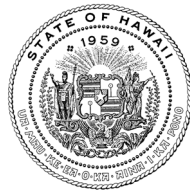


JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND
AGRICULTURE & FOOD SYSTEMS
ON
HOUSE BILL NO. 691

**February 15, 2023
11:30 A.M.
Room 423 and Videoconference**

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST KOHALA MOUNTAIN FISH COMPANY, LLC.

The Department of Budget and Finance offers the following comments on House Bill No. 691 which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist Kohala Mountain Fish Company, LLC, a Hawaii domestic limited liability company, for the establishment of The Village project, a diversified agricultural park and processing facility on Hawaii island to produce, package, cook, and freeze products year round for both local consumption and value added export pursuant to Part X, Chapter 39A, Hawaii Revised Statutes.

The Department would like to inform the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements. Additionally, the Department would like to note that Act 182, SLH 2022 states “unless requested by the

governor and approved by the legislature, no special purpose revenue bonds requiring an allocation of annual state ceiling under section 39B-2, Hawaii Revised Statutes, shall be authorized after June 30, 2022 and before December 31, 2028". A Governor's Message will be required to permit the authorization during this session for the issuance of SPRBs that require an allocation of annual state ceiling under section 39B-2, Hawaii Revised Statutes. For additional information, please consult our FAQ located at the following link: <http://budget.hawaii.gov/wp-content/uploads/2012/11/SPRB-FAQ.pdf>.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
1428 South King Street
Honolulu, Hawai'i 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEES ON ECONOMIC DEVELOPMENT AND
AGRICULTURE AND FOOD SYSTEMS

FEBRUARY 15, 2023
11:30 AM
CONFERENCE ROOM 423

SENATE BILL NO. 691
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST KOHALA MOUNTAIN FISH COMPANY, LLC

Chairpersons Holt and Gates and Members of the Committees:

Thank you for the opportunity to testify on House Bill 691. This bill authorizes the issuance of special purpose revenue bonds to assist Kohala Mountain Fish Company, LLC, for the establishment of The Village project, a diversified agricultural park and processing facility on Hawaii Island to produce, package, cook and freeze products year-round for both local consumption and value-added export. The Hawaii Department of Agriculture (HDOA) supports the intent of this measure provided it does not impact the priorities set in the Governor's executive biennium budget.

The department supports bona fide attempts to grow agriculture in the state. The authorization of special purpose revenue bonds will allow the development of new infrastructure with minimal impact to the State's finances. The company proposes new and exciting products that would positively help the State move toward better food security.

Thank you for the opportunity to testify on this measure.



JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



JAMES J. NAKATANI
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Suite 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEES ON ECONOMIC DEVELOPMENT AND
AGRICULTURE & FOOD SYSTEMS

Wednesday, February 15, 2023

11:30 a.m.

Conference Room 423

Videoconference

HOUSE BILL NO. 691
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS
TO ASSIST KOHALA MOUNTAIN FISH COMPANY, LLC.

Chairs Holt and Gates, Vice Chairs Lamosao and Kahaloa and Members of the joint Committee:

Thank you for the opportunity to testify on House Bill No. 691. The Agribusiness Development Corporation (ADC) supports this measure, which authorizes the issuance of special purpose revenue bonds to assist Kohala Mountain Fish Company, LLC, for the establishment of The Village project.

Kohala Mountain Fish Company's Village project is an all-encompassing project that provides solutions to key challenges facing agriculture. This project presents a huge opportunity to boost Hawaii's agriculture industry. We support this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget. Thank you for your consideration of our testimony.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2023**

ON THE FOLLOWING MEASURE:

H.B. NO. 691, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST KOHALA MOUNTAIN FISH COMPANY, LLC.

BEFORE THE:

HOUSE COMMITTEES ON ECONOMIC DEVELOPMENT AND ON
AGRICULTURE AND FOOD SYSTEMS

DATE: Wednesday, February 15, 2023 **TIME:** 11:30 a.m.

