

LATE TESTIMONY

**Testimony on HB2902, HD2
Relating to Public Education Government Television
House Committee on Finance
Keali'i Lopez, President and CEO of 'Ōlelo Community Media
Wednesday, February 24, 2010**

Chair Oshiro and members of the House Finance Committee. Thank you for the opportunity to provide comments on H.B. 2902 H.D.2. 'Ōlelo understands the intent of the Bill and wants to ensure that any concerns related to 'Ōlelo's allocation and management of resources are addressed.

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Although there are concerns stated in the Standing Committee Report No. 381-10 regarding 'Ōlelo's expanded services, I believe it is important the Committee understand some key points.

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3. 'Ōlelo has used over \$11 million of our own non-franchise fee revenues to supplement and support the services we provide to the community.
4. 'Ōlelo has and continues to find ways to reduce expenses and opened three centers without increasing personnel expenses. We did this by shifting personnel from other centers to staff the new facilities. We also reduced our hours of operations at our main facility in Mapunapuna by almost 50%. Like other businesses during these difficult economic times, 'Ōlelo has reduced its staff by almost 10%. If anything, I believe 'Ōlelo has done a great deal with the limited resources available. This is only possible because of the hard working and dedicated staff at 'Ōlelo who continue to take on more and remain committed to the communities they serve.
5. Due to an arbitrary cap on the fees paid to 'Ōlelo that was imposed in 2000, 'Ōlelo receives 2% rather than 3% of Oceanic's gross revenues. PBS Hawaii receives 1%, the DCCA collects .6% and the PEG access organization on Kauai, Maui County and Hawaii Island receive 3%. Although the DCCA has the ability to remove the cap, it has chosen not to do so. This arbitrary cap has resulted in 'Ōlelo operating at a deficit for several years. Again, we are working to bring these related expenses in line. However, if the cap on the funding is not removed, 'Ōlelo will work to find ways to either raise and/or cut almost \$2 million dollars over the next four to five years. Well over \$4 million has been diverted from PEG access funding on O'ahu. If the cap on funding were removed, 'Ōlelo would be able to continue the valuable services we provide as well as expand our support and services to City and State government. Removing the cap would also allow 'Ōlelo to operate under a balanced budget.
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