

SYLVIA LUKE



#### DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI A HO'OMĀKA'IKA'I LT. GOVERNOR

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## Statement of JAMES KUNANE TOKIOKA Director

Department of Business, Economic Development, and Tourism before the

#### HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY

Friday, March 14, 2025 Time 10:00 AM State Capitol, Conference Room 423

In consideration of SB1578, SD2

#### **RELATING TO INTERNATIONAL AFFAIRS**

Chair Ilagan, Vice Chair Hussey and members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of SB1578, SD2 in the following areas:

- Redesignate the Hawaii sister-state committee as the Hawaii sister-state and international commission;
- Provide an exemption from 42F for state funding for the East-West Center. The EWC is an invaluable education and research organization in Hawaii and the country established by the U.S. Congress in 1960 to strengthen relations and understanding among the peoples and nations of Asia, the Pacific, and the United States. Its programs significantly contribute to Hawaii's role and position in international affairs, and align with Hawaii's goals in economic development, international relations and education. Regular support from State resources would help ensure that the East-West Center continues its good work and presence in Hawaii:

- Allow the out-of-state offices to establish and operate facilities to generate revenue for the state, such as pop-up stores selling Hawaii-made products, and other revenue producing facilities;
- Provide an appropriation to the office of international affairs for each fiscal year of
  the biennium. This funding is necessary to carry out the functions of the office of
  international affairs to develop and maintain the State's international
  relationships, programs and partnership, and to update its strategy for the State's
  international engagement and analyze potential investment and revenue
  generation abroad.

We support the intent of this measure provided it does not replace or adversely affect the Administration's priorities indicated in the Executive Budget.

Thank you for this opportunity to testify.

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# TESTIMONY OF THE DEPARTMENT OF THE ATTORNEY GENERAL KA 'OIHANA O KA LOIO KUHINA THIRTY-THIRD LEGISLATURE, 2025

#### ON THE FOLLOWING MEASURE:

S.B. NO. 1578, S.D. 2, RELATING TO INTERNATIONAL AFFAIRS.

**BEFORE THE:** 

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

**DATE:** Friday, March 14, 2025 **TIME:** 10:00 a.m.

**LOCATION:** State Capitol, Room 423

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or

Randall S. Nishiyama, Deputy Attorney General

Chair Ilagan and Members of the Committee:

The Department of the Attorney General provides the following comments regarding this bill.

The stated purposes of this bill are to: (1) engage local leaders with strong relationships abroad to support the Governor and Legislature in strengthening international partnerships, by redesignating the Hawaii sister-state committee as the Hawaii sister-state and international partnerships commission; (2) enable the East-West Center to better help and maintain the State's international relationships, programs, and partnerships; and (3) enable the State to more easily generate revenue from international partnerships and investment as other jurisdictions do, where appropriate.

To accomplish its purposes, the bill would:

- (1) Exempt the Center for Cultural and Technical Interchange Between East and West, Inc., better known as the East-West Center (EWC), from the qualifying standards and conditions relating to the receipt of funds contained in chapter 42F, Hawaii Revised Statutes (HRS), to allow the EWC to regularly receive state funds without filing grant applications as required by chapter 42F;
- (2) Allow the Department of Business, Economic Development, and Tourism (DBEDT) to establish out-of-state offices and facilities, and to buy property;
- (3) Establish the Hawaii Sister-State and International Partnerships Commission;
- (4) Appropriate funds to DBEDT's Office of International Affairs; and

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(5) Appropriate funds to the EWC.

We have the following recommendation regarding this bill:

## I. A Preamble Should be Added to the Bill to Promote the Public's Understanding of the Legislature's Intent of this Bill

We note that the Legislature in Act 82, Session Laws of Hawaii 1975, established the EWC as an educational nonprofit public corporation. Act 82, section 5, specifies the following purposes of the EWC, stating among other things:

- (a) To promote better relations and understanding between the United States and the nations of the East through the administration and operation of the East-West center as an educational institution operating in furtherance of the objectives of the act of the United States Congress authorizing the established of the East-West Center . . . ;
- (b) To promote among the nations of the East and the West the use of the East-West center by qualified persons for cooperative study, training and research in matters of East-West significance, and thus lead to better relations and understanding as to such matters; . . . .

Consequently, we believe that the EWC's purposes serve a public purpose – to "promote better relations and understanding between the United States and the nations of the East."

