

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKAI

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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS
And
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Thursday, February 13, 2025
Time 1:00 PM
State Capitol, Conference Room 229

In consideration of
SB1578
RELATING TO INTERNATIONAL AFFAIRS

Chair Lee and DeCoite, Vice Chairs Inouye and Wakai and members of the Committees. The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of **SB1578** 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;

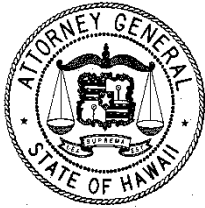
- Allow the out-of-state offices to establish and operate facilities to generate revenue for the state, such as pop-up stores selling Hawaii-made products, and other revenue producing facilities;
- Provide an appropriation to the office of international affairs of \$180,000 each fiscal year of the biennium. 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.

With regards to the exemption from 42F for Hawaii Green Growth, we defer to the Attorney General on exemptions from 42F.

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, RELATING TO INTERNATIONAL AFFAIRS.

BEFORE THE:

SENATE COMMITTEES ON TRANSPORTATION AND CULTURE AND THE ARTS
AND ON ECONOMIC DEVELOPMENT AND TOURISM

DATE: Thursday, February 13, 2025 **TIME:** 1:00 p.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Randall S. Nishiyama, Deputy Attorney General

Chairs Lee and DeCoite and Members of the Committees:

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 and Hawaii Green Growth 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), and Hawaii Green Growth, a domestic nonprofit corporation, from the qualifying standards and conditions relating to the receipt of funds contained in chapter 42F, Hawaii Revised Statutes, to allow these organizations to regularly receive state funds without filing grant application 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.
- (5) Appropriate funds to the EWC.

We have the following concerns and recommendations about 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.

II. Chapter 42F Exemptions for Nonprofits Other than the EWC are Constitutionally Problematic

We note that granting chapter 42F exemptions to nonprofits other than the EWC, such as for Hawaii Green Growth, a domestic nonprofit corporation, is likely to violate article VII, section 4, of the Hawaii Constitution. This is because such nonprofits do not share the same State-established heritage as the EWC. The EWC's unique historical connection to the State gives it a special status that other organizations cannot claim, making exemptions for those other entities constitutionally problematic.

We respectfully ask the Committee to consider our comments.

SB-1578

Submitted on: 2/7/2025 9:43:46 PM

Testimony for TCA on 2/13/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Strengthening our international cooperation and cultural connections is crucial to Hawaii's broader role in promoting peace, understanding, and friendship in the Indo-Pacific region. These connections can also contribute to the overall prosperity of Hawaii and the broader Pacific. I urge the Committee to **SUPPORT** this bill!

LATE

SB-1578

Submitted on: 2/12/2025 9:36:01 PM

Testimony for TCA on 2/13/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ellen Awai	Individual	Support	Written Testimony Only

Comments:

I stand in support SB1578

Hawaii Green Growth Local2030 Hub
East-West Center, 1601 East-West Road, Honolulu

Testimony in Support of SB1578
Relating to International Affairs

LATE

Aloha Chairs, Vice Chairs, and Members of the Committees,

My name is Celeste Connors and I am submitting written testimony in strong support of SB1578, which seeks to enable the East-West Center and Hawaii Green Growth to better help and maintain the State's international programs and relationships, including generating revenue through international partnerships. Given emerging shifts in national policies and the focus on the Indo-Pacific, the bill can help Hawaii serve as a global leader and reliable partner strengthening the State's international ties and advancing cooperation across the region.

The Aloha+ Challenge, adopted by the legislature with the passage of S.C.R. No. 69, S.D. 1 (2014), sets six integrated statewide 2030 goals on clean energy, local food, natural resource management, waste reduction, smart sustainable communities, and green workforce and education. This effort was led by Hawaii Green Growth (HGG), a public-private partnership of local businesses, government, community organizations, schools and students. Launched in 2011 at the US hosted Asia Pacific Economic Cooperation (APEC) Summit in Honolulu, the HGG network is well positioned to continue tracking Hawaii's progress toward the State's shared international goals, and build bridges with economic, academic, and community partners abroad.

Further, HGG serves as the Secretariat to the Local2030 Islands Network, a group of 35 island economies spanning the Caribbean, Indian and Pacific ocean committed to local implementation of the global Sustainable Development Goals (SDGs) through shared experiences. This initiative puts Hawaii and US islands at the center of a global network of leaders developing solutions and providing space for creating connections, making the US the "partner of choice".

Through the Local2030 Islands Network and the Hawaii Local2030 Hub, the US is helping to develop meaningful public-private partnerships and establish open data dashboards to clearly communicate and measure progress on key economic and security goals, providing transparency, efficiency and accountability of US investments. Through innovative partnerships, the Local2030 Islands Network and Hawaii Green Growth can help create a mechanism to promote a safe, secure and prosperous Indo-Pacific region and island resilience globally.

I urge this committee to pass this foreign affairs bill now.

Mahalo for the opportunity to testify,

Celeste Connors
CEO Hawaii Green Growth Local2030 Hub

Hawai'i Green Growth Local2030 Hub
East-West Center, 1601 East-West Road, Honolulu

Testimony in Support of SB1578
Relating to International Affairs

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I urge this committee to pass SB1578 now.

Mahalo for the opportunity to testify,

Celeste Connors
CEO Hawaii Green Growth Local2030 Hub