

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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
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 (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT,
AND TOURISM
ON
HOUSE BILL NO. 1983, H.D. 1

March 14, 2022
3:00 p.m.
Room 224 and Videoconference

RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM

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

House Bill No. 1983, H.D. 1, establishes a State film liaison (SFL) position within the Creative Industries Division of the Department of Business, Economic Development and Tourism to plan, develop, and execute a statewide film industry development strategy for the purpose of developing a collaborative film industry development program; and appropriates an unspecified amount of general funds and 1.00 full-time equivalent position for FY 23 for the SFL.

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.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE
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Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM

Monday, March 14, 2022
3:00 PM
State Capitol, Room 224

In consideration of
HB 1983, HD1
**RELATING TO DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND
TOURISM**

Chair Wakai, Vice Chair Misalucha and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) understands the Legislative intent and offers comments on HB1983, HD1, which adds a film liaison position, exempt from Chapter 76, to plan, develop and execute a statewide film industry development strategy in conjunction with existing staff, and counties. The position is to be placed in DBEDT's Creative Industries Division (CID).

We understand the Legislature is committed to strengthening the film and creative industries in the state. Adding an additional exempt position to increase industry planning and development, as we understand it, would not change the current civil service status or duties within the Film Industry Branch, also known as the Hawaii Film Office (HFO).

HFO was established in 1978 and is currently housed in CID with a manager and a staff of 4 handling all statutory duties of film permitting and Hawaii Film Studio management, as well as day-to-day production facilitation, and marketing the state as a primary production destination in the Pacific. These staff perform a crucial role, ensuring a high level of service to the industry and our sister state agencies who grant the permitting for all state lands.

DBEDT acknowledges the opportunity to expand development of this industry cluster as proposed in HB 1983 HD1 and requests your consideration of an HD2 to amend Section 1, page 1, to insert the language below to provide clarity for the existing positions within CID and its film office:

(c) All existing positions within the creative industries division of the department shall maintain their current civil service status and duties as described.

DBEDT is committed to working with the Legislature, the counties and industry to advance growth of production and knowledge-based industries, key facets of Hawaii's creative economy.

Thank you for the opportunity to testify.



The Senate
The Thirty-First Legislature
Regular Session of 2022

COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM
Sen. Glenn Wakai, Chair
Sen. Bennette E. Misalucha, Vice Chair

RE: HB 1983, HD 1 RELATING TO THE DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT, AND TOURISM

Date: Monday, March 14, 2022
Time: 3:00 p.m.
Conference Room 224
State Capitol
415 South Beretania Street

March 13, 2022

From: Roy Tjioe and Ricardo Galindez
Island Film Group
99-1245 Halawa Valley St.
Aiea, HI 96701
808-536-7955

Aloha Chair Wakai and Vice Chair Misalucha, and Members of the Committee:

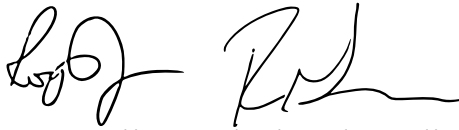
Our Background

Island Film Group is a locally owned and operated production company. We began working in Hawaii's film and television industry in 2001 as attorneys at Goodwill Anderson Quinn & Stifel, where we represented filmmakers and other production companies. Since our formation of Island Film Group in 2007, we have been working full-time as producers of feature films such as "Princess Ka'iulani" and "Soul Surfer", network and cable

television movies and series, as well as a large number of commercial productions.

We OPPOSE the proposed establishment of a state film coordinator that is appointed by the director of DBEDT without regard to Chapter 76. We have worked closely with the Hawaii Film Office for more than 15 years and we are very aware that handling permitting work effectively depends in great part on the strength of the continuing relationships between the Hawaii Film Office's permanent employees and the other state and local government agencies. Stability and continuity in the role is paramount and would be difficult to achieve by designating an appointed person to such an important position.

Me ke aloha,

Handwritten signatures of Roy Tjioe and Ricardo Galindez in black ink.

Roy Tjioe and Ricardo Galindez
Co-Founders
Island Film Group
Honolulu, Hawaii

HB-1983-HD-1

Submitted on: 3/11/2022 8:16:00 PM

Testimony for EET on 3/14/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ryan Kawailani Ozawa	Individual	Support	Written Testimony Only

Comments:

Hawaii's film industry, and more broadly the fostering of content that can only be created in Hawaii or by Hawaii's people, is an incredibly important part of Hawaii's future beyond the information age. Global networks make skills like software development trivially easy to find anywhere in the world. But films set in Hawaii, or creative projects focused on Hawaii, cannot be easily outsourced or replicated elsewhere.