



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKĀ'I

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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Tuesday, February 17, 2026
1:11 PM
State Capitol, Conference Room 229

In consideration of
SB2716
RELATING TO COOPERATIVES

Chair DeCoite, Vice Chair Wakai, and Members of the Committee,

The Department of Business, Economic Development & Tourism (DBEDT) offers comments on SB2716, which establishes a Cooperative Development Program within the Department to provide cost-share grants and technical assistance grants to support the formation and conversion of cooperatives in Hawai'i.

DBEDT's Economy for Resilience framework prioritizes:

- Economic diversification
- Strengthening locally rooted enterprises
- Workforce development and job quality
- Rural and agricultural resilience
- Wealth retention within communities

SB2716 aligns with several of these strategic pillars. Specifically, the bill:

- Encourages worker and community ownership models that retain wealth locally.
- Supports job retention and quality improvements through cooperative conversion.
- Provides tools that may assist rural and agricultural communities in stabilizing locally owned enterprises.
- Complements DBEDT's Food & Product Innovation Network and value-added manufacturing efforts by offering an ownership pathway for small producers.

From a policy standpoint, cooperative development can serve as a resilience strategy, particularly in scenarios involving retiring business owners, generational transitions in agriculture, and workforce-driven enterprise models.

SB2716 appropriates \$750,000 for FY2026–2027 to establish and administer the program.

While the Department recognizes the importance of supporting cooperative development, implementation will require careful consideration of administrative capacity and ongoing costs.

To responsibly administer this program, DBEDT would require dedicated program management staff to:

- Develop Chapter 91 administrative rules
- Design grant criteria and scoring systems
- Monitor compliance and duplication-of-benefits safeguards
- Review proportional contribution documentation
- Track job creation and reporting metrics
- Prepare required annual legislative reports
- Fiscal and grant management support to oversee reimbursement, match verification, and compliance monitoring.

Without dedicated staffing, the program may strain existing divisions and administrative services.

The bill requires rule adoption under Chapter 91. Rulemaking will be necessary to define:

- Proportional contribution valuation (including in-kind services)
- Eligible and prohibited uses
- Scoring criteria
- Reporting standards
- Duplication-of-benefits safeguards
- Rule development will require legal coordination and may delay full program rollout.

If staffing costs are drawn from the appropriated funds, the available grant pool may be significantly reduced. Alternatively, if staffing is not funded, the Department would need additional resources to ensure proper oversight.

The program also sunsets in 2031, requiring evaluation and reporting prior to continuation.

The Department respectfully notes several implementation considerations:

- Administrative Burden
- Verification of 25% proportional contributions, particularly in-kind professional services, may require substantial documentation review and oversight.
- Limited Existing Cooperative Development Ecosystem
- Hawai'i currently has limited nonprofit cooperative development infrastructure. If insufficient technical assistance capacity exists, grant uptake may be slow.
- Outcome Measurement Complexity
- Tracking job creation, retention, and quality improvements will require consistent reporting standards and data validation.
- Duplication-of-Benefits Risk

Careful coordination will be needed to prevent overlapping reimbursement with other state or federal programs.

At the proposed funding level, the program will likely function as a pilot initiative, serving a limited number of enterprises annually.

SB2716 addresses a distinct economic barrier: organizational and ownership transition costs. This differs from infrastructure-based strategies such as shared facilities or capital investment programs.

If the Legislature's intent is to promote community-based ownership models and support business succession planning, this program may serve as a targeted tool. However, long-term success will depend on sustained funding, technical capacity, and administrative support.

DBEDT recognizes the policy objectives of SB2716 and the strategic alignment with elements of Hawai'i's economic resilience goals. The Department respectfully offers these comments to ensure that implementation considerations, staffing needs, and program sustainability are fully evaluated.

Thank you for the opportunity to provide comments on this measure.

Hawai'i Co-op Hui

SB2716 – Relating to Cooperatives (Cooperative Development Program)

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Keoni DeFranco. I serve as a Managing Director at Purple Mai'a Foundation, where we work at the intersection of technology, economic development, and community self-determination. I am also a co-founder of the newly formed Hawai'i Co-op Hui and a kalo farmer in Waimānalo, exploring the formation of a worker-owned cooperative with fellow farmers in our community.

I am submitting testimony in strong support of SB2716, which establishes a Cooperative Development Program within the Department of Business, Economic Development, and Tourism.

At Purple Mai'a, we have seen firsthand the growing interest in cooperative models across Hawai'i. Last May, we helped convene the inaugural Hawai'i Cooperative Hui Gathering, which brought together over 60 participants including existing cooperatives, emerging cooperatives, farmers, cultural practitioners, and community leaders. The energy was clear, there is a rising movement to build worker-owned and community-owned enterprises rooted in local values of aloha 'āina, kuleana, and laulima.

That momentum has only continued to grow. We now have over 80 active members in the Hawai'i Co-op Hui who are meeting regularly, organizing, and providing peer training and support to strengthen this emerging cooperative ecosystem across the islands.

