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Statement of
Mike McCartney
Director

Department of Business, Economic Development, and Tourism

HOUSE COMMITTEE ON FINANCE

Tuesday, February 26, 2019

1:30 PM

State Capitol, Conference Room 308

In consideration of
HB 773, HD1
**RELATING TO THE DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT AND TOURISM.**

Chair Luke, Vice Chair Cullen and Members of the House Committee on Finance.

The Department of Business, Economic Development and Tourism (DBEDT) appreciates the intent and offers the following **comments** on HB773, HD1, which seeks to strengthen Hawaii's creative, film and media industries development through renaming of creative industries division (CID) and adding positions which support statutory mandates, expanding funding opportunities for creative entrepreneurs and supporting infrastructure development for the creative, film and media industries.

The four added positions, which include those to support increased requirements for managing the motion picture, digital media and film tax credit program, will help ensure the tax credit and other statutory responsibilities are managed effectively, particularly in light of Act 143, provided the priorities in the Executive Budget are not negatively impacted.

Structurally, CID/DBEDT is comprised of two branches; the arts and culture development branch and the film industry branch (aka Hawaii Film Office), with eleven civil service employees in the division. Currently, as written, the bill has inconsistencies in several areas, where existing positions are concerned, including key sections which do not address the existing arts and culture development branch.

DBEDT requests renaming or restructuring be omitted in this measure as it moves through the session, and we will work with the Legislature on refining the proposal.

While many aspects of HB773, HD1, support a broader vision, any restructuring of the CID division should be undertaken by DBEDT, in consultation with all required parties.

DBEDT supports the appropriations for infrastructure and creative entrepreneurial development programs, as outlined in this measure, as they are also requests contained in the executive budget for FY19-21.

Thank you for the opportunity to testify.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
Tuesday, February 26, 2019 at 1:30 p.m.

By

Christopher P. Lee, Director, Academy for Creative Media System
on behalf of

Vassilis L. Syrmos, Vice President for Research and Innovation
University of Hawai'i System

HB 773 HD1 – RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC
DEVELOPMENT, AND TOURISM

Chair Luke, Vice Chair Cullen, and members of the Committee:

The University of Hawai'i (UH) would like to provide comments on HB 773 HD1.

The University of Hawai'i greatly appreciates the strong support that the Hawai'i State Legislature has given to the Academy for Creative Media System (ACM System), which now helps fund and coordinate collaboration among 17 different programs across all ten campuses of the UH System.

The Legislature's support for the film, television and digital content industry, which hires ACM graduates and makes it possible for them to stay in the islands with living wage jobs, is also greatly appreciated. In 2018, Hawai'i set a new record of almost \$477 million in direct production spending with an economic impact heading towards a billion dollars for the local economy.

The University of Hawai'i recognizes that the state's film, television and digital production tax credit has been instrumental in attracting much of this production work. However, UH is also aware that this tremendous growth has resulted in increased administrative needs from the industry on everything from marketing, location scouting, permit processing, certifying tax credits -- and even trouble shooting for residents who might feel inconvenienced by production in their neighborhoods -- tasks that may require additional staff for the Hawai'i Film Office to better serve the industry, as well as UH's creative media education programs.

Thank you for the opportunity to testify on this measure.

HB-773-HD-1

Submitted on: 2/25/2019 1:20:16 PM

Testimony for FIN on 2/26/2019 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments: