



TESTIMONY OF DANIEL NĀHO'OPI'I
INTERIM PRESIDENT & CEO, HAWAII TOURISM AUTHORITY
BEFORE THE HOUSE COMMITTEE ON TOURISM
Tuesday, January 30, 2024 10:00 a.m.
In consideration of
HB 1519
RELATING TO THE HAWAII TOURISM AUTHORITY

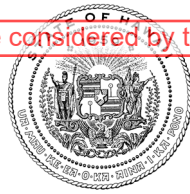
Aloha Chair Quinlan, Vice Chair Hussey-Burdick, and Members of the Committee,

The Hawai'i Tourism Authority (HTA) supports this measure, which explicitly authorizes general obligation bonds as a method to fund maintenance and improvements to the Hawai'i Convention Center and authorizes the expenditure of funds currently in the Convention Center Enterprise Fund.

Over the quarter century that the Hawai'i Convention Center has been operating, it has hosted high-profile international convenings, national and local conferences and conventions, beloved festivals and events, athletic events attracting participants locally and from abroad, and served as an important hub for the state's response to emergencies.

HTA wholeheartedly agrees with the finding in this measure that "funding for capital improvements is urgently needed to ensure that this critical piece of state infrastructure can continue to be used to its full potential."

Mahalo for the opportunity to testify in support of this measure.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON TOURISM
ON
HOUSE BILL NO. 1519

January 30, 2024
10:00 a.m.
Room 423 and Videoconference

RELATING TO THE HAWAII TOURISM AUTHORITY

The Department of Budget and Finance (B&F) opposes this bill.

House Bill No. 1519 authorizes the deposit of general obligation (G.O.) bond funding into the Convention Center (CC) Enterprise Special Fund (CCESF), provided that the use of G.O. bond funds shall be approved by the Hawai'i Tourism Authority Board of Directors; clarifies that funds from the CCESF may be used for any ongoing or future major repair, maintenance, and improvement of the CC; declares that the general fund appropriation breaches the expenditure ceiling; appropriates an unspecified amount of G.O. bond funds for FY 25 to be deposited into the CCESF; and appropriates an unspecified amount of special funds for FY 25 out of the CCESF for the ongoing repair, maintenance, and improvement of the CC.

B&F does not support the deposit of G.O. bond funds into the CCESF. G.O. bond funds are typically used to finance major repairs and capital improvements for facilities. Once the G.O. bonds are deposited into the CCESF and thus converted into special funds, they then may be used for any purpose allowed under Section 201B-8, HRS, which may include supporting operational costs for the CC which would be an

inappropriate use of this G.O. bond fund appropriation. As such, the G.O. bond funds should be spent directly from the appropriation in this bill.

If the intent of the Legislature is to have the CCESF provide funding for capital maintenance, a more appropriate means may be for the issuance of G.O. Reimbursable or Revenue bonds with the debt service on the bonds paid for through an appropriation from the CCESF.

Lastly, B&F notes that the proposed FY 25 Executive Supplemental Budget adds \$64,000,000 in G.O. bond funds in FY 25 for roof repairs to the CC.

Thank you for your consideration of our comments.