



## 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 FINANCE**

Monday, February 28, 2022  
11:00 AM  
State Capitol, Conference Room 308

In consideration of  
**HB 1983, HD1**  
**RELATING TO DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND  
TOURISM**

Chair Luke, Vice Chair Yamashita and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) offers comments on HB1983, HD1, which adds a film liaison position, exempt from Chapter 76, to plan, develop and execute a statewide film industry development strategy in conjunction with existing staff and counties, within the Creative Industries Division (CID) of DBEDT.

DBEDT's Film Industry Branch, also known as the Hawaii Film Office (HFO), was established in 1978 and is currently housed within the Creative Industries Division of DBEDT. We believe that it would be important to note that should this measure pass, the department would continue to oversee the statewide film permitting program and that all current civil service staff would remain in place. We request the committee's consideration of further defining this aspect of the measure in an HD2, inserting appropriate language which reflects this status.

We appreciate the opportunity to work with the Legislature to achieve mutual goals in strengthening the state's film program, a core facet of Hawaii's creative economy.

Thank you for the opportunity to testify.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

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OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 1983, H.D. 1

**February 28, 2022  
11:00 a.m.  
Room 308 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.

House Bill No. 1983, H.D. 1, establishes a State film liaison (SFL) position within the Creative Industries Division of the Department of Business, Economic Development and Tourism to plan, develop, and execute a statewide film industry development strategy for the purpose of developing a collaborative film industry development program; and appropriates an unspecified amount of general funds and 1.00 full-time equivalent position for FY 23 for the SFL.

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.