LOCATION: State Capitol, Room 423

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Randall S. Nishiyama, Deputy Attorney General

Chairs Holt and Gates and Members of the Committees:

The Department of the Attorney General provides the following comments.

This bill authorizes the issuance of \$100,000,000 in special purpose revenue bonds (SPRBs) pursuant to part X, Assisting Agriculture Enterprises, chapter 39A, Hawaii Revised Statutes, to assist the Kohala Mountain Fish Company, LLC, for the establishment of a diversified agricultural park and processing facility on Hawaii island .

Under the Internal Revenue Code of 1986, the proposed SPRBs require an allocation of the State's annual ceiling for tax-exempt private activity bonds.

We note that section 4 of Act 182, Session Laws of Hawaii 2022, provides that, "[u]nless requested by the governor and approved by the legislature, no special purpose revenue bonds requiring an allocation of the annual state ceiling [of private activity bonds] under section 39B-2, Hawaii Revised Statutes, shall be authorized after June 30, 2022 and before December 31, 2028."

Consequently, a Governor's Message will be required to permit the authorization of this bill by the Legislature.

We respectfully ask the Committee to consider our comments.

HOUSE OF REPRESENTATIVES
THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 2023

COMMITTEE ON ECONOMIC DEVELOPMENT

Rep. Daniel Holt, Chair
Rep. Rachele F. Lamosao, Vice Chair

Rep. Natalia Hussey-Burdick Rep. Sean Quinlan
Rep. Sam Satoru Kong Rep. Elijah Pierick
Rep. Nadine K. Nakamura

COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

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Rep. Elle Cochran Rep. Justin H. Woodson
Rep. Nicole E. Lowen Rep. Gene Ward
Rep. Amy A. Perruso

NOTICE OF HEARING

DATE: Wednesday, February 15, 2023
TIME: 11:30 a.m.
PLACE: VIA VIDEOCONFERENCE
 Conference Room 423
 State Capitol
 415 South Beretania Street

Click [here](#) to submit testimony and to testify remotely or in person.

A live stream link of all House Standing Committee meetings will be available online shortly before the scheduled start time.

Click [here](#) for the live stream of this meeting via YouTube.

A G E N D A

HB 691
Status

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST KOHALA MOUNTAIN FISH COMPANY, LLC. ECD/AGR, FIN
Authorizes the issuance of special purpose revenue bonds to assist Kohala Mountain Fish Company, LLC, for the establishment of The Village project.

DECISION MAKING TO FOLLOW

Persons wishing to offer comments should submit testimony at least **24 hours** prior to the hearing. Testimony received

after this time will be stamped late and left to the discretion of the chair to consider. While every effort will be made to incorporate all testimony received, materials received on the day of the hearing or improperly identified or directed, may not be processed.

Testimony submitted will be placed on the legislative website. This public posting of testimony on the website should be considered when including personal information in your testimony.

The chair may institute a per-testifier time limit.

Committees meeting in the morning must adjourn prior to the day's Floor Session. Therefore, due to time constraints, not all testifiers may be provided an opportunity to offer verbal comments. However, written submissions will be considered by the committee.

Please refrain from profanity or uncivil behavior. Violations may result in ejection from the hearing without the ability to rejoin.

For remote testifiers, the House will not be responsible for bad connections on the testifier's end.

For general help navigating the committee hearing process, please contact the Public Access Room at (808) 587-0478 or par@capitol.hawaii.gov.

The cable TV broadcast and/or live stream of this meeting will include closed captioning. If you require other auxiliary aids or services to participate in the public hearing process (i.e. interpretive services (oral or written) or ASL interpreter) or are unable to submit testimony via the website due to a disability, please contact the committee clerk at least 24 hours prior to the hearing so that arrangements can be made.

Click [here](#) for a complete list of House Guidelines for remote testimony.

FOR AMENDED NOTICES: Measures that have been deleted are stricken through and measures that have been added are bolded.