Cooperatives are businesses owned and democratically governed by their members: the workers, consumers, producers, and/or community members who use and sustain them. Instead of outside shareholders controlling decisions, cooperatives operate on a one-member, one-vote basis. They are grounded in shared values of self-help, democracy, equity, and solidarity. Internationally recognized cooperative principles include voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education and training, cooperation among cooperatives, and concern for community. These principles make cooperatives uniquely suited to build local wealth, strengthen resilience, and keep decision-making rooted in the communities they serve.

One of the biggest barriers to cooperative formation and business conversion in Hawai'i remains the high upfront administrative and legal costs. Feasibility studies, incorporation, bylaws, financial modeling, and governance design often cost tens of thousands of dollars. These costs put cooperative ownership out of reach for many workers, farmers, and Native Hawaiian communities who are otherwise ready to organize.

One of the strongest needs we heard directly from participants at our statewide gathering was Hawai'i-based infrastructure and financial support to make cooperative formation realistic and accessible. SB2716 answers that call by creating a statewide Cooperative Development Program housed at DBEDT. The bill provides cost-share grants ranging from \$10,000 to \$50,000 to help cooperatives cover startup and conversion costs such as legal services, feasibility studies, business planning, and governance development. It requires a 25 percent match, which may include cash, other grants, or in-kind contributions like volunteer labor or donated professional services.

Importantly, the bill also funds nonprofit cooperative development partners to provide technical assistance, education, training, and outreach. It prioritizes worker ownership, job creation and retention, rural and agricultural communities, Native Hawaiian communities, and underserved populations. It includes reporting, evaluation, and program oversight to ensure accountability and track outcomes. The appropriation of \$750,000 for FY 2026–2027, with a sunset date of June 30, 2031, provides a responsible pilot period to demonstrate effectiveness.

There is real momentum across our islands. SB2716 ensures that this growing interest can translate into viable, well-structured, and sustainable cooperative enterprises. Paired with SB2922's modern legal framework, this bill builds the financial and institutional infrastructure needed for Hawai'i's cooperative economy to take root and thrive.

I respectfully urge the committee to pass SB2716 and invest in locally owned businesses that strengthen Hawai'i's economy, create quality jobs, and keep wealth circulating within our communities.

Mahalo for the opportunity to testify.

Keoni DeFranco, Co-Founder Hawai'i Co-op Hui

Keoni DeFranco



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Waimānalo, O'ahu

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Natalie Urminka
Kaua'i

Aloha Chair DeCoite, Vice Chair Wakai, and Members of the Senate Economic Development and Tourism Committee,

The Hawai'i Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFU supports SB2716.**

SB2716 underscores the importance of cooperative enterprises in fostering economic growth. By providing grants through a Cooperative Development Program, the bill addresses the prohibitive start-up costs that often deter the formation of cooperatives. This is particularly significant for farmers and community-based businesses who face substantial financial and administrative barriers when attempting to organize. By alleviating these initial hurdles, Hawaii can empower its agricultural sector to transition from being individual price-takers to collectives making impacts at scale. This measure not only supports economic diversification but also builds a more self-sustaining and locally driven economy.

Moreover, SB2716 represents a strategic investment in community empowerment through shared ownership and democratic control. Cooperatives allow farmers and producers to pool resources, increase their bargaining power, and gain broader market access. Regular reporting and accountability, as mandated by the bill, ensure that resources are utilized effectively, translating into tangible benefits for all stakeholders involved. By nurturing cooperative models, Hawaii positions itself to reap the benefits of a more resilient economic structure that prioritizes local communities.

Mahalo for the opportunity to testify.

Hunter Heavilin
Advocacy Director
Hawai'i Farmers Union



Enlivened Cooperative
1875 Kalanianaʻole St, apt 107
Hilo, 96720, HI

LATE

November 15, 2025

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Kelly Teamey, and I am the Director and Co-Founder of the Enlivened Cooperative, a worker-owned, not-for-profit, eco-social learning organization based in Hilo, Hawai‘i. I am submitting this testimony in strong support of SB2716, which establishes a Cooperative Development Program within the Department of Business, Economic Development, and Tourism (DBEDT).

Over the past three and a half years, I have worked directly in cooperative development support across Hawai‘i, partnering with more than 20 cooperatives at various stages of formation and growth. I worked with The Kohala Center from September 2022 - March 2025 as their Collective Economies and Cooperative Development Manager. This work has spanned diverse sectors - from agriculture and food systems to worker ownership and community-based enterprises - and has taken me to communities across all of our islands.

Through this hands-on experience, I have witnessed both the extraordinary promise of the cooperative model in Hawai‘i and the very real barriers that prevent cooperatives from forming and thriving. Time and again, the single greatest obstacle I encounter is the high upfront cost of organizing a cooperative: feasibility studies, legal services, business planning, and governance development routinely cost tens of thousands of dollars. For workers, farmers, and community members who stand to benefit most from cooperative ownership, these costs are simply out of reach.

SB2716 directly addresses this critical gap. By creating a statewide Cooperative Development Program that provides cost-share grants and funds nonprofit cooperative development partners to deliver technical assistance, education, and outreach, this bill builds the practical infrastructure that Hawai‘i’s cooperative ecosystem urgently needs.

