



**WRITTEN TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
THIRTY-FIRST LEGISLATURE, 2022**

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**ON THE FOLLOWING MEASURE:**  
S.B. NO. 2989, RELATING TO AGRICULTURE.

**BEFORE THE:**  
SENATE COMMITTEE ON WAYS AND MEANS

**DATE:** Friday, February 18, 2022      **TIME:** 10:10 a.m.

**LOCATION:** State Capitol, Room 211, Via Videoconference

**TESTIFIER(S):**      **WRITTEN TESTIMONY ONLY.**  
(For more information, contact Jodi K. Yi,  
Deputy Attorney General, at (808) 586-1195)

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Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General provides the following comments regarding this bill.

This bill establishes a healthy soils grant program special fund that will "implement and operate the healthy soils grant program and award grants." Page 3, lines 4-6. This bill requires the Department of Agriculture to establish a program that shall "establish standards that shall apply to the healthy soils grant program . . . ." Page 1, lines 16-17.

Article VII, section 4, of the Constitution of the State of Hawaii provides, "[n]o grant of public money or property shall be made except pursuant to standards provided by law." Because this bill does not include any standards for making the grants, the Department of Agriculture will not be able to make the administrative grants intended by this bill. We therefore recommend that this bill be amended to insert standards for the administrative grants. Examples of statutes that provide standards for existing administrative grant programs are part II of chapter 9 and sections 10-17, 210D-11, and 383-128, Hawaii Revised Statutes.

Alternatively, the term "grants" may be deleted from the bill and the funds could be awarded as contracts subject to the procurement process.

Thank you for the opportunity to present this testimony.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

**STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE**

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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 SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 2989

**February 18, 2022  
10:10 a.m.  
Room 211 and Videoconference**

RELATING TO AGRICULTURE

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

Senate Bill (S.B.) No. 2989 adds a new section to Chapter 141, HRS, to establish a Healthy Soils Grant Program (HSGP) within the Department of Agriculture to: define the terms "healthy soils" and "healthy soils practice"; create a statewide soil health assessment with a list of practices specific to the State that are effective in improving soil health and building soil carbon stocks; provide farmers with education and technical assistance to implement practices that contribute to healthy soils; establish standards that apply to the HSGP based on the findings of reports completed by the Greenhouse Gas Sequestration Task Force; and award grants and other financial incentives to implement practices recommended by the HSGP. This bill also establishes the HSGP Special Fund (HSGPSF), appropriates an undetermined amount of general funds in FY 23 to be deposited into the HSGPSF, and appropriates an undetermined amount of special funds out of the HSGPSF in FY 23 to effectuate the HSGP.

B&F notes that, as a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of

Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 2989, there does not appear to be any significant source of revenues to support the HSGPSF aside from appropriations from the general fund.

B&F also 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 M. ATTA  
Deputy to the Chairperson

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS**

February 18, 2022

10:10 A.M.

CONFERENCE ROOM 211 AND  
VIA VIDEOCONFERENCE

SENATE BILL NO. 2989  
RELATING TO AGRICULTURE

Chairperson Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2989. The bill requires the Department of Agriculture (“Department”) to establish a healthy soils grant program, defining the terms “healthy soils” and “healthy soils practices,” creating a statewide soil health assessment, providing farmers with outreach and technical assistance, establishing standards, and awarding grants to incentivize farmers to implement appropriate farming practices contributing to healthy soils.

The Department supports the intent of the measure recognizing the importance of healthy soils for sustainable agricultural production and promoting the increase of carbon sequestration in Hawaii and the Department offers the following amendments.

Grant of public moneys can only be made pursuant to standards prescribed by law. Since no specific standards for expenditure are provided by this measure, it may be more appropriate to use the term “award” instead of “grant” to best achieve the intent of this bill. As such, the Department suggests:



- (1) On page 2, line 13, replace “grant” with “award;”
- (2) The name of the program be replaced with “healthy soils program” throughout the measure in page 1, lines 4, 6, and 17; page 2, lines 8 and 16; and page 3, lines 5, 8, 16, and 19; and
- (3) On page 2, line 5, and page 3, line 19, replace “grants” with “issue.”

In the alternative, if the intent of the Legislature is to create a grant program for the purposes set forth in the measure, the Department recommends that it be amended by inserting standards for administering those grants.

Additionally, the Department may need to collaborate with CTAHR to establish and fulfill the goals of the healthy soils program effectively.

The Department supports this measure provided it does not adversely impact our priorities in the Executive Supplemental Budget requests. Thank you for the opportunity to testify on this measure.



COMMITTEE ON WAYS AND MEANS  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

**SB2989**  
RELATING TO AGRICULTURE

Friday, February 18, 2022, 10:10 AM  
VIA VIDEOCONFERENCE

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

The Hawaii Cattlemen's Council **supports SB2989** to require the Department of Agriculture to establish a Healthy Soils Program. Healthy soils are necessary for ensuring we can continue to grow food on the land. Agriculture can be a beneficial contributor to managing the environment when the appropriate practices are deployed. This bill will provide the support to farmers and ranchers to encourage practices that increase soil health.

We appreciate the opportunity to testify on this measure.

Nicole Galase  
Hawaii Cattlemen's Council  
Managing Director





P.O. Box 253, Kunia, Hawai'i 96759  
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FEBRUARY 18, 2022

HEARING BEFORE THE  
SENATE COMMITTEE ON WAYS AND MEANS

**TESTIMONY ON SB 2989**  
RELATING TO AGRICULTURE

Conference Room 211 & Videoconference  
10:10 AM

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Committee:

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

**The Hawaii Farm Bureau supports SB 2989**, which requires the Department of Agriculture to establish a Healthy Soils Program.

