

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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 CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON CULTURE, ARTS & INTERNATIONAL AFFAIRS
ON
HOUSE BILL NO. 1923

February 9, 2022
10:30 a.m.
Room 329 Via Videoconference

RELATING TO THE CREATIVE WORKFORCE

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 1923.

H.B. No. 1923 establishes the Creative Arts Workforce Grant program to be administered by the State Foundation on Culture and the Arts (SFCA). The measure appropriates unspecified general funds in FY 23 to SFCA for this purpose.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

CHUNG I. CHANG
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
MIKE MCCARTNEY
Director

Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON CULTURE, ARTS, & INTERNATIONAL AFFAIRS

Wednesday, February 9, 2022
10:30 AM
State Capitol, Conference Room 329

In consideration of
HB 1923
RELATING TO THE CREATIVE WORKFORCE.

Chair Gates, Vice Chair Tam, and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) respectfully offers comments on HB 1923 that would establish the creative arts workforce grant program to be administered by the State Foundation on Culture and the Arts. The measure also appropriates funds for the creative arts workforce grant program.

Creative Industries DBEDT has seen firsthand the impacts of COVID-19 on Hawaii's vibrant ecosystem of artists, cultural artisans, musicians, media makers and designers representing 54,071 jobs or 6.1% of the state total civilian jobs and \$4.2 billion (GDP) as noted in the most recent DBEDT [Creative Industries Report¹](#) and [Emerging Industries Report](#), including self-employed entrepreneurs and gig workers.

According to the June 2020 report by Brookings Institute, *The LOST ART: MEASURING COVID-19's DEVASTATING IMPACT ON AMERICAS CREATIVE ECONOMY* states that "The creative economy is one of the sectors most at risk from the COVID-19 crisis. Arts, culture, and creativity are noted as one of three key sectors (along with science and technology as well as business and management) that drive regional economies." The report further identifies the State of Hawaii as one of the top 5 States that have job losses in this sector greater than the national average of 30.3%.

CID/DBEDT is in process of convening the creative resurgence task force as required in SCR 242, SD1, HD1, SLH 2021, which directs the department to form a

¹ Source: READ Creative Industries Report

working group to provide guidance on definitions of creative workers and related creative economy sectors activity. As this is synergistic with the proposed measure, we will continue working with DLIR Workforce Development Division and share with LRB on best practices to develop recommendations for a definition for Hawaii's creative workers.

While DBEDT and CID support the intent of this measure, which would expand much needed grant support for Hawaii's creative industries sector, we want to ensure that the definition of creative worker is comprehensive and inclusive of all creative workers that contribute to Hawaii's economy.

Definitions by leading National agencies including the US Department of Commerce's Bureau of Economic Analysis (BEA), the National Endowment for the Arts (NEA), and Western States Arts Federation (WESTAF), have varying and often broader definitions than those outlined in this Bill.

For these reasons, DBEDT welcomes the opportunity to work with SFCA, our sister agencies, the Creative Resurgence Task Force, and the Legislature to share insights through our Creative Industries Division experience in best defining Hawaii's creative economy and entrepreneurial workforce.

Thank you for the opportunity to testify.



No. 1 Capitol District Building
250 South Hotel Street
Second Floor
Honolulu, HI 96813

Governor
David Y. Ige

Comptroller
Curt T. Otaguro

Chairperson
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Commissioners
Susan Browne
Nalani Brun
Jane Clement
Kālewa Correa
Ronald Michioka
Karen Tiller Polivka
Clyde Sakamoto
Allison Wong

Executive Director
Jonathan Johnson

Telephone
808.586.0300

Fax
808.586.0308

Website
sfca.hawaii.gov

**TESTIMONY OF
THE STATE FOUNDATION ON CULTURE AND THE ARTS
TO THE HOUSE COMMITTEE ON CULTURE, ARTS, & INTERNATIONAL AFFAIRS
February 9, 2022, Conference Room 329 & Videoconference at 10:30AM
H.B. 1923
RELATING TO THE CREATIVE WORKFORCE**

Chair Gates and members of the Committee, I am Jonathan Johnson, Executive Director of the State Foundation on Culture and the Arts (SFCA), and we are grateful for the opportunity to testify with **COMMENTS** on H.B. 1923.

Hawaii's creative arts workforce of culture and arts organizations, individual artists and cultural practitioners are an important and unique resource of the State's economy and community. SFCA recognizes the importance of the creative arts workforce and provides support through granting programs, as funding permits. An increase in grants appropriation through SFCA can have a similar impact to individuals in the creative arts workforce that H.B. 1923 is proposing.