In my work, I have seen what happens when communities have access to even modest development support: cooperatives form, local jobs are created and retained, wealth circulates within communities rather than leaving the islands, and farmers and workers gain democratic control over their economic futures. The bill’s prioritization of worker ownership, rural and agricultural communities, and Native Hawaiian and underserved populations reflects the





communities where cooperative development can have the greatest impact—and where I have seen the greatest need.

Hawai‘i is experiencing a remarkable groundswell of interest in cooperative enterprise. In 2025, we helped convene the state’s first-ever statewide cooperative business gathering, bringing together more than 65 kama‘āina from 15 established cooperatives and 20+ emerging cooperative ventures. The energy and commitment in that room were extraordinary, but energy alone is not enough. Without dedicated programmatic support and resources, many of these promising cooperative efforts will stall before they can deliver on their potential.

SB2716 does not operate in isolation. Together with SB2922, which modernizes Hawai‘i’s outdated and fragmented cooperative laws, this bill creates both the legal framework and the financial and institutional support needed for a thriving cooperative ecosystem. Other states that have invested in cooperative development programs have seen measurable growth in worker ownership, successful business successions through cooperative conversions, and stronger local economies. Hawai‘i deserves the same opportunity.

I also respectfully encourage the Committee to consider ensuring that the program’s scope includes support for the growth and development of established cooperatives—not only startups and conversions. In my experience, existing cooperatives often need continued technical assistance to scale operations, strengthen governance, and deepen their community impact. Supporting the full lifecycle of cooperative development will maximize the program’s long-term return on investment.

Cooperatives are not a new idea - they are a proven model for building resilient, equitable, community-rooted economies. What Hawai‘i has lacked is the dedicated infrastructure to support their formation and growth. SB2716 provides that infrastructure. As someone who has spent years on the ground doing this work across our islands, I can attest that this bill is imperative to building a stronger cooperative ecosystem in Hawai‘i.

I urge the Committee to pass SB2716.

Mahalo for the opportunity to testify.

Kelly Teamey, PhD
Director and Co-Founder, Enlivened Cooperative
Hilo, Hawai‘i





Farmer owned, 'āina grown

Aloha Chair DeCoite, Vice Chair Wakai, and Members of the Senate Committee on Economic Development and Tourism (EDT),

This testimony provided on behalf of the Hawai'i 'Ulu Producers Cooperative is in **strong support of SB2716**, which establishes a Cooperative Development Program within the Department of Business, Economic Development, and Tourism (DBEDT).

About Us

The Hawai'i 'Ulu Co-op (HUC) is an agricultural producer cooperative founded in 2016 with 9 small, family farmers around Hawai'i Island. We are a social enterprise created to provide a stable and reliable market for Hawai'i's 'ulu farmers, united in their belief that 'ulu (breadfruit) can and should be revitalized as a dietary staple for Hawai'i's food security, environmental resilience, cultural integrity, and sustainable economic development. Over the past 10 years, we have grown organically and now represent over 220 farmer-members across four islands (Hawai'i Island, Maui, O'ahu, and Kaua'i). Through the cooperative business structure, we have been able to aggregate economies of scale, develop minimal and value-added processing capabilities that comply with FSMA, and serve markets larger than any of our members would be able to reach on their own – including all 258 public schools of the Hawai'i Department of Education. Today, we are one of DOE's largest local suppliers. For us and other cooperative businesses in Hawai'i, ongoing access to development support resources including both funding and technical assistance is critical to our continued survival and success.

Why Cooperatives Matter for Hawai'i

For many, the "Co-op" model is still a new concept, but it is a proven engine for economic resilience. Unlike traditional corporations driven by outside shareholders, cooperatives are businesses owned and democratically controlled by the people who use their services—whether they are workers, farmers, or other community stakeholders.

Cooperatives keep wealth within our islands. Because they are rooted in the community, they are less likely to relocate and more likely to prioritize fair wages, sustainable local sourcing, and long-term stability over short-term profits. They represent a "circular economy" that directly benefits Hawai'i's people.



Hawai'i 'Ulu Producers Cooperative

79-1017 E Honalo Rd, Kailua-Kona, Hawai'i 96740 | 808-238-8869 | eatbreadfruit.com | info@eatbreadfruit.com

Addressing the Barriers to Growth

SB2716 addresses one of the biggest hurdles to cooperative formation: the high upfront administrative costs. Feasibility studies, legal services, and governance development often cost tens of thousands of dollars, placing ownership out of reach for many. This bill provides the necessary cost-share grants and technical assistance (TA) to bridge that gap.

A Critical Amendment: Support for Established Cooperatives

While startup support is vital, **we respectfully request that SB2716 be amended to explicitly include funding and technical assistance for established cooperatives.** Just as a seedling needs water after it sprouts, existing co-ops need continued development support to thrive. Growth brings unique challenges:

- **Scaling Operations:** Established co-ops need capital and TA to expand their reach and compete with larger entities.
- **Governance Evolution:** As membership grows, governance structures must be modernized to maintain democratic integrity.
- **Succession Planning:** Support is needed to help traditional businesses transition into cooperatives when owners retire, preventing business closures and job loss. So too must existing cooperatives plan and prepare for succession of key leadership personnel, members and board directors.

