# <u>S.B. NO. 1344</u>

JAN 2 3 2025

### A BILL FOR AN ACT

### RELATING TO THE CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST, INC.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Center for Cultural and Technical Interchange Between East and West Act of 2 1960, P.L. 86-472, authorized the establishment in Hawaii of a 3 4 center for cultural and technical interchange between East and 5 West. Act 82, Session Laws of Hawaii 1975, established an 6 educational non-profit public corporation, the Center for 7 Cultural and Technical Interchange Between East and West, Inc., 8 to administer and operate the center.

The legislature further finds that the established center 9 for cultural and technical interchange between East and West, 10 better known and hereinafter referred to as the "East-West 11 12 Center", has become a pivotal institution in fostering understanding and cooperation between the United States and the 13 nations of Asia and the Pacific. Hawaii's unique geographical 14 location and multicultural heritage make it an ideal location 15 for promoting international relations, particularly within the 16 Asia-Pacific region. For over six decades, the East-West Center 17

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has significantly contributed to Hawaii's role as a bridge
between the East and West, enhancing the state's position in
international affairs.

The legislature further finds that the East-West Center's 4 programs in research, education, and exchange have directly 5 6 benefited Hawaii's economy, culture, and diplomatic relations. While the federal government has provided significant funding to 7 the East-West Center, this federal support has fluctuated over 8 the years. The legislature recognizes that the center would 9 10 benefit from regular, predictable State resources to support the 11 development of programs and initiatives that align with Hawaii's 12 strategic goals in international relations, education, and 13 economic development.

14 Therefore, the purpose of this Act is to authorize from the 15 general revenues of the State of Hawaii and exempt from the 16 requirements of chapter 42F, Hawaii Revised Statutes, an annual 17 appropriation in the State's executive budget to the Center for 18 Cultural and Technical Interchange Between East and West, Inc. 19 SECTION 2. Chapter 201, Hawaii Revised Statutes, is 20 amended by adding a new section to part I to be appropriately

21 designated and to read as follows:

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| 1  | " <u>§201-</u> East-West center. (a) The official designation   |  |  |  |
|----|---|--|--|--|
| 2  | of the Center for Cultural and Technical Interchange Between    |  |  |  |
| 3  | East and West, Inc., a Hawaii educational non-profit public     |  |  |  |
| 4  | corporation established in Hawaii pursuant to Act 82, Session   |  |  |  |
| 5  | Laws of Hawaii 1975, shall be the State of Hawaii Center for    |  |  |  |
| 6  | Cultural and Technical Interchange Between East and West, Inc.  |  |  |  |
| 7  | The qualifying standards and conditions related to the receipt  |  |  |  |
| 8  | of funds under chapter 42F shall not apply to funds received by |  |  |  |
| 9  | the State of Hawaii Center for Cultural and Technical           |  |  |  |
| 10 | Interchange Between East and West, Inc.; provided that if the   |  |  |  |
| 11 | center contracts with a recipient or provider, then the         |  |  |  |
| 12 | qualifying standards, conditions, and other provisions of       |  |  |  |
| 13 | chapter 42F shall apply to the recipient or provider and the    |  |  |  |
| 14 | contract.   |  |  |  |
| 15 | (b) To receive state funds, the State of Hawaii Center for      |  |  |  |
| 16 | Cultural and Technical Interchange Between East and West, Inc., |  |  |  |
| 17 | shall:  |  |  |  |
| 18 | (1) Be licensed or accredited, in accordance with federal,      |  |  |  |
| 19 | state, or county statutes, rules, or ordinances, to             |  |  |  |
| 20 | conduct the activities or provide the services for              |  |  |  |
| 21 | which funds are appropriated;                                   |  |  |  |