Further, article VII, section 4, of the Hawaii Constitution, prohibits the appropriation of public moneys for private purposes. Given that the Legislature explicitly recognized the public purpose mission of the EWC, we believe that authorizing an annual appropriation in the State's executive budget to the EWC, exempt from the requirements of chapter 42F, HRS, complies with the public purpose requirement of article VII, section 4, of the Hawaii Constitution.

To facilitate the public's understanding of what the Legislature is trying to accomplish regarding providing public funding for the EWC, we suggest that this information outlining the history of the EWC, its establishment under Act 82, and the public benefits that have accrued from its existence should be added to the bill's preamble. We note that the preamble to House Bill No. 1025, H.D. 1, page 1, line 1,

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through page 3, line 21, summarizes the history of the EWC and its relationship with the State.

We respectfully ask the Committee to consider our comments.



### Testimony of James K. Scott, EdD Interim President, East-West Center

House Committee on Economic Development & Technology Friday, March 14, 2025

#### SB NO. 1578 SD2: RELATING TO INTERNATIONAL AFFAIRS

Dear Chair Illagan, Vice Chair Hussey, and members of the House Committee on Economic Development and Technology:

Mahalo for this opportunity for the East-West Center to provide testimony in **strong support** of SB1578 SD2. The measure authorizes General Fund appropriations exempt from the requirements of chapter 42F, Hawai'i Revised Statutes.

The designation of the East-West Center as the Center for Cultural and Technical Interchange Between East and West, Inc., underscores the state's recognition of the Center's pivotal role in international and intercultural exchange. This acknowledges not only the Center's stature but also reaffirms Hawai'i's commitment to fostering global understanding and cooperation.

Furthermore, authorizing General Fund appropriations exempt from the requirements of chapter 42F, Hawai'i Revised Statutes, provides the Center with the financial flexibility necessary to effectively plan and implement its programs. This exemption acknowledges the unique nature of the Center's work and the importance of timely and efficient allocation of resources to support its mission.

The East-West Center's programs have a profound impact on Hawaii's communities. By hosting international scholars, conducting research on critical regional issues, and facilitating dialogues among leaders from various sectors, the Center enriches the cultural fabric of our state and contributes to its economic vitality. The Center's activities attract global attention, bringing scholars, policymakers, and students to Hawaii, thereby enhancing its reputation as a hub for international engagement.

In conclusion, the East-West Center supports SB1578 SD2. Thank you for the opportunity to submit testimony on this important measure.



#### TESTIMONY IN SUPPORT OF SENATE BILL 1578\_SD2

RELATING TO INTERNATIONAL AFFAIRS

House Committee on Economic Development and Technology
Hawai'i State Capitol

March 14, 2025 10:00 a.m. Room 423

Dear Chair Ilagan, Vice Chair Hussey, and Members of the House Committee on Economic Development and Technology:

The Office of Hawaiian Affairs (OHA) <u>SUPPORTS</u> SB1578\_SD2, which would redesignate the Hawai'i Sister State Committee as the Hawai'i Sister-State and International Partnerships Commission and name OHA as a member of the Commission. OHA willingly accepts this kuleana which would expand upon OHA's ongoing international activities and enable further collaboration with the State of Hawai'i and international partners on projects that promote cross-cultural exchanges and advance solutions to common problems like climate change.

OHA is an active member of the Austronesian Forum and other trans-Pacific forums that allow for cultural exchange and problem solving with sister nations, particularly the nations of Oceania. For example, OHA signed the Tuurama Ariki Declaration in June 2024 to join with traditional leaders across the Pacific to establish the Osiana Traditional Leaders Forum to share knowledge and collaborate on issues that affect all peoples of the Pacific. OHA also regularly engages with leaders of foreign nations on repatriation efforts, and engages in cultural protocol with those leaders when reclaiming ancestral patrimony. OHA welcomes the opportunity to share its experiences with the State of Hawai'i and other sister states.

OHA also notes that throughout the nineteenth century, the Kingdom of Hawai'i was an active player on the world stage. Hawai'i's monarchs strengthened Hawaii's international relationships to promote economic growth and preservation of cultural identity and sovereignty at home, but also to engage in relationship building and cultural exchange abroad. In the interest of continuing the work of Hawaii's sovereign and modern state leadership, we support strengthening sister-state and international partnerships.

Mahalo for the opportunity to testify. We respectfully request the Committee **PASS SB1578\_SD2**.