Providing resources for existing cooperatives to scale ensures that the state's investment leads to long-term economic resilience rather than just short-term launches.

Conclusion

Across the country, similar programs have successfully supported enterprises that create quality jobs and keep businesses rooted in their communities. SB2716 brings this proven approach to Hawai'i.

We respectfully urge the committee to **pass SB2716** with the requested amendment and invest in the locally-owned and-controlled businesses that strengthen Hawai'i's economy.

Mahalo for the opportunity to testify,



Dana Shapiro
Hawai'i 'Ulu Cooperative Co-founder and CEO

SB-2716

Submitted on: 2/16/2026 11:20:55 AM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Ming Wei Koh	Testifying for Hawaii Mamaki Cooperative	Support	Written Testimony Only

Comments:

We support the establishment of a new program at DBEDT to provide grants and technical assistance to help start new cooperatives and convert existing businesses to cooperative ownership, prioritizing quality jobs, rural communities, and underserved populations.

Mahalo nui loa



Testimony of Andrew Trump

Island Harvest Inc.

RE: SB2716 RELATING TO COOPERATIVES

Aloha Members of the Committee,

My name is Andrew Trump and I am a second-generation farmer writing on behalf of Island Harvest Inc. to support SB2716 Relating to Cooperatives. Island Harvest manages over 500-acres of organic macadamias in Kohala on the Island of Hawai'i. In addition to macadamias, we grow breadfruit, limes, and raise sheep. As a farming company, we employ agricultural and business practices that contribute positively to our environment and community while ensuring that our farming team can work in a safe environment.

Our farm has been a part of the Hawai'i 'Ulu Cooperative (HUC) since 2017 and has seen the positive impact the organization has had on our agricultural community and broader food system. This bill to establish a Cooperative Development Program will further strengthen the work of HUC and support other industries looking to create cooperatives.

I also serve as the Vice President of the Hawai'i Macadamia Nut Association (HMNA) and we are currently working to establish a cooperative that serves all Hawai'i macadamia farmers through processing and marketing. This bill is an important step in helping the macadamia industry succeed in the future.

Thank you for taking the time to consider this bill and my testimony.

Mahalo,

A handwritten signature in black ink that reads "Andrew Trump". The signature is written in a cursive style.

Andrew Trump

Vice President

Island Harvest Inc.

SB-2716

Submitted on: 2/16/2026 12:51:44 PM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Brandon Makaawaawa	Testifying for Nation of Hawai'i	Support	Written Testimony Only

Comments:

****Support****

The Nation of Hawai'i is committed to advancing the economic, political, and social rights of Native Hawaiians through models that reflect our traditional values, including communal land tenure and collective resource management. SB2716 is significant to our mission because it establishes a Cooperative Development Program within the Department of Business, Economic Development, and Tourism, providing grant support for new cooperatives statewide. This approach aligns with Native Hawaiian practices of communal ownership and self-sufficiency, and offers a pathway for our communities to achieve greater economic independence and self-determination.

Cooperatives have long been recognized as effective vehicles for empowering marginalized communities, promoting democratic participation, and fostering local economic resilience. For Native Hawaiians, the cooperative model resonates with our ahupua'a-based systems of shared stewardship and collective benefit. By facilitating the creation of new cooperatives, this bill can help address critical issues such as affordable housing, food sovereignty, renewable energy, and sustainable land use—areas of deep concern to our people. Furthermore, the grant program and annual reporting requirements encourage transparency and accountability, ensuring that public resources are used effectively to support community-driven initiatives.

We recognize that the success of this program will depend on equitable outreach, culturally appropriate technical assistance, and meaningful engagement with Native Hawaiian communities. It is essential that the Department's rulemaking process incorporate Native Hawaiian perspectives and traditional knowledge, particularly regarding land tenure, resource management, and communal decision-making. This will help ensure that the program's benefits are accessible to those communities most in need and that it supports the restoration of Hawaiian self-governance principles.

We respectfully recommend that the Department consult with Native Hawaiian organizations and leaders during the development and implementation of program rules and grant criteria. Additionally, we encourage the Legislature to ensure that reporting requirements include metrics relevant to Native Hawaiian economic, social, and cultural outcomes. With these considerations, SB2716 can become a powerful tool for advancing economic justice, cultural revitalization, and true self-determination for Hawai'i's Indigenous people.

Aloha,

Brandon Maka'awa'awa

Vice President, Nation of Hawai'i



Date of hearing: February 17, 2026

To: Chair Lynn DeCoite, Vice Chair Glenn Wakai, and the Senate Committee on Economic Development and Tourism

Subject: **SB2716**, Relating to Cooperatives

Aloha,

Hawai'i Food+ Policy submits testimony in support of SB2716 to provide cost-share grants and technical assistance to cooperatives, prioritizing worker ownership, support job creation, and benefit underserved communities such as those rural and agricultural communities, and Native Hawaiian communities. SB2716 will benefit small and medium businesses, community members, and Hawai'i residents at large.

