe that the proposed amendment of HRS_0042F-0103 is in the best interest of the State of Hawaii as it will allow organizations currently working in Hawaii who advance the wellbeing of the State to be eligible to participate in the GIA process.

The companion bill for HB75 is SB172 which was heard by the Senate Ways and Means Committee on Wednesday, February 3, 2021. The members of the Ways and Means Committee voted unanimously to pass SB172 with helpful amendments. The amendments made by WAM state that nonprofit organization applying for a GIA must: Be registered with the Hawaii DCCA; and 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 strongly encourage you, the members of the House Committee on Economic Development, to pass HB75 with similar amendments so that both companion bills (HB75/SB172) can continue through the legislative process with similar language. As someone who goes through the process quite regularly, I believe that being registered with the DCCA and being in good standing as demonstrated by the Certificate of Vendor Compliance is an appropriate alternate filter when determining what organizations should be allowed to apply for a GIA.

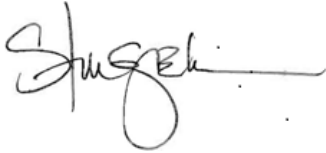
While Waipā Foundation will not directly benefit from this bill, others such as the National Tropical Botanical Garden, would. As a Congressionally Chartered organization, they are ineligible to apply for a GIA under current law. The NTBG's Limahuli Garden is located in our community and we have

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 HB75.

Mahalo piha,

A handwritten signature in black ink, appearing to read "Stacy Sproat-Beck", with a long horizontal flourish extending to the right.

Stacy Sproat-Beck
Executive Director

HB-75

Submitted on: 2/16/2021 5:32:23 AM

Testimony for ECD on 2/17/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
D. Kapua`ala Sproat	Individual	Support	No

Comments:

Aloha Chair Quinlan, Vice Chair Holt, and Members of the House Committee on Economic Development:

I am testifying today in strong support of HB 75. Having grown up exploring Kaua'i's North Shore, I am intimately familiar with the important work of the National Tropical Botanical Garden ("NTBG") and have often utilized their site at Limahuli; nowadays, usually with my young children. As a Native Hawaiian, NTBG has played a vital role in helping to protect and restore our biocultural heritage in kāpuka such as Limahuli and across our pae 'Āina. As a lineal descendant of Limahuli, Kaua'i, I take my sons and nieces and nephews to the garden to explore and experience what this 'Āina was like when our ancestors lived there centuries ago -- to see 'o'opu and 'Āina pae in the stream, to touch and smell endemic plants, and learn about Nou and Hailama -- our ancient tradition of pyrotechnics. For generations now, my 'ohana has used and enjoyed Limahuli under NTBG's stewardship, and we hope to continue to do so in the future. This work is even more important now as our communities are undergoing rapid development, and fewer kāpuka are available for local families to experience the things that make Hawai'i truly special.

As you well know, HB 75 proposes important amendments that provide even more clarity on which organizations are eligible to apply for a Grant In Aid. We note also that further amendments, along the lines of what NTBG has proposed and WAM made to the senate companion (SB 172), would be most helpful. Please make similar amendments to HB 75 at your hearing.

As we seek to recover from the global pandemic COVID-19, Grants in Aid can provide desperately needed short- and long-term economic stimulus, especially to our neighbor island communities. With the clarifications requested by HB 75 and further amendments we hope your committee will add, nonprofits such as NTBG -- who have already been serving our community for generations -- can continue to provide the kinds of shovel-ready economic recovery efforts we need on Kaua'i and throughout Hawai'i now.

Please pass out HB 75 with further amendments.

Mahalo for your time and consideration. Please don't hesitate to contact me with any questions. I would welcome the opportunity to share additional mana'ō on why this bill is important to and necessary for our local families and economies.

Ke aloha nā ,

Kapua Sproat

Kalihiwai, Kaua'i

e: kapua.sproat@gmail.com

Frank O. Hay
kokee@okauai.com

16. February 2021
The Honorable Members of the House of Representatives
Hawaii State Capitol
Honolulu, Oahu, Hawaii 96813

MEETING IN HONOLULU on February 12, 2021: House Bill 75, Relating to Grants

TESTIMONY IN SUPPORT OF THE PROPOSED HOUSE BILL 75, Relating to Grants;
Grants; Standards; Operating Budget; Qualifications

Aloha,

I have been a resident of Hawaii for almost sixty years. I am proud to have been a resident of the island of Kauai for almost fifty years, and a member of the National Tropical Botanical Garden for more than forty years. I have closely observed the many successes of the Garden in preserving native flora and its habitat, as a donor and a now as a volunteer.

I share the dream that our late Senator Daniel K. Inouye had when he introduced a Bill chartering the Garden by an Act of Congress. As previous testimony has offered, more than 90% of its expenditures for its operations are in Hawaii, and the same proportion of the lands under its stewardship are in our islands.

As such, it is appropriate that the Garden and other organizations, chartered elsewhere, but meeting the criteria of the amended Bill, be eligible for grants under Chapter 42F, Hawaii Revised Statutes.

