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**STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE**

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OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**

TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 1983, H.D. 1, S.D. 1

**April 7, 2022**

**10:20 a.m.**

**Room 211 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, S.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 (FTE) position for FY 23 for the SFL and 1.00 FTE position for an administrative assistant for FY 23 to support 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

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Statement of  
**MIKE MCCARTNEY**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Thursday, April 7, 2022  
10:20 AM  
State Capitol, Room 221

In consideration of  
**HB 1983, HD1, SD1**  
**RELATING TO DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND  
TOURISM**

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) offers comments on HB1983, HD1, SD1, 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 state film office and county film offices, and adds an administrative assistant position to be located in DBEDT's Creative Industries Division (CID).

DBEDT sees the potential with the addition of these positions to advance strategic growth, increase business development, and actionable strategies in collaboration with all existing film offices at state and county levels. This can further strengthen all film offices while providing a long-term roadmap for growth of this important economic driver of Hawaii's creative economy. The addition of the administrative assistant will also bring much needed operational support for CID and the state's film program.

DBEDT requests your consideration to amend Section 1, page 1, to insert the language to clarify the existing five (5) existing positions in the film branch:

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

We feel this an important to ensure current civil service status would not change, nor their roles which provide a high level of service to the industry, including statutory duties of film permitting as well as the management of the Hawaii Film Studio at Diamond Head.

Thank you for the opportunity to testify.