

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

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HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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DEPARTMENT OF BUDGET AND FINANCE
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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
HOUSE BILL NO. 2307, H.D. 1

February 23, 2022
2:30 p.m.
Room 308 and Videoconference

RELATING TO FOOD SAFETY

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

House Bill No. 2307, H.D. 1, appropriates an unspecified amount of general funds in FY 23 for the Department of Agriculture to provide education and support to businesses in the State regarding the federal Food and Drug Administration's industry guidance on colored sea salt.

B&F notes that, with respect to the general fund appropriation 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.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS ATTA
Deputy to the Chairperson

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TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

FEBRUARY 23, 2022

2:30 P.M.

CONFERENCE ROOM 308 & VIA VIDEOCONFERENCE

HOUSE BILL NO. 2307 HD1
RELATING TO FOOD SAFETY

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill 2307 HD1. This measure appropriates funds to the Department of Agriculture to provide education and support to local businesses regarding the federal Food and Drug Administration's industry guidance on colored sea salt. The Department supports the intent and offers comments regarding this bill.

According to FDA, "manufacturers of sea salt that intend to add color additives that are not currently approved for food use to their products, such as charcoal or red clay, must first obtain approval for the use of these substances through the color additive petition process. Color additive petitions must be submitted to FDA's Office of Food Additive Safety, HFS-200, 5001 Campus Drive, College Park, MD 20740. The information required for color additive petitions is outlined in 21 CFR 71.1. There are guidance documents available on our website that address the administrative,



chemistry, toxicological, and environmental information that should be included in support of a color additive petition.” Source:

<http://www.fda.gov/Food/IngredientsPackagingLabeling/FoodAdditivesIngredients/default.htm>

The Department notes that to obtain FDA approval of the color additives used by Hawaii sea salt companies can be a lengthy and expensive process. Also, the Department does not have the technical expertise to provide education to Hawaii businesses regarding FDA’s guidance on colored sea salt. The Department is willing to assist the industry if resources are available to work with partners with technical expertise on nutritional ingredients and color additives in foods and provide education to Hawaii sea salt manufacturers regarding the requirements of FDA on color additives in sea salt.

Thank you for the opportunity to testify on this measure.



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February 23, 2022

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 2307, HD1
RELATING TO FOOD SAFETY

Conference Room 309 & Videoconference
2:30 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 supports HB 2307, HD1, which appropriates funds to the department of agriculture to provide education and support to local businesses regarding the federal Food and Drug Administration's industry guidance on colored sea salt.

Authentic Hawai'ian red alaea and black sea salt have become increasingly popular. The two colorants used in Hawai'ian sea salt, activated charcoal, and Hawai'ian red alaea clay, were recently added to the FDA's approved colorants list which requires a Color Additive Petition (CAP) application to be filed by sea salt producers and suppliers. Obtaining the FDA approval of the color additives used by Hawai'i sea salt companies is a lengthy and costly endeavor. Detailed research, studies, and analysis by science and industry experts must be conducted and submitted to the FDA for review. In 2019, DBEDT estimated that the cost of engaging in this process would be a minimum of \$100,000. The majority of Hawai'i's salt producers are small businesses and can't afford the high cost of the CAP process.

Thank you for the opportunity to comment on this measure.



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TO: Committee on Finance
Rep. Sylvia Luke, Chair
Rep. Kyle T. Yamashita, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 23, 2022
TIME: 2:30pm
PLACE: Via Videoconference

RE: HB2307 HD1 Relating to Food Safety

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure to appropriate funds to the department of agriculture to provide education and support to local businesses regarding the federal Food and Drug Administration's industry guidance on colored sea salt.

Colored sea salt is an important industry in our state and it needs the support of the legislature to survive and thrive.

Making colored sea salt is culturally and historically significant in Hawaii. It's also an industry that supports jobs and contributes to our economy. Unfortunately, due to an oversight during an FDA rule change in 2015 the traditional ingredients that give Hawaiian salts their color, alea and black lava, were not included in the list of approved additives. Hawaiian sea salt companies have already dedicated years and spent thousands of dollars to get this situation rectified, and now they need the help of their legislators to preserve this industry.

We often talk about diversifying and strengthening Hawaii's economy, and the potential growth in manufacturing in our state. This is an ideal opportunity for the state to support that diversification and growth. We urge you to vote yes on this measure and we thank you for the opportunity to testify.