Cooperatives are practical, proven tools to keep wealth circulating locally and communities in control. A stronger Hawai'i cooperative economy is essential for local ownership, resilience, and self-determination – the coordination of this effort explicitly including organizations supporting Native Hawaiian economic development being critical. SB2716 will modernize Hawai'i's cooperative laws and invest in cooperative development. For instance, starting or converting a business into a cooperative often involves high upfront costs, including feasibility studies, legal fees, and business planning which can be offset by the stated grant amounts. These fees often are beyond the reach of workers, farmers, and community members but support for cooperatives can provide accessibility to this tool. We support SB2716 and its intention to provide cost-share grants to alleviate these barriers.

Cooperatives keep wealth circulating within local communities in Hawai'i. Cooperatives can provide high-quality jobs, increase worker and community ownership of productive assets, and strengthen local economies, particularly in rural and agricultural communities. By supporting the creation of worker-owned, multi-stakeholder, and community-based cooperatives, the bill helps retain jobs and keep businesses rooted in Hawaii. From a food systems perspective, SB2716 will strengthen Hawai'i's capacity to feed itself by supporting local farmers and expanding opportunities for young, emerging farmers.

Hawai'i Food+ Policy supports SB2716 and encourages your committee to pass this bill.

Mahalo,
Brandon Kinard & the Food+ Policy Team
[#fixourfoodsystem](#)

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2026, the cohort of interns are undergraduate and graduate students and young professionals working in the food system. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.

LATE

RE: SB2716 – Relating to Cooperatives

Aloha Chair and Members of the Committee,

My name is Glenn Toyama, and I am part of a group working to form a cooperative in Hawai'i. I strongly support SB2716.

The biggest challenge we face in starting our cooperative is the high cost of legal services, feasibility studies, and business planning required to do it right. These costs are a major barrier for working families and small community groups.

SB2716 would make cooperative ownership possible by providing cost-share grants and access to technical assistance.

This bill will help new cooperatives like ours launch successfully and contribute to local job creation and economic resilience.

I respectfully urge the committee to pass SB2716.

Mahalo.



Glenn Toyama
a Kaneohe community houseless outreach organizer
Kaneohe, HI. 96744
Email: gtoyama202x@gmail.com
Cell: 808-741-6002



LATE

Senate Committee on Economic Development and Tourism

Hawai'i Alliance for Progressive Action (HAPA) Supports: SB2716

Tuesday, February 17th, 2026 1:11 p.m. Conference Room 229

Aloha Chair DeCoite, Vice Chair Wakai, and Members of the Committee,

HAPA supports SB2716 which establishes a Cooperative Development Program within the Department of Business, Economic Development, and Tourism to award grants to support the establishment of new cooperatives in the State.

It can be costly to organize, expand or convert businesses to cooperative ownership. Access to feasibility funding, legal support and governance development all can provide targeted investment to help cooperatives succeed.

Cooperatives can create quality jobs, strengthen rural communities, and keep wealth circulating within the local economy.

This program will support the next generation of cooperatives across agriculture, energy, housing, and community services.

Please support SB2716 to strengthen our local economy.

Respectfully,

A handwritten signature in black ink, appearing to read 'Anne Frederick', written in a cursive style.

Anne Frederick
Executive Director

LATE

SB-2716

Submitted on: 2/16/2026 3:19:36 PM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Grant Ferrier	Individual	Support	Written Testimony Only

Comments:

I own an operate , a māmaki farm on the big island outside of volcano village. For the last 2 years, we have been trying to form a cooperative and have finally overcome some of the administrative hurdles to form a board of directors and establish bylaws and have a community meeting for prospective farmers, processors and distributors of Māmaki. It has been challenging in any kind of institutional support that could have been provided by the state would have advanced our objectives noticeably. And even our modest efforts to gather this community have already seen some value in new relationships. So while I am new to the co op world , I see the benefits of legislation and state activity to support more of this form of collaboration in hawaii

LATE



Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair
Committee on Economic Development and Tourism

Tuesday, February 17, 2026
1:11PM Conference Room 229

RE: SB2716 - DBEDT Cooperative Development Program - Strong Support

Dear Chair DeCoite, Vice Chair Wakai, and Members of the Committee,

On behalf of the Chamber of Sustainable Commerce, we write in strong support of SB2716, which establishes a Cooperative Development Program within DBEDT to provide cost-share grants and technical assistance for cooperative formation and conversion. The Chamber of Sustainable Commerce represents more than 580 small businesses, sole proprietors and entrepreneurs across Hawai'i committed to a triple bottom line: people, planet and prosperity.

Cooperatives are proven economic stabilizers. Structured around democratic member control and distribution of net proceeds based on patronage rather than outside shareholders, they keep wealth circulating locally and align business decisions with community benefit. Nationally, cooperative and worker-owned models are associated with higher employee retention, more equitable wage distribution, stronger local supply chains, and greater resilience during economic downturns.

SB2716 addresses a key barrier: the high administrative startup costs of feasibility studies, governance design, legal structuring, and financial modeling. The program also prioritizes projects that expand worker or community ownership, retain or create jobs, strengthen rural and agricultural communities, and benefit underserved populations. This supports business succession for retiring owners, producer cooperatives for small farmers, and worker-owned enterprises in key local sectors. In short, SB2716 strengthens small business continuity, community wealth building, and economic resilience.

