



**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 CULTURE, ARTS, & INTERNATIONAL AFFAIRS

Wednesday, February 2, 2022
10:30 am
State Capitol, Conference Room 329
Via Videoconference

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

Chair Gates, Vice Chair Tam, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **supports** HB 2253, 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.

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 CULTURE, ARTS, & INTERNATIONAL AFFAIRS
ON
HOUSE BILL NO. 2253

February 2, 2022
10:30 a.m.
Room 329 & Videoconference

RELATING TO INTERNATIONAL SISTER-STATE RELATIONS

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

House Bill No. 2253 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 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.