For more information, please contact the Committee Clerk at (808) 586-6180

Rep. Cedric Asuega Gates
Chair

Rep. Daniel Holt
Chair

A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST KOHALA MOUNTAIN FISH COMPANY, LLC.

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

1 SECTION 1. The legislature finds and declares that the
2 issuance of special purpose revenue bonds under this Act is in
3 the public interest and for the public health, safety, and
4 general welfare.

5 SECTION 2. Pursuant to part X, chapter 39A, Hawaii Revised
6 Statutes, the department of budget and finance, with the
7 approval of the governor, is authorized to issue special purpose
8 revenue bonds in a total amount not to exceed \$100,000,000, in
9 one or more series, for the purpose of assisting Kohala Mountain
10 Fish Company, LLC, a Hawaii domestic limited liability
11 corporation, for the establishment of The Village project, a
12 diversified agricultural park and processing facility on Hawaii
13 island to produce, package, cook, and freeze products year
14 around for both local consumption and value added export. The
15 Village project will train, supervise, and support new families
16 who show an interest in increasing their current farming



1 operative and create more jobs and work force housing. The
2 legislature hereby finds and determines that The Village project
3 constitutes a project as defined in part X, chapter 39A, Hawaii
4 Revised Statutes, and the financing thereof is assistance to an
5 agricultural enterprise.

6 SECTION 3. The special purpose revenue bonds and the
7 refunding special purpose revenue bonds issued under this Act
8 shall be issued pursuant to part X, chapter 39A, Hawaii Revised
9 Statutes, relating to the power to issue special purpose revenue
10 bonds to assist agricultural enterprises.

11 SECTION 4. The department of budget and finance is
12 authorized, from time to time, including times subsequent to
13 June 30, 2028, to issue special purpose revenue bonds in
14 whatever principal amounts the department shall determine to be
15 necessary to refund the special purpose revenue bonds authorized
16 in section 2 and to refund special purpose revenue bonds
17 authorized in this section, regardless of whether the
18 outstanding special purpose revenue bonds or refunding special
19 purpose revenue bonds have matured or are the subject of
20 redemption or whether the refunding special purpose revenue
21 bonds shall be bonds for the multi-project programs described in



H.B. NO. 691

1 section 2. In making this determination, the department shall
2 comply with federal law relating to the exemption from federal
3 income taxation of the interest on bonds of the nature
4 authorized by this section.

5 SECTION 5. The authorization to issue special purpose
6 revenue bonds under this Act shall lapse on June 30, 2028.

7 SECTION 6. This Act shall take effect on July 1, 2023.

8

INTRODUCED BY:



JAN 20 2023



H.B. NO. 691

Report Title:

SPRB; Kohala Mountain Fish Company

Description:

Authorizes the issuance of special purpose revenue bonds to assist Kohala Mountain Fish Company, LLC, for the establishment of The Village project.

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

2023-0859 HB HMSO



HB-691

Submitted on: 2/13/2023 1:30:37 PM

Testimony for ECD on 2/15/2023 11:30:00 AM

Submitted By	Organization	Testifier Position	Testify
John Oliva	Kohala Mountain Fish Company	Support	Written Testimony Only

Comments:

Aloha

I am writing today in support of HB691. The Village Project that is planned is very similar to a Agritopia in Gilbert, AZ. The community of Agritopia is a successful 160 acre agriculture based community, that is centered around its 11 acre farm.

From Agritopia Website

"Home" is more than a brick and mortar building. It's a feeling of comfort, it's a sense of belonging, it's living a life among neighbors whom you call friends and friends you call family. At Agritopia, we've built a place you can call home—whether you live here or if you're just stopping by for a visit. This planned community offers a modern village life surrounding 11 acres of urban farmland, where a tree-lined sidewalk leads you to a chef-driven restaurant, where creative spaces encourage craftsmanship, and where charming homes nestle close. Here, people live, work, eat, shop, create, and come together. This is home, however you choose to define it."

