

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE WAYS AND MEANS
ON
SENATE BILL NO. 601, S.D. 1

February 24, 2017
1:35 p.m.
Room 211

RELATING TO THE KING KAMEHAMEHA CELEBRATION COMMISSION

Senate Bill (S.B.) No. 601, S.D. 1: amends the membership, mission, and purpose of the King Kamehameha Celebration Commission; authorizes the Chairperson to appoint an advisory committee for historical and archival matters; authorizes the Commission to appoint an Executive Director; and creates the King Kamehameha Celebration Commission Special Fund to be administered by the Department of Accounting and General Services. Moneys can be deposited into the special fund from 1) appropriations by the Legislature to the special fund; and 2) gifts, donations, and grants from public agencies and private persons, and subject to legislative appropriation, the special fund moneys can be expended solely for the purpose of paying expenses arising out of the annual King Kamehameha day celebration events. The measure shall take effect on July 1, 2017.

The Department of Budget and Finance, as a matter of general policy, does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the

purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to S.B. No. 601, S.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
Comptroller
AUDREY HIDANO
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN COMMENTS
OF
RODERICK K. BECKER, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE ON WAYS AND MEANS
ON
FRIDAY, FEBRUARY 24, 2017
1:35 P.M
CONFERENCE ROOM 211

S.B. 601, S.D. 1

RELATING TO THE KING KAMEHAMEHA CELEBRATION COMMISSION.

Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee, thank you for the opportunity to provide written comments on S.B. 601, S.D. 1. The Department of Accounting and General Services opposes the measure for the following reasons:

1. This bill creates a special fund to collect gifts, donations, and grants from public agencies and private persons, which is in direct conflict with Section 8-5(f), Hawaii Revised Statutes (HRS). That section requires all donations and moneys received from all sources shall be deposited in the Commission's trust account.
2. As specified in Section 8-5(f), HRS, one of the purposes of the Commission's trust account is to ensure that all "donations accepted from private sources shall be expended in the manner prescribed by the contributor." The special fund in this measure does not specify that donations are to be expended in the manner

prescribed by the contributor, and there is no mechanism identified to ensure that this will occur if such a request is made by a contributor.

3. In Section 8-5(d), HRS, the arts program specialist and the part time clerk typist are paid from fees, public contributions, and private donations. In the measure, both the special fund and the trust fund derive revenue from these sources, and it is unclear which fund these positions are paid from. Without a specific source of funding for these positions, the positions cannot be filled as the adequacy of funding for them cannot be confirmed.
4. The measure creates an executive director position; however, there is no funding source specified, and as discussed above, the position cannot be filled as the adequacy of funding for this position cannot be confirmed without an identified source.
5. The proposed fund does not appear to meet the requirement of Section 37-52.3, HRS, that the special fund demonstrates the capacity to be financially self-sustaining.

Thank you for the opportunity to provide written comments on this measure.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 23, 2017 9:47 AM
To: WAM Testimony
Cc: kaluhiokalanik@aol.com
Subject: Submitted testimony for SB601 on Feb 24, 2017 13:35PM

SB601

Submitted on: 2/23/2017

Testimony for WAM on Feb 24, 2017 13:35PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Manuel Aila	MISS RODEO HAWAII PROGRAM	Support	No

Comments: Appropriation of general funds to manage salaries and programs to successfully execute celebratory activities on and around the June 11th holiday is requested. Traditionally funds come primarily via donations and sponsorships, but state funds should be appropriated to commemorate and manage festivities for a state holiday. The Hawai'i Tourism Authority does grant monies on a year-to-year basis as part of their Native Hawaiian Festivals program. However, funds are not guaranteed. The substance of SB601 was submitted in 2016, but due to the removal of the exact number of Commission seats, the entire bill was vetoed by the Governor as a quorum issue. That item has since been resolved.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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HAWAIIAN AFFAIRS CAUCUS
Democratic Party of Hawaii
e-mail: leimomikhan@gmail.com

Committee on Ways & Means
Hearing: Friday, February 24, 2017, 1:35 p.m.
State Capitol Conference Room 211

**IN SUPPORT OF
SB 601, SD1, RELATING TO THE KING KAMEHAMEHA CELEBRATION
COMMISSION ON HAWAIIAN AFFAIRS**

Senator Jill Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair
Members, Committee on Ways & Means

Aloha mai kākou

The Hawaiian Affairs Caucus of the Democratic Party of Hawai‘i urges your committee to pass SB 601, SD1 Relating to the King Kamehameha Celebration Commission, that would amend the membership, mission, and purpose of the King Kamehameha Celebration Commission; authorize the chairperson to appoint an advisory committee for historical and archival matters; authorize the Commission to appoint an Executive Director; create the King Kamehameha celebration special fund; and make an appropriation.