**Hawaii Legislative
Council Members**

Joell Edwards
Wainiha Country Market
Hanalei

Russell Ruderman
Island Naturals
Hilo/Kona

Dr. Andrew Johnson
Niko Niko Family Dentistry
Honolulu

Robert H. Pahia
Hawaii Taro Farm
Wailuku

Maile Meyer
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SB-2716

Submitted on: 2/14/2026 6:59:09 AM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
melissa tomlinson	Individual	Support	Written Testimony Only

Comments:

Please support SB2716 and all measures regarding Co-op's in Hawai'i. It will benefit local economic growth and it will support a circular economy vs an extractive economy. There are solutions to the crises being faced and supporting these kinds of work relations should be supported by all those in leadership roles. It's time for wage theft to lose its role as the #1 form of theft. Protect The People and support this Bill.

SB-2716

Submitted on: 2/14/2026 9:24:57 AM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
cheryl burghardt	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members

I **strongly support** the amended SB 2716 which creates grants and technical assistance to help start new co-ops, converts existing businesses to worker ownership, covers legal and planning costs and prioritizes jobs for rural communities and underserved groups.

As we move towards building a stronger foundation in sustainability for our islands, this is a positive step forward.

Mahalo for supporting this bill.

Cheryl Burghardt

Nuuanu Oahu

SB-2716

Submitted on: 2/14/2026 10:55:43 AM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Michelle Ma	Individual	Support	Written Testimony Only

Comments:

Support

SB-2716

Submitted on: 2/14/2026 7:05:11 PM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Brandon Koskie	Individual	Support	Written Testimony Only

Comments:

Aloha my name is Brandon Koskie and I am in support of SB2716. As a companion to SB2922 and HB2404, SB2716 provides the essential grants and assistance needed to turn future co-ops into a real economic impact. There are many opportunities with co-ops to invest in such as affordable housing, food security, and sustainable businesses. But the one thing that holds all of them back is funding. The grants can apply for studies, legal support, and business planning to enable small businesses, rural farmer networks, etc. to succeed. This bill will provide the seed money and expertise to help new co-ops.

SB-2716

Submitted on: 2/15/2026 1:09:44 PM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Anna Camacho	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

I respectfully submit this testimony in **strong support of SB 2716**, a bill that would create a *Cooperative Development Program* within the DBEDT to provide grants and technical assistance to support the establishment of new cooperatives and conversion of existing businesses in Hawai‘i.

I support this bill because I believe that Hawai‘i’s economic future should be grounded in **community-driven ownership, shared prosperity, and long-term local resilience**. This legislation takes a meaningful step toward lowering the barriers that everyday workers, farmers, and community members face in organizing cooperatives by addressing startup and transition costs that often make cooperative formation out of reach.

Why SB 2716 Matters:

Expands Economic Opportunity: Cooperatives create *high-quality jobs*, distribute ownership broadly, and help ensure that wealth remains in our communities. Supporting cooperative development strengthens economically marginalized regions, particularly rural and Neighbor Island areas.

Supports Shared Ownership and Equity: Cooperative models create democratic workplaces where members have a voice and stake in decisions that affect their livelihoods. This aligns with our values of equity, fairness, and collective wellbeing.

Helps Local Businesses Thrive: Many Hawai‘i small businesses, especially agricultural enterprises and community services, struggle with rising costs and economic uncertainty. Grants for feasibility studies, business planning, legal support, and governance design would help more of these businesses transition to cooperatives or start with cooperative structures that prioritize people over profit.

SB 2716 is not just economic policy; it is a *community empowerment policy*. It helps remove structural barriers and invests in cooperative pathways that reflect Hawai‘i’s cultural values of *ohana, mutual support, and shared stewardship*. I urge your committee to **pass SB 2716 with strong support** and help expand economic democracy in our islands.

Mahalo nui loa for the opportunity to testify.

SB-2716

Submitted on: 2/16/2026 7:07:34 AM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
panelopi mckenzie	Individual	Support	Written Testimony Only

Comments:

I support SB2716

SB-2716

Submitted on: 2/16/2026 9:31:25 AM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Kelsey Amos	Individual	Support	Written Testimony Only

Comments:

I support SB2716.

There is an energized ecosystem of cooperatives and cooperative-curious business and nonprofit leaders in Hawai‘i. Last May I attended the first annual Hawai‘i Cooperative Gathering, held on Hawai‘i Island, which was attended by over 50 organizations.

A key learning from this convening is that cooperatives solve problems for businesses and communities. One clear example is in agriculture with the ‘Ulu Co-op. The ‘Ulu Co-op solves problems of aggregation and market access/development for small farmers who can then focus on farming, but still enjoy the benefits of owning a piece of the co-op they sell to.

Another great example is the energy co-op on Kaua‘i, which has been able to aggressively increase renewable energy while keeping electric bills lower on Kaua‘i than on any other island. They are a consumer co-op meaning their decisions are accountable to their customers, because the decision-makers ARE customers.

At the conferece many people wanted to start co-ops (whether starting entirely new or converting their nonprofit or for-profit into a co-op) but did not know where or how to start. In my own experience, I have been curious for several years about reformulating my postpartum soup business into a consumer co-op structure. I think that would be one way to ensure the businesses long-term sustainability. But I have not been able to access the technical expertise to have confidence in setting that up.

