



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

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Statement of
THEODORE E. LIU
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Department of Business, Economic Development, and Tourism
before the

**SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND
INTERGOVERNMENTAL AFFAIRS**

Wednesday, February 4, 2009

1:15 p.m.

State Capitol, Conference Room 224

in consideration of

SB 529

RELATING TO OFFICE OF INTERNATIONAL AFFAIRS.

Chair English, Vice Chair Gabbard and Committee members:

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of SB529, which establishes a special fund within the Office of International Affairs (OIA). In 2006, the Legislature in its wisdom established the Office of International Affairs within DBEDT. Resources to make this important function operational have always been a question. A special fund that could collect fees, contributions and other financial support for the programs of the OIA is one method to provide such resources. We appreciate that the fees to be collected are those who directly benefit from the activities of the OIA, such as seminars, workshops and trade shows. We also believe that there are individuals in Hawaii who may contribute to the OIA's effort to establish Hawaii as a crossroads of the Pacific and to benefit from and contribute to the Pacific Century.

Thank you for the opportunity to provide these comments.

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND
INTERGOVERNMENTAL AFFAIRS
ON
SENATE BILL NO. 529

February 4, 2009

RELATING TO THE OFFICE OF INTERNATIONAL AFFAIRS

Senate Bill No. 529 establishes an office of international affairs special fund to receive admission fees from seminars, workshops, trade shows and missions, private and government grants, and other contributions which would be expended by the Department of Business, Economic Development and Tourism. The office of international affairs special fund would be used pay for expenses incurred to organize, plan, and implement business development activities of the Office of International Affairs.

We oppose this bill. As a matter of general policy, this department does not support the creation of any special fund that does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the office of international affairs special fund will be self-sustaining.