HFB strongly supports the concept of building soil structure and nutrient capacity. Caring for the soil is a cornerstone to having multigenerational farms that continue to provide for the people of Hawaii. Many of our farms add compost made off-site as well as utilize short-term fallow between crop cycles to increase organic content in their soils. HFB recognizes and supports the diversion of discarded food and other useful wastes away from landfills. The benefits of this and of composting are well-known.

Farming is a tough business. High production costs are a major driver of narrow profit margins for Hawaii's farmers. Land, water, labor, taxes, transportation, utilities, inputs, invasive species, and food safety regulations are all costs of doing business that often results in our farmers just being able to break even. HFB supports this initiative that could reduce the cost of production for local farmers. This is another mechanism that can help locally produced goods compete with imported products, strengthening our local economy.

Thank you for this opportunity to testify on this important subject.



**LATE**



**Officers**

Vincent Mina  
State President  
HFUU

Anabella Bruch  
Vice-President  
HFUU

Maureen Datta  
Secretary  
HFUU

Reba Lopez  
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Bobby Pahia  
Mauna Kahalawai,  
Maui

Kaipo Kekona  
Lahaina, Mau

Brynn Foster  
North Shore, Oahu

Christian Zuckerman  
Wai'anae, Oahu

Vincent Kimura  
Waimanalo, Oahu

Anabella Bruch  
Kauai

Aloha Chair Delacruz Vice Chair Keith-Agaran, and Members of the Committee,

The Hawaii Farmers Union United (HFUU) is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawai'ian islands. **HFUU strongly supports SB2989** and the development of a robust soil health program within the Hawaii Department of Agriculture.

The Hawaii Healthy Soils Program (HSP) is intended to house multiple incentives, like those for cover crops ([SB2990](#)) and compost ([SB3004](#) and [SB2288](#)). This approach is similar to California's [Healthy Soils Program](#) which funds demonstration and implementation grants that support myriad conservation agriculture practices.

The forthcoming GHG sequestration task force report will further delineate best practices that can be incorporated into future incentives. The Hawaii HSP will serve as a mechanism to expand resourcing of these and similar incentives. Conceivably the HSP, similar again to CA's approach, could be stewarded by an expert support panel, akin to or utilizing the GHG sequestration task force.

As initial incentives, compost application and cover cropping were selected because they are among the top conservation agriculture practices incorporated into NRCS plans for Hawaii farmers and from discussion with conservation planners.

Mahalo for the opportunity to testify.

Vincent Mina President HFUU/HFUF



**LATE**

## **Senate Committee on Ways & Means**

Friday, February 18th, 2022, 10:10a.m. Conference Room 211

### **Hawai'i Alliance for Progressive Action Supports: SB2989**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

On behalf of the Hawai'i Alliance for Progressive Action (HAPA) I am submitting testimony in support of SB2989.

SB2989 requires the Department of Agriculture to establish a Healthy Soils Program.

HAPA supports a sound program and plan to build our soil structure, nutrient capacity and soil biodiversity. These practices prevent soil erosion by wind and water, which can further enhance air and water quality and have cascading positive impacts in our environment.

Healthy soil is the basis for establishing lasting soil that sustains communities, environmental services, farms, and farmers, for generations. In recent decades we have learned a great deal about the importance of microbial life, and soil biodiversity in over soil "health". As we realize the mistakes we have made over the last 60 or so years, moving our focus to more industrialized agriculture practices, we must move away from the outdated practices of sterilizing lands with pesticides and herbicides and killing the soil microbes and life<sup>1</sup>, and instead support the biodiversity of insects and microbes that are beneficial to soil health<sup>2</sup>.

In addition to important things like composting, crop rotation, covercropping and other ways that we can increase organic content, we need to be looking at rehabilitation of old and previously cleared and graded soils to restore soil biodiversity along with organic content. A well structured program would include qualified soil biologists that could bring these new scientific understandings about soil ecology into the program.

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<sup>1</sup> <https://www.scientificamerican.com/article/pesticides-are-killing-the-worlds-soils/>

<sup>2</sup> <https://www.emnz.com/article/how-pesticides-affect-soil-microbes>

Soil biodiversity provides fertile ground for advancing global sustainability because it integrates so many challenges including climate regulation, water quality, pollution remediation, food and fiber production, and habitat for organisms aboveground and underwater.<sup>3</sup>

Healthy soil is by far the most biologically diverse part of Earth. The soil food web includes beetles, springtails, mites, worms, spiders, nematodes, fungi, bacteria, and other organisms. These organisms improve the entry and storage of water, resistance to erosion, plant nutrition, and break down of organic matter. These vital ecosystem services are often forgotten and even destroyed through intensive industrialized agriculture<sup>4</sup>.

HAPA believes that SB2989 can help to address a range of important issues we face related to degraded and damaged soils, restore and improve soil biodiversity, while also improving the overall quality of our environment and working to sequester carbon. SB2989 is therefore not just important for our local food production agricultural sector but is good for our local environment.

Please pass SB2989.

Mahalo for your consideration,



Anne Frederick  
Executive Director

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<sup>3</sup> <https://www.sciencedirect.com/topics/earth-and-planetary-sciences/soil-biodiversity>

<sup>4</sup> [https://www.nrcs.usda.gov/Internet/FSE\\_DOCUMENTS/nrcs142p2\\_050947.pdf](https://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/nrcs142p2_050947.pdf)

**SB-2989**

Submitted on: 2/16/2022 11:53:01 PM

Testimony for WAM on 2/18/2022 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Sherry Pollack	Individual	Support	No

Comments:

Please pass this important bill. Mahalo!