This bill would help address the need out there for technical assistance for co-ops, and that would in turn be beneficial to our local economy. Co-ops should be a tool in our toolkit to solve economic problems while keeping ownership local, and people need to learn how to use this tool.

SB-2716

Submitted on: 2/16/2026 9:47:12 AM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Summer begnaud	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Summer Begnaud, and I am submitting testimony in strong support of SB2716, which establishes a Cooperative Development Program within the Department of Business, Economic Development, and Tourism.

SB2716 addresses one of the biggest barriers to cooperative formation and conversion in Hawai‘i: the high upfront administrative costs required to organize a cooperative or transition an existing business to worker or community ownership. Feasibility studies, legal services, business planning, and governance development often cost tens of thousands of dollars, placing cooperative ownership out of reach for many workers, farmers, and community members.

This bill creates a practical solution by providing cost-share grants and funding nonprofit cooperative development partners to deliver technical assistance, education, and outreach. It prioritizes worker ownership, job retention and creation, rural and agricultural communities, and underserved populations, including Native Hawaiian communities.

Across the country, similar programs have successfully supported cooperative enterprises that create quality jobs, strengthen local economies, and keep businesses rooted in their communities. SB2716 brings this proven approach to Hawai‘i.

Together with SB2922’s modern cooperative legal framework, SB2716 builds the financial and institutional infrastructure needed for cooperatives to thrive.

I respectfully urge the committee to pass SB2716 and invest in locally owned businesses that strengthen Hawai‘i’s economy and communities.

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Venus Rodin, and I am submitting this testimony in strong support of SB2716.

Redefining Our Local Economy

To be honest, I didn't truly understand what a cooperative was until just last year. Like many in our community, I used to think of "business" as something owned by a single boss or a distant group of shareholders. Learning about the co-op model changed my perspective on what our local economy could look like.

Simply put, a cooperative is a business owned and democratically controlled by the very people who use its services or do the work. It is a "one member, one vote" system. This ensures that profits don't fly off to the mainland; they stay right here in Hawai'i, circulating within our neighborhoods and supporting our families.

A Career Rooted in Community: My Personal Experience

I want to speak to you today from a place of deep personal experience. My life has been changed in the most profound way by a cooperative. After graduating from the University of Hawai'i at Hilo, I was fortunate enough to land an internship with the Hawai'i 'Ulu Cooperative. That internship turned into a hired position, and in just five months, the impact on my life has been incredible.

Through the cooperative model, I have found more than just a job; I have found a calling. I have led projects that fulfill both myself and my community, participated in high-level community meetings I only dreamed of attending, and developed a deep, lasting passion for sustaining local agriculture. This cooperative didn't just give me a paycheck—it gave me a stake in Hawai'i's future. In my previous roles within traditional corporate structures here in Hilo, I never experienced this level of deep, personal involvement with my community. The cooperative model is unique because it bridges the gap between 'doing business' and 'doing good' for our neighbors.

Lowering the "Price of Admission" for Local Entrepreneurs

To continue, the biggest thing I've realized is that it isn't a lack of passion holding back our local entrepreneurs—it's the "price of admission." Transitioning a local shop to worker ownership or starting a community-run farm requires specialized legal help, feasibility studies, and governance planning that can cost tens of thousands of dollars. Our community is filled with the most creative, driven, entrepreneurial individuals that deserve better access to their dreams thriving.

For many of our workers and Native Hawaiian communities, that cost is a brick wall. SB2716 acts as a bridge over that wall, providing the cost-share grants and technical assistance needed to make local ownership a reality for everyone, not just those with deep pockets.

Crucial Amendment: Supporting the Growth of Established Co-ops

While I am thrilled about the support for startups, I want to emphasize that established cooperatives need help just as much as beginners. Think of it like a garden: a seedling needs a lot of attention to sprout, but a fruit-bearing tree needs pruning and care to keep producing year after year. I respectfully request that this bill be amended to include funding and technical assistance for existing co-ops. As these businesses grow from 10 members to 100, they face massive challenges in modernizing their governance and scaling their operations. By supporting mature co-ops, the state ensures its initial investment leads to a resilient, permanent fixture in our economy.

I urge the committee to pass SB2716 and help us grow a sustainable, community-owned future.

Mahalo for the opportunity to share my story and this testimony,

Venus Rodin

SB-2716

Submitted on: 2/16/2026 12:31:17 PM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Carmela Resuma	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-2716

Submitted on: 2/16/2026 12:34:04 PM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Leo Nahe Smith	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Leo Nahe, and I am submitting testimony in strong support of SB2716, which establishes a Cooperative Development Program within the Department of Business, Economic Development, and Tourism.

SB2716 addresses one of the biggest barriers to cooperative formation and conversion in Hawai'i: the high upfront administrative costs required to organize a cooperative or transition an existing business to worker or community ownership. Feasibility studies, legal services, business planning, and governance development often cost tens of thousands of dollars, placing cooperative ownership out of reach for many workers, farmers, and community members.