The Village will be "Home" for its resident farmers too, but will differ in the sense it is not based on one central community farm, but instead on a community of individual farmers growing fish and plant crops in greenhouses using aquaponics. The Village will allow this community of farmers to be able to co-mingle their efforts and benefit from an economy of scale in the global market. The education, training and support available to the farmers, along with a ready market will make this a success for them and future generations of Hawaiian farmers. It will also bring in revenue to the State and County as well as enhance Hawaii's food security for years to come.

So I hope that you vote in favor of HB691

Mahalo

John Oliva

COMMITTEE ON ECONOMIC DEVELOPMENT

Rep. Daniel Holt, Chair
Rep. Rachele F. Lamosao, Vice Chair

COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

Rep. Cedric Asuega Gates, Chair
Rep. Kirstin Kahaloa, Vice Chair

HB 691 - Support

Relating to the Issuance of Special Purpose Revenue Bonds to Assist Kohala Mountain Fish Company, LLC

Wednesday, February 15, 2023

11:30 AM

Conference Room 423

VIA VIDEOCONFERENCE

Aloha Chairs Holt and Gates, Vice Chairs Lamosao and Kahaloa, and Members of the Committees,

My name is Scott Enright and I stand in strong support of this measure, HB 691. I have worked with Bob Endreson and his Kohala Mountain Fish Company with the development of the agricultural initiatives that form “The Village” project. Mr. Endreson and Kohala Mountain Fish Company have a proven record of success with the State’s largest tilapia aquaculture operation and with the Department of Defense contracts to purchase their output. “The Village” concept will build on this success and with the incorporation of the latest proven technology’s in precision agriculture will develop the type of enterprises that will move Hawaii’s agricultural sector into the future and thus contribute to the State’s agricultural security initiatives.

Again, I strongly support HB 691 and encourage the Committee to move this measure forward.

Thank you for the opportunity to testify on this matter.

Sincerely,

Scott Enright

February 15, 2023, 11:30 AM
Conference Room 423
VIA VIDEOCONFERENCE

Testimony in Support of HB 691, Relating to the Issuance of Special Purpose Revenue Bonds to Assist Kohala Mountain Fish Company, LLC

COMMITTEE ON ECONOMIC DEVELOPMENT

Rep. Daniel Holt, Chair
Rep. Rachele F. Lamosao, Vice Chair

COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

Rep. Cedric Asuega Gates, Chair
Rep. Kirstin Kahaloe, Vice Chair

Aloha Chairs Holt and Gates, Vice Chairs Lamosao and Kahaloe, and Members of the Committees,

I'm writing today asking for your support for HB691 in the Hawaii State Legislature. Over the past 20 years we have all been to seminars, conferences, hearings, and workshops discussing and analyzing the issues and problems facing Hawaii's farmers and ranchers as well as food security for Hawaii. Issues such as making feed from local products, to supporting ranching in Hawaii as an alternative to shipping cattle from the mainland, to creating a way for farmers to better provide for local markets, and for local markets to work better with farmers. But it has been difficult.

HB691 addresses many of the concerns and solutions that have resonated with the industry and its managers. We hope to do it with a coordinated effort through 3rd party inspections for Food Safety, workforce housing, and alternative markets and opportunities to operate. The Village creates a model for ownership rather than just a paycheck.

The Village will act as a Resilient Food Hub for farmers, ranchers, and processors to co-mingle efforts and work together. The processor will buy all the product grown then clean, certify it, and package it for the local fresh market. By having a 3rd party inspect the product and a facility to clean and package it, it addresses one of the obstacles that has prevented larger retailers and wholesalers from using many of the products from smaller farms here in Hawaii. This is extended way beyond the fence line of the Village. All farmers and ranchers will have access to the Village production line as long as their products meet the standards set.

The processor will also process value added products. A product of the US. Grown in Hawaii. They will process and package the product for a frozen market that can be sold to the Department of Defense and the USDA as well as the private sector. The fastest growing market in the food industry today is RTE's, Ready to Eat Meals.

