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WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
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TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT
HEARING ON FEBRUARY 4, 2022 AT 10:00AM VIA VIDEOCONFERENCE

HB 1962 RELATING TO GAMBLING

February 4, 2022

Aloha Chair Quinlan, Vice Chair Holt, and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) strongly supports this bill requiring DHHL to study the feasibility of and revenue generation from limited casino gaming and address the potential public health and safety concerns arising from limited casino gaming. The Hawaiian Homes Commission approved a similar measure, but it was not included in the Administration's legislative package.

Hawaii residents generate hundreds of millions of dollars, perhaps billions, in economic activity in other jurisdictions related to gambling and in return, Hawaii receives no benefit. At the same time, the social costs of gambling addiction in Hawaii from problem and pathological gamblers exceed over \$20 million; however, no public funding is provided for gambling treatment and prevention and illegal gambling rooms continue to plague Hawaii communities.

Recent funding allocations from the legislature are historically high. Nevertheless, there remains a gap between the annual funding the State can afford to allocate to the Department, and the significant funding that the Department and the Hawaiian Homes Commission believe is necessary to carry out its duties. This study would examine both the potential revenue to meet the myriad needs of the native Hawaiian people and of the Department and the impacts of casino gambling.

Thank you for your consideration of our testimony.

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

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

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT
ON
HOUSE BILL NO. 1962

February 4, 2022
10:00 a.m.
Room 312 and Videoconference

RELATING TO GAMBLING

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

House Bill No. 1962 requires the Department of Hawaiian Home Lands (DHHL) to study the feasibility of and revenue generation from limited casino gaming and address the potential public health and safety concerns arising from limited casino gaming; requires DHHL to submit a report to the Legislature; and appropriates \$500,000 in general funds for FY 23 to conduct the feasibility study and address the public health and safety impacts of limited casino gaming.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.