We know that you are aware of the significance of the King Kamehameha Celebration having passed a similar bill in the legislature last year. Had it not been for a technical flaw, the Governor would have also signed it into law. Thankfully, due to the dedicated, committed members of the Commission and the several hundred volunteers, the Celebration was held last year.

We know that you are challenged by the numerous requests for appropriations and deciding which to fund given the limited funds that the State has to operate. We suggest that **funding for the King Kamehameha Celebration Commission is an economic investment since the Celebration is a tourist attraction, and more importantly is an impetus to the “practice” of the Hawaiian culture by all who participate in it...**from students learning about the history of Kamehameha, to the protocol for picking greenery in our forests for leis and other decorations used in the parade.

Aside from appropriations, the KKCC Commissioners recognize that to have a vibrant celebration we need more members with a business sense. No doubt, we are strong on Native Hawaiian culture and protocol, critical to the celebration. But,

we also need staff and commissioners strong on business, marketing, philanthropy and public relations; and we need an executive director to be responsible for all fiscal and administrative matters, including securing public contributions and private foundation grants and donations.

The King Kamehameha Celebration holds promise to be a premier event given the right resources. Unlike the other 49 states, Hawai'i is the only one that honors monarchs who ruled these islands.

SB 601 SD1 will help us to be that premier event. Please pass it.

Respectfully,

/s/ by on-line testimony

LEIMOMI KHAN
Chair

TO: Senator Jill Tokuda, Chair, and Members
Committee on Ways & Means

FROM: Kainoa Daines (Individual Capacity)

RE: **Senate Bill 601** -- Relating to the King Kamehameha Celebration Commission
Testimony in Support and Proposed Amendments supported by HWW and IAA.

TO BE HEARD: Friday | February 24, 2017 | 1:35 p.m. | Conference Room 211

Aloha Chair Tokuda, and members of the Committee on Ways and Means,

I am Kainoa Daines, and I offer this testimony in support of SB601 in my individual capacity and not as a member of the King Kamehameha Celebration Commission (KKCC). The KKCC has not yet met in 2017, and has not taken a position on the proposals contained in SB601.

Hawai'i is the only state to celebrate a former monarch with a holiday – King Kamehameha I Day, first established in 1872, and by Hawai'i Revised Statutes Section 8-1 recognized as a state holiday on June 11 each year.

Established in 1939, the KKCC is comprised of a group of dedicated volunteers who seek to only do the good work tasked to it by HRS Section 8-5. This includes the management of appropriated state general funds.

Appropriation of general funds to manage salaries and programs to successfully execute celebratory activities on and around the June 11th holiday is requested. Traditionally funds come primarily via donations and sponsorships, but state funds should be appropriated to commemorate and manage festivities for a state holiday. The Hawai'i Tourism Authority does grant monies on a year-to-year basis as part of their Native Hawaiian Festivals program. However, funds are not guaranteed.

The substance of SB601 was submitted in 2016, but due to the removal of the exact number of Commission seats, the entire bill was vetoed by the Governor as a quorum issue. That item has since been resolved. However, circumstances have changed since Senator Espero graciously introduced this year's bill.

SB601 at page 3, lines 14-19, currently proposes to amend HRS §8-5(a) as follows:

~~[one member from each of the following islands: Kaua'i, Maui, Moloka'i, and Hawai'i. Each of these members shall be a resident of the respective island that the member represents.]~~ four at-large members representing the city and county of Honolulu and the counties of Kaua'i, Maui and Kalawao, and Hawai'i.

The original reason for merging the Maui and Moloka'i seats was based on a vacant Moloka'i seat for at least a decade. A "Maui County" seat would encompass both islands, and include Lāna'i. I do not support this proposed merger.

Requested amendments, approved by HWW and IAA on February 9:

(1) At page 2, line 12, amend the number of KKCC members from thirteen (13) to fifteen (15).