I therefore ask your support in passing the Bill, as amended. Thank you for this opportunity to testify on this important matter.

Very truly yours,

A handwritten signature in black ink that reads "Hay". The signature is written in a cursive style with a large, sweeping loop at the end of the word.



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: Wednesday, February 17, 2021
TIME: 10:00AM
PLACE: Conference Room 312

From: Chipper Wichman, President
National Tropical Botanical Garden

Re: Testimony in Support of HB 75 RELATING TO GRANTS

I am writing today as the President of the National Tropical Botanical Garden (NTBG), an organization I have worked for since 1976. NTBG is in STRONG support of HB75 and is responsible for seeking its introduction. While some may look at this as special interest legislation, we believe that the proposed amendment of HRS_0042F-0103 is in the best interest of the State of Hawaii as it will allow organizations currently working in Hawaii who advance the wellbeing of the State to be eligible to participate in the GIA process.

The companion bill for HB75 is SB172 which was heard by the Senate Ways and Means Committee on Wednesday, February 3, 2021. The members of the Ways and Means Committee voted unanimously to pass SB172 with helpful amendments. The amendments made by WAM state that nonprofit organization applying for a GIA must:

- Be registered with the Hawaii DCCA; and 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.

A full copy of SB172SD1 is attached as part of my testimony showing the exact wording of the amendment made by WAM. I strongly encourage you, the members of the House Committee on Economic Development, to pass HB75 with similar amendments so that both companion bills (HB75/SB172) can continue through the legislative process with similar language. We believe that being registered with the DCCA and being in good standing as demonstrated by the Certificate of Vendor Compliance is an appropriate alternate filter when determining what organizations should be allowed to apply for a GIA.

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.

On August 19, 1964, Public Law 88-449 was signed into law by President Lyndon B. Johnson establishing "... *an educational and scientific center in the form of tropical botanical gardens and facilities* ..." We existed in name only until we acquired our first property in 1969 on the island of Kauai. We 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 only 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.


Least you be concerned that this amendment would open the door to organizations that might not use State funds appropriately, the GIA process itself should ensure that awarded funds are only used in the State of Hawaii and for the benefit of the people of Hawaii. Where an organization is “chartered” is less important than an organization’s mission and the impact of the work that it conducts and if it is registered to work in Hawaii and is in good standing.

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 ultimately determine if a grant should be awarded.

A good question to ask is what other organizations might benefit from this change to HRS_0042F-0103? We are not sure about how many organizations might qualify to apply for a GIA under this proposed change, but as discussed above, if this change allows nonprofits that are already conducting important work in Hawaii to apply for a GIA then that should be considered a good thing for the State not a bad thing.

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 HB75 is in the best interest of our State!

Me ke aloha a me ka mahalo nui,



Chipper Wichman, President,
National Tropical Botanical Garden

Attachment: NTBG DCCA report and Certificate of Vendor Compliance
SB172 SD1

A BILL FOR AN ACT

RELATING TO GRANTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 42F-103, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) In addition, a grant may be made to an organization
4 only if the organization:

5 (1) Is [~~incorporated~~] either:

6 (A) Incorporated under the laws of the State; or

7 (B) Registered with the department of commerce and

8 consumer affairs and in possession of a valid

9 certificate of vendor compliance issued by the

10 State and documenting the organization's

11 compliance and good standing with the United

12 States Internal Revenue Service, department of

13 taxation, department of labor and industrial

14 relations, and department of commerce and

15 consumer affairs; and



1 (2) Has bylaws or policies that describe the manner in
2 which the activities or services for which a grant is
3 awarded shall be conducted or provided."

4 SECTION 2. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act shall take effect upon its approval.



Report Title:

DCCA; Grants; Standards; Certificate of Vendor Compliance;
Qualifications

Description:

Allows 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 in possession of a valid certificate of vendor compliance issued by the State. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



DCCA State of Hawaii

Downloaded on February 9, 2021.

The information provided below is not a certification of good standing and does not constitute any other certification by the State.

Website URL: <http://hbe.ehawaii.gov/documents>

Business Information

MASTER NAME	NATIONAL TROPICAL BOTANICAL GARDEN
BUSINESS TYPE	Foreign Nonprofit Corporation
FILE NUMBER	37498 F2
STATUS	Active
PURPOSE	THE MISSION OF THE NATIONAL TROPICAL BOTANICAL GARDEN IS TO ENRICH LIFE THROUGH DISCOVERY, SCIENTIFIC RESEARCH, CONSERVATION, AND EDUCATION BY PERPETUATING THE SURVIVAL OF PLANTS, ECOSYSTEMS, AND CULTURAL KNOWLEDGE OF TROPICAL REGIONS.
PLACE INCORPORATED	District of Columbia UNITED STATES
REGISTRATION DATE	Aug 24, 2007
MAILING ADDRESS	3530 PAPALINA RD KALAHEO, Hawaii 96741 UNITED STATES
AGENT NAME	JANET MAYFIELD
AGENT ADDRESS	3530 PAPALINA RD KALAHEO, Hawaii 96741 UNITED STATES

