



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE  
GOVERNOR  
MIKE MCCARTNEY  
DIRECTOR  
CHUNG I. CHANG  
DEPUTY DIRECTOR

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Statement of  
**MIKE MCCARTNEY**  
Director  
Department of Business, Economic Development, and Tourism  
before the

## SENATE COMMITTEE ON WAYS AND MEANS

Friday, February 18, 2022  
10:10 am  
Via Videoconference  
State Capitol, Conference Room 211

In consideration of  
**SB3357, SD1**  
**RELATING TO NATIVE HAWAIIAN AFFAIRS.**

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) offers comments on SB3357, SD1, which requires certain departments and agencies to provide grants to tax-exempt non-profit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities.

DBEDT is tasked with managing non-profit contractors to provide support for the following projects: Pop-up Makeke Virtual Marketplace; A West Oahu Innovation Center: Culture Training Programs; and Community-based Tourism Management.

The Pop-up Makeke Virtual Marketplace supports local artisans and businesses to adapt to e-commerce. DBEDT has an active e-commerce support program so this initiative aligns with our current efforts.

A West Oahu Innovation Center that is a physical co-working space and an entrepreneur and resource center providing workshops, counseling, loan assistance, and broadband access also aligns with DBEDT's mission and current programs.

Managing a contractor to provide Culture Training Programs with military personnel, small businesses, and non-profit organizations does not have a fit with DBEDT's charge related to economic development, and that this responsibility be assigned to a more appropriate agency. Furthermore, \$200,000 to accomplish this broad mission might not be sufficient.

Regarding Community-based Tourism Management, including tourism impacts on the natural and cultural resources of local communities, we suggest, and they agree, that this responsibility be assigned to the Hawaii Tourism Authority.

Finally, in order to provide grants to specific organizations, this bill must provide for expenditures exempt from 103D (Procurement).

Thank you for the opportunity to testify.

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 SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 3357, S.D. 1

**February 18, 2022**  
**10:10 a.m.**  
**Room 211 and Videoconference**

RELATING TO NATIVE HAWAIIAN AFFAIRS

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 3357, S.D. 1, provides funds for grants to non-profit organizations to improve Native Hawaiian communities and culture and appropriates an unspecified amount of general funds for FY 23 for this purpose to be allocated to and expended by the following:

- the Department of Agriculture;
- the Department of Business, Economic Development and Tourism;
- the Department of Labor and Industrial Relations; and
- the Department of Land and Natural Resources.

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.



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1801 Kalākāua Avenue, Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web [hawaii-tourism-authority.org](http://hawaii-tourism-authority.org)

**David Y. Ige**  
*Governor*

**John De Fries**  
*President and Chief Executive Officer*

Statement of  
**JOHN DE FRIES**

Hawai'i Tourism Authority  
before the  
**COMMITTEE ON WAYS AND MEANS**

February 18, 2022  
10:10 a.m.  
State Capitol  
via videoconference

In consideration of  
**SENATE BILL NO. 3357 SD1**  
**RELATING TO NATIVE HAWAIIAN AFFAIRS**

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Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee on Ways and Means,

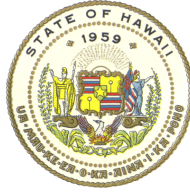
We appreciate the opportunity to provide testimony in **support** of SB3357 SD1, which requires certain departments and agencies to provide grants to tax-exempt non-profit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities.

The Destination Management Action Plans, also known as DMAPs, were developed through significant and meaningful collaboration and direction of Hawai'i's communities. Contained within the six community-driven DMAPs are hundreds of actions and sub-actions identified by kama'āina that have become HTA's commitment to our kama'āina. These three-year plans provide a clear path towards addressing the concerns and needs of our community.

As such, we sincerely appreciate the amendment which designates the Hawai'i Tourism Authority be identified as the attached agency to the Department of Business, Economic Development & Tourism responsible for funds provided for community-based tourism management, including tourism impacts on the natural and cultural resource of our local communities.