(2) At page 3, lines 14-16, keep the Moloka‘i seat as is. A former Commissioner (Lu Ann Faborito), who previously held the Commission seat for the Association of Hawaiian Civic Clubs, is moving to Moloka‘i, and has already been appointed by Governor Ige and sworn in to fill this seat, subject to Senate confirmation.

(3) Creating a seat specifically for the City & County of Honolulu/O‘ahu is unnecessary as nine (ten with the addition of the Daughters of Hawai‘i) of the Commissioners are based on O‘ahu. It would be redundant. Communities on O‘ahu (Kapahulu, Papakōlea and Waimānalo) are well represented and have been so since KKCC’s 1939 establishment.

(4) At page 3, lines 14-19, instead of a seat for O‘ahu, we require a seat for the island of Lāna‘i. This will mean representation for all the major Hawaiian Islands, truly representing the entire state. Accordingly, provide for one representative from each of the following islands (not counties): Kaua‘i, Moloka‘i, Maui, Lāna‘i, and Hawai‘i.

Mahalo nui for your consideration of these proposed amendments.

Kainoa Daines

King Kamehameha Celebration Commission service:

- Acting Chair (present).
- Commissioner, representing the Royal Order of Kamehameha I (appointed by Governor Ige to a four- year term; sworn in on January 30, 2017; subject to Senate confirmation this session).
- Honolulu Parade Chair, King Kamehameha Celebration Floral Parade – 2011 to present.
- Commissioner, representing the Kamehameha Schools Alumni Association – 2012 to 2016.
- Arts Program Specialist III (April to June 2011) – King Kamehameha Celebration Commission, within the Department of Accounting and General Services.
- Commission Chair, appointed by Governor Lingle – 2009 to 2011.
- Commissioner, representing the Royal Order of Kamehameha I – 2007 to 2011.

Beverly Lee
e-mail: beverlykleeis@gmail.com

Ways and Means Committee
Hearing: Friday, February 24, 2017, 1:35 pm
State Conference Room 211

**TESTIMONY IN SUPPORT OF SB601, RELATING TO THE
KING KAMEHAMEHA CELEBRATION COMMISSION**

Senator Jill Tokuda, Chair
Senator Donovan Dela Cruz, Vice Chair
Members, Senate Ways & Means Committee

Aloha Chair Tokuda, Vice Chair Dela Cruz, and members of the Senate Ways & Means Committee.

I am Beverly Lee, and I offer this testimony in support of SB601 in my individual capacity and not as a member of the King Kamehameha Celebration Commission (KKCC). The KKCC has not yet met in 2017, and has not taken a position on the proposals contained in SB601.

Hawai'i is the only state to celebrate a former monarch with a holiday – King Kamehameha I Day, first established in 1872, and by Hawai'i Revised Statutes Section 8-1 recognized as a state holiday on June 11 each year.

Established in 1939, the KKCC is comprised of a group of dedicated volunteers who seek to only do the good work tasked to it by HRS Section 8-5. This includes the management of appropriated state general funds.

Appropriation of general funds to manage salaries and programs to successfully execute celebratory activities on and around the June 11th holiday is requested. Traditionally funds come primarily via donations and sponsorships, but state funds should be appropriated to commemorate and manage festivities for a state holiday. The Hawai'i Tourism Authority does grant monies on a year-to-year basis as part of their Native Hawaiian Festivals program. However, funds are not guaranteed.

The substance of SB601 was submitted in 2016, but due to the removal of the exact number of Commission seats, the entire bill was vetoed by the Governor as a quorum issue. That item has since been resolved. However, circumstances have changed since Senator Espero graciously introduced this year's bill.

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The original reason for merging the Maui and Moloka'i seats was based on a vacant Moloka'i seat for at least a decade. A "Maui County" seat would encompass both islands, and include Lāna'i. I do not support this proposed merger.