<https://www.grandviewresearch.com/industry-analysis/ready-meals-market>

The global ready meals market size was valued at USD 159.15 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 5.5% from 2020 to 2027. Shifting consumers food preferences towards ready-to-eat food products, owing to the busy lifestyle of working individuals as well as hectic work schedules of college grads and students, is expected to be a key factor for the market growth. Why ship cattle to the mainland when we can cook it here? Only 4% of the total US beef market is grass fed because of consumer preferences for steaks and prime cuts of beef. However, now, grass fed beef mixed with local products can be cooked, packaged, frozen and sold worldwide.

The Village incorporates the farming techniques used in the Netherlands, making the Netherlands the 2nd largest exporter of AG in the World behind the United States.

<https://www.weforum.org/agenda/2019/11/netherlands-dutch-farming-agriculture-sustainable/>

The Netherlands, which is only 4 times the size of the Big Island, exports over \$110 Billion dollars a year in AG. It uses precision farming techniques such as hydroponics, aquaponics, and things already working very well here in Hawaii. By using these techniques, they produce 10 times more than conventional farming per acre and use 90% less water doing it.

The Village isn't going to be built on fertile farmland. The competition for this type of land is extraordinary in Hawaii, now with farmland costing upwards of \$50-60K per acre. The Village will be built on land agricultural goods can't grow on such as lava fields and rocky terrain. It doesn't need dirt but rather simply needs the subsurface water traveling under these lava fields unused into the ocean.

Kohala Mountain Fish is seeking this support so it can empower farmers and ranchers to create a venue for them all to co-mingle efforts and benefit in a global market. We have proven that we can build a processing facility on the side of a volcano, off the grid and still get the highest certification in the world from the US Dept. of Commerce Seafood Inspection for our fish. This allows us to sell to all federal agencies and the Farm to School program. Billions of dollars a year are spent on proteins for these programs and they are very excited at the prospect of adding grass fed, free range organic beef stew, curry and other dishes from the Villages' processing center.

The Village will provide a safe place for farmers to deliver and sell their products. As a processing hub for farmers and ranchers, it will enhance Hawaii's food security.

Thank you for the opportunity to testify on this matter.

Sincerely,

Bob Endreson



Email: communications@ulupono.com

HOUSE COMMITTEES ON ECONOMIC DEVELOPMENT AND AGRICULTURE & FOOD
SYSTEMS

Wednesday, February 15, 2023 — 11:30 a.m.

Ulupono Initiative supports HB 691, Relating to the Issuance of Special Purpose Revenue Bonds to Assist Kohala Mountain Fish Company, LLC, for the Establishment of The Village Project.

Dear Chair Holt, Chair Gates, and Members of the Committees:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono supports HB 691, which authorizes the issuance of special purpose revenue bonds to assist Kohala Mountain Fish Company, LLC, for the establishment of The Village project.

Ulupono supports the State's goal to increase local food production, which includes expanding opportunities for local producers to become economically viable. The Village project will seek to provide local farmers with resources for hands-on education and training, processing and packaging, distribution, and workforce housing. By providing this support, the Village will directly address some of the most pressing issues facing Hawai'i agriculturalists.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



Testimony Presented to
House Committee on Economic Development
House Committee on Agriculture & Food Systems
Wednesday, February 15, 2023, 11:30 AM, Via Videoconference Conference Room 423
by
Ron Weidenbach, Co-owner/President, Hawaii Fish Company Inc., Waialua, HI

Re: House Bill 691 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST KOHALA MOUNTAIN FISH COMPANY, LLC.

Aloha Chairs Holt and Gates, Vice Chair Lamosao and Kapela, and Members of the Committees,

Hawaii Fish Company, established in 1978, and Hawaii's oldest land-based fish farm, supports HB691 which authorizes the issuance of special purpose revenue bonds to assist Kohala Mountain Fish Company, LLC, for the establishment of The Village project. By all accounts that we are aware of, the Kohala Mountain Fish Company has done an outstanding job in developing the State's largest tilapia farm and in developing a processing facility and local and export markets for their Hawaii farm-raised aquaculture product.