We appreciate the opportunity to offer testimony in **support** of SB3357 SD1. Mahalo.

DAVID Y. IGE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**SUZANNE D. CASE**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**ROBERT K. MASUDA**  
FIRST DEPUTY

**M. KALEO MANUEL**  
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the Senate Committee on  
WAYS AND MEANS**

**Friday, February 18, 2022  
10:10AM**

**State Capitol, Conference Room 211, Via Videoconference**

**In consideration of  
SENATE BILL 3357, SENATE DRAFT 1  
RELATING TO NATIVE HAWAIIAN AFFAIRS**

Senate Bill 3357, Senate Draft 1 proposes to appropriate funds to various agencies and directs those agencies to issue these funds as grants to qualified not-for-profit organizations with a substantial history of service to Native Hawaiian communities. **The Department of Land and Natural Resources (Department) appreciates the intent of this measure and offers comments on those portions of the measure relating to the Department.**

Senate Bill 3357, Senate Draft 1 proposes to appropriate funds to various departments and directs them to issue grants to federal tax-exempt non-profit organizations that have previously received government assistance to support their organizational mission as well as possess at least twenty years of providing assistance and support to Native Hawaiian communities.

SECTION 2, paragraph (4) appropriates funds to the Department for repatriation and reinterment of Native Hawaiian human remains in the United States and internationally, and for operation, maintenance, and repairs of Iolani Palace. The Department limits its comments to paragraph (4).

SECTION 2, paragraph (4)(A) appropriates an unspecified amount to be used for the repatriation and reburial of Native Hawaiians nationally and internationally to the Council on Native Hawaiian Affairs (CNHA). The Department supports appropriation of these funds to CNHA provided it does not adversely affect the priorities set forth in the Governor's budget request.

SECTION 2, paragraph (4)(B) appropriates an unspecified amount to be used for operation, maintenance, and repairs at Iolani Palace. The Department supports this provision provided it does not adversely affect the priorities set forth in the Governor's budget request. The Friends of

Iolani Palace (Friends) is a well established, not-for-profit organization focused entirely on operating, maintaining, and preserving Iolani Palace. The Friends meets the criteria established in the measure for receipt of grant funds. The Department recommends that SECTION 2, paragraph (4)(B) revised as follows

(B) The sum of \_\_\_\_\_; provided that the sum is allocated to the Friends of Iolani Palace  
to be used for Iolani Palace operations, maintenance, and repairs.

Thank you for the opportunity to comment on this measure.

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Unity, Equality, Aloha for all



To: SENATE COMMITTEE ON WAYS AND MEANS  
For hearing Friday, February 18, 2022

Re: SB3357 SD1

RELATING TO NATIVE HAWAIIAN AFFAIRS.

Requires certain departments and agencies to provide grants to tax-exempt non-profit organizations that have experience and expertise in supporting and advancing Native Hawaiian communities. (SD1)

TESTIMONY IN OPPOSITION

This bill originally sought to appropriate \$15,700,000.00 to be distributed in specified amounts among 4 departments. In this SD1 version the amounts have been left blank (i.e., hidden) but could even become larger in the eventual conference committee which will insert actual dollar amounts behind closed doors (i.e., in secret). Each department must then spend specific dollar amounts of its windfall for some projects exclusively for the benefit of "Native Hawaiians" [for



example, repatriation and reburial of bones], and for some broader projects generally regarded as focused on areas that are primarily the kuleana of Native Hawaiians [for example, Iolani Palace].