Requested amendments:

- (1) At page 2, line 12, amend the number of KKCC members from thirteen (13) to fifteen (15).
- (2) At page 3, lines 14-16, keep the Moloka'i seat as is. A former Commissioner (Lu Ann Faborito), who previously held the Commission seat for the Association of Hawaiian Civic Clubs, is moving to Moloka'i, and has already been appointed by Governor Ige and sworn in to fill this seat, subject to Senate confirmation.
- (3) Creating a seat specifically for the City & County of Honolulu/O'ahu is unnecessary as nine (ten with the addition of the Daughters of Hawai'i) of the Commissioners are based on O'ahu. It would be redundant. Communities on O'ahu (Kāhāhā, Papakōlea and Waimānalo) are well represented and have been so since KKCC's 1939 establishment.
- (4) At page 3, lines 14-19, instead of a seat for O'ahu, we require a seat for the island of Lāna'i. This will mean representation for all the major Hawaiian Islands, truly representing the entire state. Accordingly, provide for one representative from each of the following islands (not counties): Kaua'i, Moloka'i, Maui, Lāna'i, and Hawai'i.

Mahalo nui for your consideration of these proposed amendments.

Beverly Lee

King Kamehameha Celebration Commission service:

- Commissioner, representing Kāhāhā Music Club – 2012 – present (appointed by Governor Ige to a four-year term; sworn in on January 30, 2017; subject to Senate confirmation this session).
- Equestrian Chair, King Kamehameha Celebration Floral Parade – 2010 to present.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 23, 2017 9:46 AM
To: WAM Testimony
Cc: kaluhiokalanik@aol.com
Subject: Submitted testimony for SB601 on Feb 24, 2017 13:35PM

SB601

Submitted on: 2/23/2017

Testimony for WAM on Feb 24, 2017 13:35PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Iu Faborito	Individual	Support	No

Comments: Appropriation of general funds to manage salaries and programs to successfully execute celebratory activities on and around the June 11th holiday is requested. Traditionally funds come primarily via donations and sponsorships, but state funds should be appropriated to commemorate and manage festivities for a state holiday. The Hawai'i Tourism Authority does grant monies on a year-to-year basis as part of their Native Hawaiian Festivals program. However, funds are not guaranteed. The substance of SB601 was submitted in 2016, but due to the removal of the exact number of Commission seats, the entire bill was vetoed by the Governor as a quorum issue. That item has since been resolved.

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TO: Senator Jill Tokuda, Chair, and Members
Committee on Ways & Means
FROM: Daryl Fujiwara (Individual Capacity)

RE: Senate Bill 601 -- Relating to the King Kamehameha Celebration Commission
Testimony in Support and Proposed Amendments supported by HWW and IAA.

TO BE HEARD: Friday | February 24, 2017 | 1:35 p.m. | Conference Room 211

Aloha Chair Tokuda, and members of the Committee on Ways and Means,

I am Daryl Fujiwara, and I offer this testimony in support of SB601 in my individual capacity and not as a member of the King Kamehameha Celebration Commission (KKCC). The KKCC has not yet met in 2017, and has not taken a position on the proposals contained in SB601.

Hawai'i is the only state to celebrate a former monarch with a holiday – King Kamehameha I Day, first established in 1872, and by Hawai'i Revised Statutes Section 8-1 recognized as a state holiday on June 11 each year.

Established in 1939, the KKCC is comprised of a group of dedicated volunteers who seek to only do the good work tasked to it by HRS Section 8-5. This includes the management of appropriated state general funds.

Appropriation of general funds to manage salaries and programs to successfully execute celebratory activities on and around the June 11th holiday is requested. Traditionally funds come primarily via donations and sponsorships, but state funds should be appropriated to commemorate and manage festivities for a state holiday. The Hawai'i Tourism Authority does grant monies on a year-to-year basis as part of their Native Hawaiian Festivals program. However, funds are not guaranteed.

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Mahalo nui for your consideration of these proposed amendments.
Daryl Fujiwara

King Kamehameha Celebration Commission service:

☑ Maui Commissioner (present).

☑ Commissioner, the island of Maui (appointed by Governor Ige to a four- year term; sworn in on January 30, 2017; subject to Senate confirmation this session).

☑ Lahaina Parade Volunteer 2001-2011

☑ Lahaina Parade Chair, King Kamehameha Celebration Floral Parade – 2010 to present.

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 24, 2017 7:14 AM
To: WAM Testimony
Cc: dkapua@gmail.com
Subject: *Submitted testimony for SB601 on Feb 24, 2017 13:35PM*

SB601

Submitted on: 2/24/2017

Testimony for WAM on Feb 24, 2017 13:35PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kapua Keliikoa-Kamai	Individual	Support	Yes

Comments:

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