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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 CONSUMER PROTECTION & COMMERCE  
ON  
SENATE BILL NO. 3221, S.D. 2, H.D. 1

**March 21, 2022**  
**2:00 p.m.**  
**Room 329 and Videoconference**

RELATING TO INTERNATIONAL SISTER-STATE RELATIONS

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

Senate Bill No. 3221, S.D. 2, 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, to support international sister-state relations.

B&F notes that 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. Further, B&F points out that House Bill No. 1600, H.D. 1, added an additional \$200,000 in ARP funds to BED 100's operating budget for international sister-state relations. This brings the total amount appropriated for this purpose to \$300,000 for FY 23.

Finally, 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:

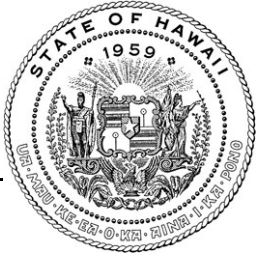
- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal 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 CONSUMER PROTECTION & COMMERCE**

Monday, March 21, 2022  
2:00 pm  
State Capitol, Conference Room 329  
and Via Videoconference

In consideration of  
**SB 3221, SD2, HD1**  
**RELATING TO INTERNATIONAL SISTER-STATE RELATIONS.**

Chair Johanson, Vice Chair Kitagawa, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **supports** SB 3221, SD2, 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.

**SB-3221-HD-1**

Submitted on: 3/19/2022 2:04:10 PM

Testimony for CPC on 3/21/2022 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

End the Wast of spending Tax payer Moneys. Take care of Hawaii Frist!!