A paragraph in Section 1 makes the racism explicitly clear: "The grants shall be tailored toward improving Native Hawaiian communities and culture through various assistance programs, including but not limited to programs that offer food sustainability; development of renewable infrastructure; Native Hawaiian historic preservation; development of a mill to process ulu and taro [remember the failed mill OHA ran on Kaua'i?]; business training, entrepreneurship, and mentoring; farming; education; cultural training; and environmental management." Activities and products that could plausibly have multiethnic participation actually have a thinly-disguised ethnic focus such as loko i'a [fishponds], kalo [taro], ulu [sweet potato]; culture training programs with military personnel; software needs of the Hawaiian trades academy; Iolani Palace operations [twisted-history narratives by tour guides], maintenance, and repairs.

The main objection to this bill is that the State of Hawaii should not be singling out a punahele [favorite] race for largess of multimillions of taxpayer dollars while not providing corresponding EQUITY to any other races or ethnicities. Whatever happened to the latest liberal themesong DEI (diversity, equity, inclusiveness)?

Another major objection is that we already have an entire branch of the state government, OHA, whose primary purpose is "the betterment of Native Hawaiians." According to OHA's latest annual report, on June 30, 2021 OHA had assets of \$764,820,000.00. So let OHA pay the \$15.7 Million for these projects. Why do we have OHA anyway? If these projects are sufficiently worthy to be asking the legislature for a special appropriation to pay for them, then why did OHA not already recognize their worthiness and provide OHA's money for them?



# IOLANI PALACE

Post Office Box 2259 Honolulu, HI 96804-2259 Telephone (808) 522-0822 FAX (808) 532-1051

**Testimony of  
PAULA AKANA  
Executive Director**

**Before the Senate Committee on  
Ways and Means (WAM)**

**Friday, February 18, 2022  
10:10 AM; Conference Room 211 & Videoconference**

**In Consideration of  
SENATE BILL 3357 SD1**

**RE: Testimony in SUPPORT of SB 3357 SD1, Relating to NATIVE HAWAIIAN  
AFFAIRS.**

Chair Dela Cruz, Vice Chair Keith-Agaran and committee members;

Aloha, I'm Paula Akana, Executive Director of The Friends of Iolani Palace, the State of Hawaii Museum of Monarchy History. Through a long-term lease with the State Department of Land and Natural Resources (State Parks), we maintain, preserve and operate Iolani Palace, the Hale Koa Barracks, the Coronation Pavilion and Kanaina, the old Archives building.

I fully support SB 3357 SD1. It would provide grants, via state departments, to federal tax exempt, non-profit organizations to support their missions. All of the organizations included in this bill provide vital services to benefit Native Hawaiians.

This measure would provide our organization, through DLNR, funding to be used for operations, maintenance and repairs of Iolani Palace. This would help us immensely as we care for and share the story of this wahi pana, this very special place.

The Friends of Iolani Palace are still feeling the impacts of closures and restrictions due to COVID. Our revenues were directly impacted, yet we continue the costly repair and maintenance for these beautiful, aging cultural treasures and continue to provide security for the site.

Mahalo for your consideration.

Aloha,

Paula Akana  
Executive Director  
The Friends of Iolani Palace

**SB-3357-SD-1**

Submitted on: 2/16/2022 7:02:56 PM

Testimony for WAM on 2/18/2022 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Mark T. Shklov	Testifying for The Friends of Iolani Palace	Support	No

Comments:

**Testimony of Mark T. Shklov in Support of Senate Bill 3357 SD1**

Aloha,

My name is Mark T. Shklov. I am a Hawaii Lawyer and a Member of The Board of Directors of the Friends of Iolani Palace.

The Friends of Iolani Palace is the non-profit corporation whose Purpose is “to preserve, restore, interpret, share and celebrate the unique cultural, historical, and spiritual qualities of Iolani Palace and its grounds for the benefit of and to serve Native Hawaiians, the People of Hawaii, and the World”.

I strongly support Senate Bill 3357 SD1.

Senate Bill 3357 SD1 provides grants to federal tax exempt, non-profit organizations to support their missions, including assistance and support to Native Hawaiians.

Senate Bill 3357 SD1 recognizes the importance of Iolani Palace and specifically provides funds for “Iolani Palace operations, maintenance, and repairs”.