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| 1  | (2)              | Comply with all applicable federal and state laws      |
|----|------------------|--|
| 2  |                  | prohibiting discrimination against any person on the   |
| 3  |                  | basis of race, color, national origin, religion,       |
| 4  |                  | creed, sex, age, sexual orientation, or disability;    |
| 5  | (3)              | Agree not to use the funds for entertainment or        |
| 6  |                  | lobbying activities;                                   |
| 7  | (4)              | Be incorporated under the laws of the State;           |
| 8  | (5)              | Have bylaws or policies that describe the manner in    |
| 9  |                  | which the activities or services for which funds are   |
| 10 |                  | awarded shall be conducted or provided;                |
| 11 | (6)              | Have been determined and designated to be a tax-exempt |
| 12 |                  | organization by the Internal Revenue Service; and      |
| 13 | (7)              | Have a governing board whose members shall have no     |
| 14 |                  | material conflict of interest and serve without        |
| 15 |                  | compensation.  |
| 16 | (c)              | The comptroller and state auditor shall have the       |
| 17 | authority        | to examine the use of funds appropriated to the State  |
| 18 | <u>of Hawaii</u> | Center for Cultural and Technical Interchange Between  |
| 19 | East and         | West, Inc."  |
| 20 | SECT             | ION 4. This Act and its designation of State support   |
| 21 | shall not        | impinge upon the autonomy of the State of Hawaii       |
| 22 | Center fo        | r Cultural and Technical Interchange Between East and  |

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| 1 | West, Inc., nor imply State control over its programs or      |
|---|---|
| 2 | policies, except as specifically provided for in section 2 of |
| 3 | this Act.   |
| 4 | SECTION 5. New statutory material is underscored.             |
| 5 | SECTION 6. This Act shall take effect on July 1, 2025.        |
| 6 |   |
| 7 | INTRODUCED BY: Mun.M.   |
| 8 | BY REQUEST  |

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#### Report Title:

East-West Center; Center for Cultural and Technical Interchange Between East and West, Inc.; Chapter 42F, Hawaii Revised Statutes; General Fund Appropriations

#### Description:

Designates the Center for Cultural and Technical Interchange Between East and West, Inc., as the State of Hawaii Center for Cultural and Technical Interchange Between East and West, Inc. Authorizes General Fund appropriations exempt from the requirements of chapter 42F, Hawaii Revised Statutes, to the State of Hawaii Center for Cultural and Technical Interchange Between East and West, Inc.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

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### JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

- TITLE: A BILL FOR AN ACT RELATING TO THE CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST, INC.
- PURPOSE: To designate the Center for Cultural and Technical Interchange Between East and West, Inc., as the State of Hawaii Center for Cultural and Technical Interchange Between East and West, Inc., and authorize General Fund appropriations exempt from the requirements of chapter 42F, Hawaii Revised Statutes (HRS), to the center.
- MEANS: Add a new section to part I of chapter 201, HRS.
- JUSTIFICATION: The Center for Cultural and Technical Interchange Between East and West Act of 1960, P.L. 86-472, authorized the establishment in Hawaii of a center for cultural and technical interchange between East and West. Act 82, Session Laws of Hawaii 1975, established an educational nonprofit public corporation, the Center for Cultural and Technical Interchange Between East and West, Inc., to administer and operate the center.

The established center for cultural and technical interchange between East and West, better known and hereinafter referred to as the "East-West Center", has significantly contributed to Hawaii's role as a bridge between the East and West, enhancing the State's position in international affairs. While the federal government has provided significant funding to the East-West Center, this federal support has fluctuated over the The East-West Center would benefit vears. from regular, predictable State resources to support the development of programs and initiatives that align with Hawaii's strategic goals in international relations,

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education, and economic development. Exempting the Center for Cultural and Technical Interchange Between East and West, Inc., from chapter 42F, HRS, would facilitate funding for the East-West Center's programs.

<u>Impact on the public:</u> This bill will enhance Hawaii's capacity to engage in international diplomacy, cultural exchange, and economic cooperation.

Impact on the department and other agencies: The department will need to work with the Department of Budget and Finance and Department of Accounting and General Services to release and process funds.

- GENERAL FUND: To be determined.
- OTHER FUNDS: None.
- PPBS PROGRAM DESIGNATION: BED101.
- OTHER AFFECTED AGENCIES:

Department of Accounting and General Services; Department of Budget and Finance.

EFFECTIVE DATE: July 1, 2025.