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**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
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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 FINANCE  
ON  
HOUSE BILL NO. 2253, H.D. 1

**February 23, 2022**  
**2:00 p.m.**  
**Room 308 and Videoconference**

RELATING TO INTERNATIONAL SISTER-STATE RELATIONS

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

House Bill No. 2253, H.D. 1, appropriates an unspecified amount of general funds for FY 23 to the Department of Business, Economic Development and Tourism's (DBEDT) Business Development and Support Division (BDSD), program ID BED 100. B&F notes that the budget worksheets for Act 88, SLH 2021, already appropriates \$100,000 in federal American Rescue Plan (ARP) Act funds to DBEDT-BDSD for International Sister-State Relations in FY 22 and FY 23, of which FY 22's amount has already been released.

B&F further 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 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

**HOUSE COMMITTEE ON FINANCE**

Wednesday, February 23, 2022  
2:00 pm

State Capitol, Conference Room 308  
Via Videoconference

In consideration of  
**HB 2253, HD1**  
**RELATING TO INTERNATIONAL SISTER-STATE RELATIONS.**

Chair Luke, Vice Chair Yamashita, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **supports** HB 2253, HD1, which appropriates funds to support international sister-state relations and offers the following comments:

- Hawaii's sister-state relationships serve to raise Hawaii's profile internationally, attract dynamic cooperative programs such as mutual exchanges in business, culture, tourism and education that positively impact Hawaii's economic growth.
- Sister-state relationships are partnerships between governments that serve as a catalyst for trade and investment opportunities in Hawaii.
- Funding support by the Hawaii State Legislature will provide needed support to leverage existing relationships and activities that will continue to raise Hawaii's international role.

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

Thank you for the opportunity to testify.



February 23, 2022

Representative Sylvia Luke, Chair  
Representative Kyle Yamashita, Vice Chair  
House Committee on Finance

**RE: HB2253, HD1 RELATING TO INTERNATIONAL SISTER-STATE RELATIONS**

Hearing Date: Wednesday, February 23, 2022, 2:00 PM, Conference Room 308 & Videoconference

Chair Luke and members of the Committee on Finance:

My name is Reyna Kaneko, President of the Japan-America Society of Hawai'i (JASH). JASH was founded in 1976 to promote understanding and friendship between the people of Japan and the United States through the special and unique perspective of Hawaii.

JASH **strongly supports** HB2253, HD1 which appropriates funds to support international sister-state relations. Hawai'i's sister-states play an important role in the economic, cultural and educational advancement between Hawai'i, foreign governments and non-governmental organizations. In so doing, Hawai'i residents, students, businesses, and NGOs have unique opportunities to develop relationships and partner with a varied range of countries, including China, Japan, India, Indonesia, Korea, Morocco, Philippines, Portugal and Taiwan.

Throughout the years, JASH has conducted numerous events, seminars, educational missions and visits with many of the sister-state provinces and prefectures of Japan, including Fukuoka, Okinawa, Hiroshima, Ehime and Hokkaido.

In 2023, JASH will be hosting a Hawai'i-Japan Sister Convention which will include the State of Hawai'i's sister states, as well as the sister cities of the counties of Hawai'i, Oahu, Kauai and Maui. Working collaboratively with DBEDT, we anticipate that the Sister Convention will provide expanded opportunities for Hawai'i and Japan to work advance mutual interests and opportunities.

Please support HB2253, HD1. Thank you for the opportunity to testify on this matter.

Sincerely,

/S/

REYNA KANEKO  
President