Iolani Palace is the iconic representation of Hawaii’s cultural, historical, and spiritual qualities. Its existence supports Native Hawaiians. However, Iolani Palace will be 140 years old and needs maintenance and repair.

Senate Bill 3357 SD1 provides funds that are needed for Iolani Palace operations, maintenance, and repairs to preserve, restore, interpret, share, and celebrate this unique cultural, historical, and spiritual symbol for Native Hawaiians and the People of Hawaii and the World.

Mahalo,

Mark T. Shklov

**SB-3357-SD-1**

Submitted on: 2/17/2022 5:59:53 AM

Testimony for WAM on 2/18/2022 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Billy Pieper	Testifying for Iolani Palace	Support	No

Comments:

Aloha,

I fully support SB 3357 SD1. It would provide grants, via state departments, to federal tax exempt, non-profit organizations to support their missions. All of the organizations included in this bill provide vital services to benefit Native Hawaiians.

This measure would provide our organization, through DLNR, funding to be used for operations, maintenance and repairs of Iolani Palace. This would help us immensely as we care for and share the story of this wahi pana, this very special place.

Mahalo for your consideration,

Billy Pieper

**SB-3357-SD-1**

Submitted on: 2/17/2022 7:23:17 AM

Testimony for WAM on 2/18/2022 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Leilani Williams-Solomon	Testifying for Friends of 'Iolani Palace	Support	No

Comments:

Aloha,

I strongly and humbly urge you to pass SB3357 SD1 that would allow state departments to give grants to tax exempt nonprofit organizations providing needed services to Native Hawaiians. Specifically, for Iolani Palace, this measure could help the Friends of Iolani Palace with funds for operations to manage the palace and grounds, as well as for badly needed maintenance and repairs. The Palace is unique to Hawaii, telling her stories in a special and fascinating way. Let's keep her protected and and in good shape.

Mahalo for your consideration of this bill.

Ke aloha, Leilani Williams-Solomon



**Testimony of Pono Shim of Oahu Economic Development Board**

**Senate Committee on Ways and Means**

**Friday, February 18, 2022, 10:10AM  
House Conference Room 211 and Videoconference**

**Re: Senate Bill 3357 SD1, RELATING TO NATIVE HAWAIIAN AFFAIRS**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Committee members,

Please accept this testimony in full support of SB3357 SD1. In 2009, I was asked to join the Friends of Iolani Palace Board of Directors to provide specific skill sets to the Board and for the long term vision and recovery of our Palace. The vision and courage of Governor Burns to turn the management kuleana of the Palace to the Friends of Iolani Palace, yet sustain the government support by keeping the Palace as a State building to be maintained, like all other state buildings, is significant to the foundation of the Palace as a resource for our residents and the world.

As the Chairman of the Board of Directors for the Friends of Iolani Palace I ask that you continue to move this initiative forward. As the ugliness of the political and economic warring is happening locally and globally, we need actions and resources to serve as reminders that we are a beautiful and brilliant people. The maintenance, preservation, and restoration of the Palace and her stories is not limited to a project, and if lost, is sad. It is much more about ensuring that this resource (not project) will be a guiding resource rather than a time capsule for the future.

Mahalo for your consideration.

A handwritten signature in black ink, appearing to read "Pono Shim", with a long horizontal flourish extending to the right.

Pono Shim  
Chairman of the Board of Directors, Friends of Iolani Palace  
President and CEO, Oahu Economic Development Board

**SB3357 SD1**  
**RELATING TO NATIVE HAWAIIAN AFFAIRS**  
Senate Committee on Ways and Means

February 18, 2022

10:10 AM

Videoconference

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The Council for Native Hawaiian Advancement (CNHA), a member-based 501(c)(3) non-profit organization with a mission to enhance the cultural, economic, political, and community development of Native Hawaiians, **STRONGLY SUPPORTS** SB3357 SD1, which proposes much-needed additional state grant funding to support the Native Hawaiian community. We respectfully ask that the bill be amended to re-insert the funding amounts from the initial SB3357 draft. In addition, we offer technical amendments to one sentence.