H.B. 1923 needs to be refined to make the most impact in Hawaii's creative arts workforce. In order for a program such as this to succeed, there must be significant government financial and policy backing. Implementing the creative arts workforce ideals through community based organizations and structures, supported by the public sector and private philanthropy may serve as a bridge to growing government buy-in. A framework to grow the State's creative arts workforce exists through SFCA's grants to organizations.

Through Act 88, SLH 2021, funding for SFCA's community grants program was significantly impacted by a 40% reduction which the Legislature did not concur with (attached detail from EXEC-HB200-CD1). Due to this reduction in funds, SFCA was limited to funding half of the applications received statewide.

An appropriation to the State Foundation on Culture and the Arts' grant program would directly impact those identified in H.B. 1923. Creating a complex government structure as outlined in H.B. 1923 in the current economic climate would not be the most effective use of Hawaii's limited resources. This work can be accomplished by SFCA granting organizations in the community already doing this important work.

Thank you for the opportunity to submit testimony on this matter.

LEGISLATIVE BUDGET SYSTEM
BUDGET COMPARISON WORKSHEET

Program ID: AGS881
Structure #: 080103000000
Subject Committee: LCA

STATE FOUNDATION ON CULTURE AND THE ARTS
LABOR, CULTURE AND THE ARTS

HB200 CD1							HB200 GM					
SEQ #	Perm	2022 Temp	Amt	Perm	2023 Temp	Amt	Perm	2022 Temp	Amt	Perm	2023 Temp	Amt
61-001			(191,288)			(191,288) A			(191,288)			(191,288) A
			191,288			191,288 N						N
EXECUTIVE REQUEST:							EXECUTIVE REQUEST:					
REDUCE FUNDS FOR STATE FOUNDATION ON CULTURE AND THE ARTS (AGS881/LA).							REDUCE FUNDS FOR STATE FOUNDATION ON CULTURE AND THE ARTS (AGS881/LA).					
*****							*****					
LEGISLATURE DOES NOT CONCUR.							DETAIL OF GOVERNOR'S REQUEST:					
BREAKOUT AS FOLLOWS:							GRANTS (-191,288)					
GRANTS (-191,288A/191,288N)												



February 4, 2022

Committee on Culture, Arts, & International Affairs
Chair Gates
Vice Chair Tam

The House of Representatives
The Thirtieth-First Legislature
Regular Session of 2022

RE: [HB 1923](#) - RELATING TO THE CREATIVE WORKFORCE

DATE: Wednesday, February 9, 2022

TIME: 10:30 am

PLACE: Conference Room 329

VIA Videoconference

State Capitol 415 South Beretania Street, Honolulu HI

Aloha Chair Gates, Vice Chair Tam and the members of the committee,

Thank you for the opportunity to testify in SUPPORT of [HB 1923](#) - RELATING TO THE CREATIVE WORKFORCE.

SAG-AFTRA represents over 1200 actors, recording artists, and media professionals in our state. We are the professional performers working in front of the camera and behind the microphone.

Relating specifically to this bill, [here](#) are some examples of our own workforce training initiatives.

This bill is a forward thinking measure that encourages and supports careers in the arts and creative industries. Speaking specifically to how this affects our members, in addition to the immediate effect of providing opportunities for actors, singers and dancers to avail themselves of grants and job training, the end goal of creating a strong creative workforce will go a long way towards attracting more production, and thus creating more jobs. We welcome the opportunity to discuss further.

Mericia Palma Elmore, Executive Director
SAG-AFTRA Hawaii Local
mericia.palmaelmore@sagaftra.org
201 Merchant St. Suite 2301
Honolulu, HI 96813
Ph: 808-596-0388 Fax: 808-593-2636

SCREEN ACTORS GUILD - AMERICAN
FEDERATION OF
TELEVISION AND RADIO ARTISTS
SAGAFTRA.org
Associated Actors & Artistes of America / AFL-CIO



Respectfully,

Mericia Palma Elmore

Mericia Palma Elmore, Executive Director SAG-AFTRA Hawaii Local

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IATSE LOCAL 665

FILM, TELEVISION, STAGE, PROJECTION AND TRADESHOWS
Since 1937

INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS, ARTISTS AND ALLIED CRAFTS
OF THE UNITED STATES, ITS TERRITORIES AND CANADA, AFL-CIO, CLC

The Thirty-First Legislature, State of Hawai'i
Hawai'i State House of Representatives
Committee on Culture, Arts, and International Affairs