Annual Filings

FILING YEAR	DATE RECEIVED	STATUS
2020	Nov 30, 2020	Processed
2019	Jul 1, 2019	Processed
2018	Jul 2, 2018	Processed
2017	Aug 31, 2017	Processed
2016	Jul 8, 2016	Processed
2015	Jul 27, 2015	Processed
2014	Jul 2, 2014	Processed
2013	Jul 9, 2013	Processed
2012	Nov 1, 2012	Processed
2011	Feb 10, 2012	Processed
2010	Aug 3, 2010	Processed
2009	Jul 13, 2009	Processed
2008	Jul 8, 2008	Processed

Officers

NAME	OFFICE	DATE
DEANE,GORDON L	C	Jul 1, 2020

EARHART, ANNE G	VC	Jul 1, 2020
MAYFIELD, JANET L	CEO/D	Jul 1, 2020
WICHMAN, CHARLES JR	P	Jul 1, 2020
RICHARDSON, KATHERINE	SRV	Jul 1, 2020
ROLLINS, TAMARA A	CFO	Jul 1, 2019
PRATT, DAVID	S	Jul 1, 2019



**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from 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

Vendor Name: NATIONAL TROPICAL BOTANICAL GARDEN

DBA/Trade Name: NATIONAL TROPICAL BOTANICAL GARDEN

Issue Date: 02/15/2021

Status: Compliant

Hawaii Tax#: W4019424401
New Hawaii Tax#: GE-0610680832-01
FEIN/SSN#: XX-XXX7064
UI#: XXXXXX2753
DCCA FILE#: 37498

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	The entity is compliant with DLIR requirement
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information

OFFICE OF THE MAYOR

DEREK S.K. KAWAKAMI, MAYOR

MICHAEL A. DAHLIG, MANAGING DIRECTOR



Testimony of

Michael A. Dahilig

Managing Director, County of Kaua'i

Before the

House Committee on Economic Development

Wednesday, February 17, 2021 at 10:00 a.m.

Conference Room 312; Via Videoconference

In consideration of

HB 75

Relating to Grants

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

The County of Kaua'i **supports** the intent of HB 75 which would allow an organization to qualify for grants under Chapter 42F, Hawai'i Revised Statutes, if the organization spends at least ninety percent of its operating budget in the State.

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 HB75 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.



Laukahi
THE 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: Wednesday, February 17, 2021
TIME: 10:00AM
PLACE: Conference Room 312

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

Re: Testimony in Support of HB 75 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 HB75 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.

A companion bill for HB75, 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 HB75 with similar amendments (as above) such that these companion bills (HB75 and SB172) may move through the legislative process with congruent language. 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.

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, 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

February 16, 2020

Aloha House of Representatives Committee on Economic Development,

I am submitting written testimony today in support of HB75. Passing HB75 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 amendment of HRS_0042F-0103 is 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; and 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.

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.

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. NTGB 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). NTBG 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 HB75 with the amendments I have listed above. Passing HB75 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)
Executive Director/School Leader
Namahana School
Kalihiwai, Halele'a, Kaua'i

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Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawai'i 96766

February 16, 2021

TESTIMONY OF MASON K. CHOCK
COUNCIL VICE CHAIR, KAUAI COUNTY COUNCIL
ON
HB 75, RELATING TO GRANTS
House Committee on Economic Development
Wednesday, February 17, 2021
10:00 a.m.
Via Videoconference
Conference Room 312

Dear Chair Quinlan and Members of the Committee:

Thank you for this opportunity to provide support in favor of HB 75, Relating to Grants. My testimony is submitted in my individual capacity as Council Vice Chair of the Kaua'i County Council.

HB 75 is in the best interest of the State of Hawai'i as it will allow organizations currently working in Hawai'i that are already advancing the wellbeing of the State to be eligible to participate in the Grant-in-Aid (GIA) process. It is also important that HB 75 provide clarity on which nonprofit organizations are eligible for GIA funding, and therefore recommend that HB 75 be amended to state that nonprofit organizations must be registered with the Hawai'i Department of Commerce and Consumer Affairs (DCCA), and have a valid Certificate of Vendor Compliance issued by the State of Hawai'i documenting their compliance and good standing with the Hawai'i Department of Taxation (DOTAX), the Internal Revenue Service (IRS), the Hawai'i Department of Labor and Industrial Relations (DLIR), and the DCCA.

The National Tropical Botanical Gardens (NTBG) is steward of some of the most significant cultural sites in the State, which includes four botanical gardens and five preserves on the islands of Kaua'i, Maui, and Hawai'i. NTBG has been operating in the State of Hawai'i since 1970 and employs over 100 residents. NTBG pays taxes into the State system, but is currently ineligible to apply for GIA because it is chartered by the United States Congress.

Chair Quinlan and Members of the House Committee on Economic Development
RE: HB 75, Relating to Grants
February 16, 2021
Page 2

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,

A handwritten signature in black ink, appearing to read 'Mason K. Chock', with a stylized flourish at the end.

MASON K. CHOCK
Council Vice Chair, Kauaʻi County Council

AMK:lc