CNHA worked with its members to help develop this collection of grant program proposals. Our goal was to empower Native Hawaiian and local communities through the investment in our state's economy and unique heritage, with an eye towards setting critical foundations that can sustain and build upon hard-fought progress. We greatly appreciate the Legislature's willingness to consider new buckets of state grant funding that would supplement existing state funding opportunities for Native Hawaiian organizations with demonstrated track records of success.

#### Proposed Grant Programs

##### **1. Loko I'a Hatchery & Solar Power Programs**

This request proposes to fund two separate programs to expand infrastructure, increase food production and develop the economic sustainability of loko i'a statewide. Both are pilot projects that can be replicated at other loko i'a based on interest and commitment of sites.

###### ○ **Solar Power Infrastructure for Loko I'a**

Waikalua Loko in Kāne'ōhe is developing a nursery tank demonstration and training site to raise juvenile ama'ama (mullet), awa (milkfish), and native limu to stock loko i'a statewide. Request would fund:

- Installation of a 200 kw solar system (\$100k) and batteries (\$100k) at Waikalua Loko;
- Holding 3 workshops (\$12k each workshop) to train other fishponds to set up similar solar power systems;
- Provide initial solar equipment at \$10k each for up to 12 fishponds participating in workshops

###### ○ **Turn-Key Hatcheries**

This program would replicate a pilot off-grid hatchery at Kaua'i throughout the state to allow loko ia to gain experience breeding, hatching and rearing crustaceans, sea

cucumbers and other marine life that can be sold to support the economic sustainability of loko ia. Loko i'a operators can then gain experience to transition the hatchery site to ama'ama and awa to stock fishponds. Request would cover:

- A turn-key hatchery setup including equipment, materials and fabrications at Keawanui loko i'a on Moloka'i (\$220k) and solar power system (\$10k), with 2 FTE technicians (\$50k each) for a total of \$330k
- A scalable proposal (optional to our request) could include up to 6 other sites statewide at \$230k per hatchery and solar. Other add ons may include:
- Contract for workshop to train additional hatcheries at \$12k per year for three years
- Fund hatchery technicians at \$50k per FTE, with up to two technicians at each site
- Contract for hatchery consultant at \$50k per year

## **2. Repatriation/Native Hawaiian Historic Preservation**

This request would support the establishment of a program that addresses Native Hawaiian-specific historic preservation needs. This request would fund a program would:

- Conduct repatriations and reburials nationally and internationally under federal and international legal frameworks, as well as curate sacred objects that have been repatriated; Repatriations have been coordinated from multiple museums in Germany, Poland, France, England, New Zealand and North America. Small teams of culturally trained repatriation experts will be sent to each country to bring home human remains and artifacts. The entirety of the travel budget will be used for this activity and includes Air, Ground, Lodging, Freight, and per diem.
- Create and purchase reburial material for 3000+ Mōkapu Iwi Kūpuna; Kapa and boxes will need to be made or purchased for each kupuna. Items will be sourced from throughout the State of Hawai'i from traditional kapa makers, weavers, and wood workers.
- Assess the establishment of a Native Hawaiian Historic Preservation Office that will include national and international repatriation and reburial efforts and possible management of the burial sites program.
- FTEs would be responsible for overall coordination of first three bullets, which involves multiple stakeholders, cultural practitioners, museum outreach, travel logistics and reporting. Contract services will go to secure repatriation expertise and established relationships with institutions.

## **3. Hawaiian Trades Academy & KūHana Business Program**

This request would expand CNHA's Hawaiian Trades Academy and KūHana Business Program to prepare more individuals and businesses for economic success and self-sufficiency.