The establishment of The Village project, as proposed, appears to be a means to further expand and diversify the company's operations and engage other producers in a collaborative and beneficial manner. This project is a larger-scale version of what our company continues to work towards with community support on the North Shore of Oahu, and sets a positive example of what can be achieved when an innovative vision and relevant expertise is supported by government and enabled to move forward.

Our state needs such integrated agricultural projects if we are serious about local food production, food security, and food safety. However, these efforts also have a high financial price tag if they are to be carefully planned and successfully executed. Kohala Mountain Fish Company appears to have a strong start and track record in this regard. We therefore support this request for State support by issuance of special purpose bonds to assist with this endeavor, as proposed in HB691.

Respectfully,

Ronald P. Weidenbach
Co-owner and President
Hawaii Fish Company Inc.

Sustainability. Innovation. Quality.

P.O. Box 740 | Waialua, HI 96791 USA | info@hawaiifishcompany.com | hawaiifishcompany.com



**Written Testimony Presented Before the House
Committee on Economic Development
Wednesday, February 15, 2023 at 10:30 A.M.
Conference Room 423 and via Videoconference**

**By
Laura Reichhardt, APRN, AGPCNP-BC
Director, Hawai'i State Center for Nursing
University of Hawai'i at Mānoa**

TESTIMONY IN STRONG SUPPORT on H.B. 82, H.D. 1

Chair Holt, Vice Chair Lamosao, and members of the House Committee on Economic Development, thank you for the opportunity to testify in **strong support of this measure**. By way of this measure, the Hawai'i State Center for Nursing does not ask for new or expanded appropriations to the tax credit program.

This measure, **H.B. 82, H.D. 1**, proposes to clarify the definition of preceptor to allow a broader array of specialty providers who engage in teaching future primary care providers, clarify the definition of "volunteer-based supervised clinical training rotation" related to both time spent teaching students and what constitutes compensation for precepting, and amend the Preceptor Credit Assurance Committee to improve administration and roles.

In 2018, the Hawai'i Legislature, in their great wisdom, enacted Act 43, which authorized and funded \$1.5 million in tax credits, annually for five years, for advanced practice registered nurse (APRN), physician, and pharmacist professionals who train in-state students in their respective practice areas. This program was intended to help alleviate the bottleneck within health education programs related to a shortage of clinical education sites and preceptors. Though the tax credits were secured for five years, fewer advanced practice registered nurses, physicians, and pharmacists are eligible for the tax credit than the number that are actually teaching our local students.

In 2019, this program allocated 371 tax credits (\$371K) to 181 preceptors, and in 2020, 368 tax credits (\$368K) to 185 preceptors, despite nearly double the amount of rotations being recorded into the tax credit record system. 2021 secured 559 tax credits (\$559K) for 253 preceptors. For 2022, 636 (\$636K) tax credits were issued to 298 preceptors.

While the program is achieving the established goals, the number of preceptors who were eligible for tax credits and met all criteria to earn the tax credit are consistently less than the total APRNs, physicians, and pharmacists on record for providing voluntary clinical teaching or being interested in teaching.

The main barriers identified were 1) uncertainty about what uncompensated for precepting means and 2) specializing in a supportive role to primary care, not primary care itself. These preceptors add value and depth to the education and experience for the healthcare students they support. Upon analysis of the total rotations, improving access will not exceed the total available funds allocated to this program.

As one of the two administering organizations of the Preceptor Tax Credit program and Preceptor Credit Assurance Committee, the Center has verified that Social Work, Physician Assistants, and

The mission of the Hawai'i State Center for Nursing is that through collaborative partnerships, the Center provides accurate nursing workforce data for planning, disseminates nursing knowledge to support excellence in practice and leadership development, promotes a diverse workforce, and advocates for sound health policy to serve the changing health care needs of the people of Hawai'i.

