

Honolulu, Hawaii

FEB 11 2011

RE: S.B. No. 752
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Economic Development and Technology, to which was referred S.B. No. 752 entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the uses of the Hawaii Community-Based Economic Development Revolving Fund to include operational and certain personnel funding for the Community-Based Economic Development Program and the Enterprise Zone Program.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and FACE.

Your Committee finds that these two programs are important economic generators for the State and have the potential to provide significant assistance to Hawaii's small businesses and the community-based nonprofit sectors by creating better-paying jobs and stronger economic opportunities.

Your Committee further finds that without adequate funding, the Community-Based Economic Development Program and the Enterprise Zone Program will be unable to support the necessary personnel and operating costs, provide grants and loans to community nonprofit organizations, and support the operating costs of the Community-Based Economic Development Advisory Council. The two programs do not charge communities or businesses fees for



their services and must identify and obtain funds from other sources, in addition to any appropriations of state General Fund monies.

Your Committee has received information that the resources required for the two programs would total approximately \$320,000 annually, including \$135,000 in personnel costs for two full-time economic development specialist positions, \$35,000 in operating costs, and \$150,000 for grants and micro loans. Your Committee believes that funding the two specialist positions will enable the Department of Business, Economic Development, and Tourism to rely on their assistance in identifying and obtaining funds from other sources, in addition to any appropriations of state General Fund monies.

Your Committee has amended this measure by:

- (1) Clarifying that the monies in the Hawaii Community-Based Economic Development Revolving Fund shall also be used to support the operating costs of the Community-Based Economic Development Advisory Council;
- (2) Appropriating an unspecified amount from general revenues for deposit in the Hawaii Community-Based Economic Development Revolving Fund for the operations of the Community-Based Economic Development Program established under chapter 210D, Hawaii Revised Statutes, and the Enterprise Zone Program established under chapter 209E, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 752, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Technology,

Carol Fukunaga

CAROL FUKUNAGA, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Economic Development and Technology
EDT

Bill / Resolution No.:* <div style="font-size: 1.5em; font-family: cursive;">SB 752</div>	Committee Referral: <div style="font-size: 1.5em; font-family: cursive;">EDT, WAM</div>	Date: <div style="font-size: 1.5em; font-family: cursive;">2/2/11</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.	✓			
SOLOMON, Malama		✓		
SLOM, Sam	✓			
TOTAL	4	1	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: <div style="display: flex; justify-content: space-around; font-size: 0.8em;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

***Only one measure per Record of Votes**