

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

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DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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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 SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT,
AND TOURISM
ON
SENATE BILL NO. 3231

February 4, 2022
3:00 p.m.
Room 224 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.

Senate Bill No. 3231 establishes a state film coordinator (SFC) position within the Department of Business, Economic Development and Tourism (DBEDT) to review, approve, and issue permits to film in the State; appropriates an unspecified amount of general funds for FY 23 for the position; and replaces all references to DBEDT with SFC.

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**

DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

CHUNG I. CHANG
DEPUTY DIRECTOR

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Statement of
MIKE MCCARTNEY
Director

Department of Business, Economic Development & Tourism

before the

**SENATE COMMITTEE ON ENERGY, ECONOMIC
DEVELOPMENT AND TOURISM**

Friday, February 04, 2022

3:00 PM

State Capitol, Conference Room 211

In consideration of

SB 3231

**RELATING TO THE DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT, AND TOURISM.**

Chair Wakai, Vice Chair Misalucha, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) offers comments on SB3231, which establishes the state film coordinator in DBEDT to review, approve, and issue permits for film in the state.

DBEDT currently has a Film Industry Branch, also known as the Hawaii Film Office (HFO), that was established in 1978 and is currently housed within the Creative Industries Division of DBEDT. The Film Industry Development Manager is the Branch Chief of the HFO and manages four staff, two of which are civil service positions handling all facilitation of permitting for film between multiple state agencies and productions. Over 2,000 multi-jurisdictional permits are facilitated by HFO staff and state agencies each year.

If the intent of this measure is to establish a new permitting system or authority, further discussion is necessary with the Legislature as the establishment of the state film coordinator appears to replace existing permitting process and personnel. The current state film program has long-standing Memorandum of Agreement with the Department of Land and Natural Resources (DLNR), the Department of Transportation (Hawaii DOT), and other state agencies and offices that our film permit specialists work with to secure film approvals for dozens of fast-moving productions that take place across seven islands.

We appreciate the opportunity to work with the Legislature to further refine the Intent and statutory aspects of this measure. Thank you for the opportunity to testify.



The Senate
The Thirty-First Legislature
Regular Session of 2022

COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM
Sen. Glenn Wakai, Chair
Sen. Bennette E. Misalucha, Vice Chair

RE: SB 3231 RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC
DEVELOPMENT, AND TOURISM

Date: Friday, February 4, 2022
Time: 3:00 p.m.
Conference Room 224
State Capitol
415 South Beretania Street

February 3, 2022

From: Roy Tjioe and Ricardo Galindez
Island Film Group
99-1245 Halawa Valley St.
Aiea, HI 96701
808-536-7955

Aloha Chair Wakai and Vice Chair Misalucha, and Members of the Committee:

Our Background

Island Film Group is a locally owned and operated production company. We began working in Hawaii's film and television industry in 2001 as attorneys at Goodwill Anderson Quinn & Stifel, where we represented filmmakers and other production companies. Since our formation of Island Film Group in 2007, we have been working full-time as producers of feature films such as "Princess Ka'iulani" and "Soul Surfer", network and cable

television movies and series, as well as a large number of commercial productions.

We OPPOSE the proposed establishment of a state film coordinator that is appointed by the director of DBEDT without regard to Chapter 76. We have worked closely with the Hawaii Film Office for more than 15 years and we are very aware that handling permitting work effectively depends in great part on the strength of the continuing relationships between the Hawaii Film Office's permanent employees and the other state and local government agencies. Stability and continuity in the role is paramount and would be difficult to achieve by designating an appointed person to such an important position.

Me ke aloha,



Roy Tjioe and Ricardo Galindez
Co-Founders
Island Film Group
Honolulu, Hawaii

SB-3231

Submitted on: 2/1/2022 12:10:34 PM

Testimony for EET on 2/4/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lynn Murakami-Akatsuka	Individual	Comments	No

Comments:

To Members of the Senate Committee on Energy, Economic Development & Tourism,

I researched and found that the State of Hawaii Film Office as well City and County of Honolulu , Honolulu Film Office and Maui, Hawaii, and Kauai Counties have their respective Film Offices with personnel and budget; that already exist. If SB 3231 (as I read the bill) is to establish a new State of Hawaii Film Office that would be placed in the Department of Business, Economic Development and Tourism, then it is duplicating what is already funded and existing which I would not support the bill's passage. If it is to transfer the existing State of Hawaii Film Office's existing program staff and budget to DBEDT, then I would be agreeable; but not to create a new film office program.

Thank you for the opportunity to submit my comments on this bill.