Testimony by
IATSE Local 665
February 8th, 2022

H.B. 1923 - RELATING TO CREATIVE WORKFORCE

Aloha Chair Gates, Vice Chair Tam, and members of the House committee,

My name is Tuia'ana Scanlan, President of IATSE Local 665. Local 665 represents Entertainment Technicians in Stagecraft, Tradeshow & Conventions, and Film/TV industries across the State of Hawaii. **We submit this testimony in strong support of H.B. 1923.**

When the pandemic sapped so much of our energy, we turned to books, music, film and TV to reinvigorate us. When the horizon became dark, we turned to artists to light the way through the hardship. This program is an incredible opportunity to diversify Hawai'i's economy. By investing in the creative workforce of our home, we open opportunities to the widespread benefits of the arts. This program creates new pathways that will enhance the standard of living for the Native Hawaiian, the LGBTQIA+, and BIPOC communities. Furthermore, by strengthening the safety net for our creative workforce, we create the latitude for a powerful foundation of new and exciting business opportunities for the State of Hawai'i.

It is for these reasons that we **strongly support H.B. 1923**. Thank you for the opportunity to testify.

Respectfully,

Tuia'ana Scanlan
President, IATSE Local 665
he/him/his

HB-1923

Submitted on: 2/7/2022 6:40:13 PM

Testimony for CAI on 2/9/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Amy Adams	Individual	Support	No

Comments:

As a working actress who has resided on Oahu for the past ten years, I am thrilled about how much support there is for creative arts here but also I have not found enough work as an actress to be able to make a living. I fully support creating grants for actors and creatives who seek to be able to support their craft and share their skills and talents with the community. Please pass this vital bill.

HB-1923

Submitted on: 2/7/2022 8:30:26 PM

Testimony for CAI on 2/9/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
HENRY IAN CUSICK	Individual	Support	No

Comments:

I'd like to thank the Legislature for addressing this important issue.

As an actor, director and national board member of the HI SAG-AFTRA local I support HB 1923 because it encourages and supports careers in the arts and creative industries - it supports a program that will provide opportunities for actors, singers and dancers to avail themselves of grants and job training and it supports the creation of a strong creative workforce will attract more production, and create more jobs.

Mahalo

Henry Ian Cusick

HB-1923

Submitted on: 2/7/2022 10:21:53 PM

Testimony for CAI on 2/9/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Michael Vernon	Individual	Support	No

Comments:

I want to thank this Legislature for going through this important bill HB 1923. I am in support of HB 1923 Bill as this will encourages and supports careers in the arts and creative industries . Supporting a program that will provide opportunities for actors, singers and dancers to avail themselves of grants and job training and access to a carrer path. More jobs in this industry will create more opportunities, a strong workforece will create more revenue for the state. Thank you agian for your attention.

HB-1923

Submitted on: 2/8/2022 1:51:04 AM

Testimony for CAI on 2/9/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ken Leung	Individual	Support	No

Comments:

Thank you for supporting the arts in these fraught and uncertain times.

HB-1923

Submitted on: 2/8/2022 2:27:12 PM

Testimony for CAI on 2/9/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kelly Rice	Individual	Support	No

Comments:

Aloha!

Thank you for supporting this important issue. I am supporting HB 1923 because it encourages and supports careers in the arts and creative industries. This program will provide opportunities for actors, singers and dancers to avail themselves to grants and job training. HB 1923 also will help support the creation of a strong creative workforce which will attract more productions and create jobs!

Mahalo,

Kelly

HB-1923

Submitted on: 2/8/2022 5:05:50 PM

Testimony for CAI on 2/9/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Julie Uyeno-Pidot	Individual	Support	No

Comments:

Aloha, committee members.

I would like to testify in strong support of HB1923 (Relating to the Creative Workforce). As an art lover with two artistically inclined children and many artist friends, I'm very much in favor of a creative arts workforce grant program administered by the State Foundation on Culture and the Arts.

In an article published on the Honolulu Civil Beat website on January 5, 2022, journalist Stewart Yerton stated that "about 14,500 people left the state in 2020-2021," which is more than 10% of our state's population. According to DBEDT economist Wayne Liou, kama'āina who relocate to the continental U.S. are "both younger and more educated," resulting in brain drain for the state of Hawai'i.

While science, technology, engineering, and math are critical for our future workforce, so are the arts, which provide creative ways to think, communicate, and problem solve. Many local creatives have been forced to move to the continental U.S. in order to make a living in their chosen fields. I'm sure that most would prefer to stay here, where their friends and family are. Hawai'i is also an ideal place to create art, given its natural beauty and rich cultural heritage.

The pandemic has taught us that we need to diversify our economy. Hawai'i should become a place where artists can live and thrive, while creating art that helps us to envision and enact a better and brighter future. This grant program will allow our state to do just that.

Mahalo for your time and consideration.

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