SB 884



LAVE

TO: Senator Donna Kim, Chair

Senator Shan Tsutsui, Vice Chair

Members of the Committee Ways AND Means (WAM)

FR:

Terry G. Telfer, President

Reynolds Recycling

DATE: Thursday, March 5, 2009, 10:20 AM Conference Room 211

RE:

Testimony Against SB 884 SD1, Relating to Non-General Funds

Thank you for the opportunity to testify on this bill.

Reynolds Recycling is strongly opposed to SB 884 SD1.

For state fiscal year ending June 30, 2008 the redemption rate was 72%. This was up 4% from the previous year. Currently the Department of Health has stated in testimony that the recycling rate for the past five months is approaching 81%.

The Bottle Deposit Law was designed to encourage the redemption and recycling of all beverage containers. This program is self funded from the remaining deposits of unredeemed containers and handling fees for all beverage containers. This program was designed to reach a balance of money coming in and going out at an 80% recycling rate. We have currently surpassed that rate over the past 5 months and redemptions continue to decline. These funds are already encumbered and the surplus is continually getting smaller on its own. We also question the wisdom and legality of raiding this special fund.

While the Deposit Beverage Container Special Fund was reported to have an unencumbered balance of \$23 million for FY 2007, we are now told the fund currently has only \$10 million of unencumbered funds. The fund is diminishing as recycling rate is increasing during these difficult economic times. The recycling community is justly concerned that as the recycling rate increases over the 80% rate the funds will disappear putting the program at risk, forcing the DOH to raise handling fees paid by the consumer. In spite of the financial climate of the state, we do not think that this is in the best interest of the program or of consumers.

As a leader in Hawaii's recycling industry, Reynolds Recycling remains committed to protecting Hawaii's future today and in the future. We respectfully oppose SB 884 SD1.





To: The Honorable Donna Mercado Kim, Chair The Honorable Shan S. Tsutsui, Vice Chair

Senate Committee on Ways and Means

From: Laura Kay Rand, Vice President of Corporate Services

Goodwill Industries of Hawaii, Inc.

Date: March 5, 2009

Re: Testimony opposed to S.B. 884 SD1 - Relating to Non-General Funds.

We applaud the legislature for its leadership in addressing the state's economic crisis. While we appreciate the intent of measures that seek to address the plight of Hawaii's taxpayers, we respectfully oppose this measure which will transfer excess balance from the deposit beverage container special fund to the general fund to address the budget shortfall in fiscal biennium 2009-2011 and authorizes the administration to set reasonable deposit beverage container fees.

Goodwill Industries of Hawaii anticipates that it will negatively impact the beverage container deposit program. Goodwill currently operates six (6) recycling centers and believes in the merits of the program

Goodwill Industries of Hawaii is a 501(c)3 non-profit organization providing educational and career development programs for people with disabilities and other employment barriers, including welfare dependency, economic and resource barriers, lack of education/work experience, illiteracy and disadvantaged youth. Goodwill Industries of Hawaii, Inc. helps people with employment barriers to reach their full potential and become self-sufficient.

Since 1959, Goodwill Industries of Hawaii has provided small classes, on-the-job training, and placement services to fulfill our mission to put people back to work. Last year, Goodwill Industries of Hawaii served more than 9,400 individuals throughout the state in its career development and training programs and placed over 1,800 into jobs. It is our belief that any individual who wants to work should be able to work, and that work is a basic right that will assist people to attain other life goals.

Employment strengthens communities at all levels. Working citizens provide tax revenues to the government and are able to purchase goods and services from community businesses. Businesses run at top-efficiency when fully staffed with trained and motivated employees. When its citizens are employed, government is able to re-direct tax revenues to provide fundamental community services rather than family/individual financial public assistance.

Thank you for this opportunity to provide testimony on this matter.