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Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Wednesday, March 27, 2019
2:30 P.M.
State Capitol, Conference Room 308

In consideration of
SB 989, SD2, HD1
RELATING TO ECONOMIC DEVELOPMENT.

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 **comments** on SB989, SD2, HD1 which proposes to rename the Creative Industries Division (CID) in DBEDT, supports increased positions and funding for same to improve operations and industry development, renames the existing Hawaii TV and Film Development Fund to a creative, film and media development special fund to align with local industry development goals, provides funds for creative lab, creative co-working facilities statewide, improvements to the web portals of Hawaii Film Office and CID and seeks to establish and provide funding for an overseas office in Guangzhou, Guangdong, China in the interest of promoting trade in Hawaii.

DBEDT appreciates that the Legislature has concurred with the requested positions in this and other measures this session. As noted in the recent HB2, HD1, SD1, CD1 of the budget bill, these positions have been approved by the Legislature. We thank the members of the House and Senate as this will allow CID, the Hawaii Film Office and Arts and Culture branch to improve operations in critical statutory and other infrastructure and workforce development areas.

The department may start the necessary reorganization and any renaming of the division to reflect its expanded scope of responsibilities. This will allow for the Legislature's intent to be fulfilled, as well as DBEDT's. DBEDT believes it is not necessary to mandate the division in statute which would limit the flexibility needed in a rapidly changing industry.

DBEDT concurs with renaming the existing HRS 201-113, The Television and Film Development Special Fund, to allow it to support the creative, film and media development in our State.

The fund is important in light of programs which are accelerating the development of a creative economy. DBEDT requests the committee's consideration of repealing HRS 201-112, The Television and Film Development Board, as it has been inactive for years and this measure proposes the department take on the special fund oversight, versus the board.

For Part II of the bill, which establishes a State of Hawaii office in Guangzhou, Guangdong, China, it must be noted that \$150,000 will be requested on a recurring basis in subsequent fiscal years for the administrative, operational and project expenses for this office in China.

DBEDT looks forward to working with the committee on these recommendations for SB989, SD2, HD1. Thank you for the opportunity to testify on this measure.

SB-989-HD-1

Submitted on: 3/27/2019 8:54:11 AM

Testimony for FIN on 3/27/2019 2:30:00 PM

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Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Ho'omanapono Political Action Committee (HPAC)	Support	Yes

Comments:

WE STRONGLY SUPPORT THIS BILL.