Registered Dieticians have the same professional criteria that currently enables us to maintain a functioning program for APRNs, physicians, and pharmacists. These criteria include: 1) professionals maintaining licensure in Hawai'i; 2) in-state schools that maintain preceptor coordination; 3) preceptor education that occurs during education enrollment (as opposed to post-graduation activities); and 4) schools with national accreditation. These standards are used in the verification process to ensure eligibility of preceptors and participating academic programs, as defined in H.R.S. 235-110.45 and H.R.S. 321-2.7.

Further, based on the current performance and anticipated growth in the tax credit allocations by expanding the tax credits beyond primary care, funds still remain. The Preceptor Credit Assurance Committee voted in favor of supporting other critically-needed health professions by way of this program considering that there is a need, an ability to maintain the program's legally mandated verification requirements, and fiscal capacity.

The Hawai'i State Center for Nursing respectfully asks the Committee to pass **H.B. 82, H.D. 1**, through your committee. The Center thanks your committee for its commitment to the people of Hawai'i, and ensuring access to high-quality health care by supporting local healthcare education and training initiatives.

The mission of the Hawai'i State Center for Nursing is that through collaborative partnerships, the Center provides accurate nursing workforce data for planning, disseminates nursing knowledge to support excellence in practice and leadership development, promotes a diverse workforce, and advocates for sound health policy to serve the changing health care needs of the people of Hawai'i.

HB-691

Submitted on: 2/13/2023 12:39:21 PM

Testimony for ECD on 2/15/2023 11:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Rick Gaffney	Individual	Support	Written Testimony Only

Comments:

This bill represents the kind of out-of-the-box, progressive thinking that agriculture in Hawaii has lacked for too long.

This vital, entrepreneurial proposal, expands on the solid success of Hawaii's largest aquaculture endeavor, Kohala Mountain Fish, and builds on the huge demand they have created for frozen ready-to-eat fish, by building the facilities necessary to leverage and grow the Big Island's agricultural and ranching production, to meet the expansive demand for healthy ready-to-eat meals, locally, nationally and internationally.

Agriculture has been foundering in Hawaii for a generation with small-kine, old-school thinking preventing the kind of expansive growth the industry is capable of, particularly here on Hawaii island.

The issuance of the special purpose revenue bond will deliver: quality jobs, reasonable cost housing, fresh opportunities for independent farmers and ranchers, a significant investment in agricultural infrastructure development, and perhaps most importantly will cement the reputation of Hawaii's farming and ranching brands on the world market.

Please support this bill and by doing so help to transform Hawaii's struggling agricultural industry.

Mahalo

TJ Leonard

THE SENATE

KA 'AHA KENEKOA

HOUSE OF REPRESENTATIVES
THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 202

COMMITTEE ON ECONOMIC DEVELOPMENT

Rep. Daniel Holt, Chair
Rep. Rachele F. Lamosao, Vice Chair
Rep. Natalia Hussey-Burdick
Rep. Sean Quinlan
Rep. Sam Satoru Kong
Rep. Elijah Pierick
Rep. Nadine K. Nakamura

COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

Rep. Cedric Asuega Gates, Chair
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Rep. Elle Cochran
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Rep. Nicole E. Lowen
Rep. Gene Ward
Rep. Amy A. Perruso
Testimony on HB691

Relating to the issuance of special purpose revenue bonds to assist Kohala Mountain Fish Company LLC.

I strongly support this bill. As a mentor to small businesses on Hawaii Island, many of whom are in the agriculture sector, I have long recognized the need for a project like the Village, a resilience hub where farmers, value add processors and food distributors all have access to the facilities, training and culture that supports them to maximize the return on their investments of both time and money. As an example, we have long needed a certified kitchen, available to all who agree to abide by a set of food safety standards. The Village concept is a way to support future generations to be engaged in the new technology of farming and processing and to enhance Hawaii's food security.

Sincerely,

Tom Leonard

LATE **LATE**

HB-691

Submitted on: 2/14/2023 10:23:29 PM

Testimony for ECD on 2/15/2023 11:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruth Love	Individual	Oppose	Written Testimony Only

Comments:

This is a business, let it take out a loan.

Thank you,

Mrs Ruth Love