

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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. 2082

February 11, 2022
10:00 a.m.
Room 312 and Videoconference

RELATING TO ECONOMIC DEVELOPMENT

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

House Bill No. 2082: requires the Department of Business, Economic Development and Tourism (DBEDT) to promote the acquisition of appropriate patents and copyrights for "Hawai'i Made" products and to conduct a study and prepare a plan for the promotion and enforcement of either a "Hawai'i Made" or "Made in Hawai'i" program and evaluate which name to use; and appropriates \$250,000 in general funds for FY 23 to complete the study.

B&F defers to DBEDT to detail the impacts of this measure but notes that previous concerns were raised during the 2021 Legislative Session regarding differences in the definition of "Hawai'i Made" versus "Made in Hawai'i" as well as concerns regarding enforcement and regulation of either "Hawai'i Made" or "Made in Hawai'i" products.

B&F also 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:

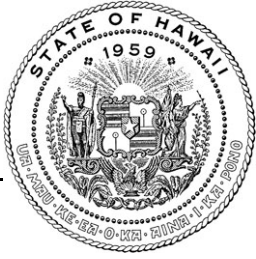
- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support 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
GOVERNOR
MIKE MCCARTNEY
DIRECTOR
CHUNG I. CHANG
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

Friday, February 11, 2022
10:00 am
State Capitol, Via Videoconference
Conference Room 312

In consideration of
HB 2082
RELATING TO ECONOMIC DEVELOPMENT.

Chair Quinlan, Vice Chair Holt and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports HB 2082, an Administration Bill. This requires DBEDT to conduct a study and prepare a plan for the promotion, enforcement and implementation of the program, and to determine which name to use: "Hawaii Made" or "Made in Hawaii."

In 2021, the legislature passed Senate Bill 263, S.D.2, H.D.2, C.D.1, now codified into law as Section 201-3.5 HRS. This law gives DBEDT oversight of the "Hawaii Made" program. The Governor vetoed the bill (Governor's Message No. 1295) because the labeling requirements would result in duplicative jurisdiction over the same labeling regulation between DBEDT and the Department of Agriculture (DOA). Moreover, DOA has statutory means of enforcement, since DBEDT is not a regulatory agency, and does not have the means or infrastructure to handle enforcement.

Furthermore, the use of the name "Hawaii Made" or "Made in Hawaii" may have different standards limiting flexibility. This study will explore the name best suited to use to be more inclusive and beneficial to manufacturers.

The proposed measure will also help clarify the program and determine the proper enforcement procedures and responsibilities, with the ultimate goal to expand the number of companies that will seek to be certified to use the "Hawaii Made/Made in Hawaii" product designation and preserve the integrity of its usage.

Essentially, the study will:

1. Assess the current and potential value of the "Hawaii Made/Made in Hawaii" brand;
2. Summarize and assess previous work relating to the "Hawaii Made/Made in Hawaii" brand to identify significant areas for improvement and increased effectiveness;
3. Review best practices that could serve as a model to promote and enforce a viable "Hawaii Made/Made in Hawaii" brand;
4. Develop a brand look and mark that incorporates cultural values and are sensitive to the concerns of the broader community of stakeholders, and are marketable locally, nationally, and internationally;
5. Determine incentives that would compel Hawaii companies to become certified as companies producing products "Hawaii Made/Made in Hawaii," such as tax credits, grants, and promotional support; and
6. Determine proper and effective enforcement procedures and responsibilities, including inspection, investigations, subpoena powers, citations, fines, and injunctive relief.

We are asking for \$250,000 to conduct and implement the findings of the study.

We support this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget.



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

FEBRUARY 11, 2022

HEARING BEFORE THE
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

TESTIMONY ON HB 2082
RELATING TO ECONOMIC DEVELOPMENT

Conference Room 312 & Videoconference
10:00 AM

Aloha Chair Quinlan, Vice-Chair Holt, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau supports HB 2082, which requires the Department of Business, Economic Development, and Tourism to promote the acquisition of appropriate patents and copyrights for "Hawaii Made" products and to conduct a study and prepare a plan for the promotion and enforcement of either a "Hawaii Made" or "Made in Hawaii" program and evaluate which name to use.

Act 002, Special Session 2021 transferred the oversight of the "Hawaii Made" program for manufactured products and the "Hawaii Made" trademark to the DBEDT. Currently, HDOA owns and enforces the "Made in Hawaii with Aloha" trademark for products that meet or exceed the requirements of HRS 486-119. We are concerned that there may be some confusion between "Hawaii Made", "Made in Hawaii" and "Made in Hawaii with Aloha" brands and support the proposed DBEDT study and plan that would determine the most effective branding program for Hawaii products.

We appreciate the Legislative intent to transfer the enforcement of the "Made in Hawaii" program to DCCA by repealing the current enforcement authority held by HDOA, but we are concerned about the impacts it may have on HDOA's current MIHA program.

Thank you for the opportunity to comment on this measure.

HB-2082

Submitted on: 2/9/2022 1:32:26 PM

Testimony for ECD on 2/11/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Katie Hillstead	Individual	Comments	No

Comments:

WHAT ARE YOU DOING ABOUT THE INFALTION?

Aloha,

My name is Katie Hillstead. I am a resident of Makakilo and an educator on the leeward coast of Oahu.

I am writing to you as a concerned educator and resident of Hawaii. The Hawaii State Teachers contract has essentially frozen teacher pay for the next school year, additionally teachers took a payout with the loss of the 21 hours of job embedded professional development.

This concerns me, as inflation is causing daily expenses to rise. As you're aware, the cost of living in Hawaii was already high, but more so now with inflation. My bi-weekly costco run for my family is now totaling over 400\$ each trip, whereas just a few months ago it was only 300\$. **If you have seen a Times ad recently, you will notice that meat that was 5.99\$ a pound is now 7.99\$ a pound. A box of frozen chicken thighs is now 6.99 instead of 5.99 (on sale, might I add). What was once 2 for 5\$, is now 2 for 7\$ and things that were 2 for 6 are now 2 for 8\$. My paycheck is not going as far as it used to, and I fear I may have to leave my home if this trend continues.**

Hawaii cannot afford to lose more teachers. On the coast, several schools are experiencing teachers quitting after semester 1, and leaving the profession all together.

I ask, as a concerned resident and Educator, what are you doing at the legislature to combat inflation for our local families? As well increase teacher pay?

What actions are you taking to support salary compression relief for educators?

What actions are you taking to help local families deal with this inflation?

In my humble opinion, the legislature needs to approve direct payments to families (like stimulus), continue P-EBT to help low-income families afford the now higher priced food items, and encourage the Governor to restore the 21 hours of job-embedded professional development as well as negotiate step movements and across the board raises for all educators to reflect rising inflation.

Mahalo for your time, and I look forward to your response.

Aloha,

Katie Hillstead

Leeward Educator, Parent, concerned resident

808-364-0601