This bill creates a practical solution by providing cost-share grants and funding nonprofit cooperative development partners to deliver technical assistance, education, and outreach. It prioritizes worker ownership, job retention and creation, rural and agricultural communities, and underserved populations, including Native Hawaiian communities.

Across the country, similar programs have successfully supported cooperative enterprises that create quality jobs, strengthen local economies, and keep businesses rooted in their communities. SB2716 brings this proven approach to Hawai'i.

Together with SB2922's modern cooperative legal framework, SB2716 builds the financial and institutional infrastructure needed for cooperatives to thrive.

I respectfully urge the committee to pass SB2716 and invest in locally owned businesses that strengthen Hawai'i's economy and communities.

Mahalo for the opportunity to testify.

LATE

SB-2716

Submitted on: 2/16/2026 1:51:31 PM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Individual	Support	Written Testimony Only

Comments:

SUPPORT facilitating cooperatives.

LATE

SB-2716

Submitted on: 2/16/2026 8:30:31 PM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Jan K Baldado	Individual	Support	Written Testimony Only

Comments:

Aloha,

I SUPPORT SB 2716.

Mahalo nui.

LATE

Aloha Chair DeCotie, Vice Chair Wakai, and Members of the Committee,

My name is Oriana Leao and I **support** SB2716 which 1) establishes a Cooperative Development Program within the Department of Business, Economic Development, and Tourism (DBEDT) to award grants to support the establishment of new cooperatives in the State, 2) requires the Department to adopt rules, 3) requires annual reports to the Legislature, 4) appropriates funds and 5) sunsets 6/30/2031.

This bill would allow DBEDT to administer grants and technical assistance necessary to start new co-ops, convert existing businesses to worker ownership, cover legal and planning costs, and prioritize jobs, rural communities and underserved groups. The appropriation request of \$750,000 is a reasonable and small investment, given the large impact this bill has the potential to provide for Hawai'i's workers and the economic development of Hawai'i. This appropriation request has the potential to establish 10-20 cooperative associations that could produce unlimited economic multipliers for the State and its workforce development goals.

Thank you for your consideration of this testimony.

LATE

SB-2716

Submitted on: 2/17/2026 9:46:38 AM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Gregory Misakian	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB2716.

Gregory Misakian

LATE

TESTIMONY IN SUPPORT OF SB2716

RELATING TO COOPERATIVES

Aloha Chair & Members of the Committee,

My name is Jennifer Karaca, and I am submitting testimony in strong support of SB2716, which establishes a Cooperative Development Program within the Department of Business, Economic Development, and Tourism (DBEDT) to award grants supporting the development of new cooperatives in Hawai'i.

Cooperatives are one of the most practical and proven tools we have for building local economic resilience, especially in Hawai'i where we face uniquely high costs of living, supply chain vulnerability, and limited access to capital for small businesses and community-driven enterprises. A Cooperative Development Program would help strengthen local ownership, improve economic stability, and keep more wealth circulating within our communities.

Across Hawai'i, many residents are working hard to develop solutions in food systems, housing, childcare, renewable energy, small-scale agriculture, and community services. However, many of these efforts struggle to move beyond the "good idea" stage due to barriers such as startup costs, legal structuring, governance planning, and technical support. A grant program dedicated to cooperative development would help communities access the resources needed to create durable models that can last for generations.

From my own experience working in food systems and community resilience efforts, I have seen that cooperative structures can help address longstanding challenges by enabling shared ownership, shared risk, and shared accountability. Cooperatives provide a pathway for communities to collectively solve problems while also building local leadership and economic participation.

Importantly, cooperative development is not only a rural issue or a neighbor island issue—it is a statewide strategy that can strengthen communities from Hawai'i Island to O'ahu, Maui, Kaua'i, Moloka'i, and Lāna'i. Supporting co-op development means supporting locally rooted solutions that reduce dependence on outside systems and improve long-term self-sufficiency.

I also strongly support the bill's emphasis on rulemaking, reporting, and accountability. A structured program housed within DBEDT creates an opportunity to build statewide capacity and ensure that cooperatives are developed with strong governance, transparency, and technical guidance.

For these reasons, I respectfully urge the Committee to pass SB2716.

Mahalo nui loa for the opportunity to provide testimony and for your commitment to strengthening Hawai'i's communities and local economy.

Respectfully,

Jennifer Karaca

LATE

SB-2716

Submitted on: 2/17/2026 11:20:09 AM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Cheryl Ho	Individual	Support	Written Testimony Only

Comments:

I stand in support of this bill

LATE

SB-2716

Submitted on: 2/17/2026 12:14:06 PM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Stacey Alapai	Individual	Support	Written Testimony Only

Comments:

Aloha,

Please support SB2716 to establish a program at DBEDT to provide assistance to support cooperatives.

Mahalo,

Stacey Alapai, Maui

LATE

SB-2716

Submitted on: 2/17/2026 12:21:47 PM

Testimony for EDT on 2/17/2026 1:11:00 PM

Submitted By	Organization	Testifier Position	Testify
Ashlie McGuire	Individual	Support	Written Testimony Only

Comments:

I strongly support agricultural co-ops in Hawaii!