- ***Hawaiian Trades Academy***  
Launched in 2019, the Academy aims to provide workforce development for economically and socially disadvantaged communities, with the overarching goal of raising the household income of families in Hawaii. The Academy offers programs



statewide to prepare individuals for careers in carpentry, firefighting, policing, commercial driving, and the solar field.

These programs consist of generally 10-week accelerator classes that require just three hours of course work per week. The programs offer certifications such as CDL licenses and OSHA-10 certification, as well respiratory and first aid training, financial literacy training, and job placement assistance. In addition to existing programs, CNHA would like to expand offerings to include a management track within the tourism industry.

- ***KūHana Business Program***

KūHana offers accelerator cohorts that help local and Native Hawaiian-owned entrepreneurs with 1-5 years of operations develop clear business strategies. Cohorts take a 10-week business plan development class that provides tools, technical assistance, and ample networking.

Each business walks away with a completed business plan, a polished business pitch, and collaboration opportunities with their fellow cohort participants. Prizes are awarded to top performing companies in each cohort with either technical assistance, cash prizes, or other forms of capital.

This request would cover two FTEs, nine Trades Academy cohorts, four KūHana Small Business cohorts, the purchase of new software for a CDL simulator and an evaluation component.

#### **4. Kalo Farming Needs Assessment**

This request would cover a Needs Assessment of the state's kalo farming needs, with the overall goal of supporting and elevating the heritage and cultural practice of kalo farming and empowering kalo farmers to be self-sufficient, successful and profitable. The assessment would work with kalo farmers of all sizes on each island, including sites with commercial, community and education purposes.

The assessment will include needs relating to food production, land and natural resource management, watershed management, infrastructure, labor, training, mentorship, kalo variety preservation and food systems transformation. A report and prioritized policy and funding recommendations will be completed in one year and submitted to the Legislature and shared with the community and potential private funders.

#### **5. Pop-Up Mākeke**

In April 2020, CNHA launched the Pop-Up Mākeke, a virtual marketplace supporting local artisans impacted by the global pandemic that shut down vital revenue streams from brick-and-mortar stores and community events. The success of the Pop-Up Mākeke demonstrates the need for a centralized e-commerce hub that leverages small business resources and creates new opportunities for Hawai'i's small businesses to thrive in an ever changing global market. The pandemic has shifted how consumers shop and as a result has caused many businesses needing to reimagine their business model to a more web-centric approach.

The Pop-Up Makeke will leverage data analytics to provide to artisans their sale history and market trends for them to make better business oriented decisions.

This request would allow Pop-Up Mākeke to provide increased support for Hawaii-based artisans to remain sustainable and thrive in a post-pandemic economy.

This request for funds would cover:

- Kūhana Management
- Pop-Up Mākeke Management
- Sector-expert consultants including branding and marketing consultants, and business development specialists
- Consignment support for participating businesses in Pop-Up Mākeke

CNHA will facilitate incubator courses to micro- and small-retail businesses to adapt to e-commerce. The course will include personalized assistance to each businesses needs from e-commerce, marketing, and logistics experts. Businesses that complete the incubation course will be allowed to participate in the Pop-Up Makeke to introduce their products to a global market as they prepare their own online presence.

Course syllabus will include:

- What does it mean for your products to represent Hawaii?
- How to effectively market your business online?
- How to leverage resources to scale your business? (i.e. wholesale model, capacity building, resources to capital)

#### **6. Culture Training/Programs for military, Small Businesses and Non-Profit Organizations**

There has been a request from military leadership for CNHA to provide cultural orientations for service men and women, DOD civilian personnel and ranking officials to acclimate them to working and living in Hawai'i. CNHA will provide 90-minute orientations with the goal of instilling in participants an increased aloha for Hawai'i's people, land, history and culture.

In addition, CNHA would also offer cultural programming and capacity assistance to small businesses and non-profit organizations across the State to help them utilize culture in an appropriate and effective manner.

This request would support 2 FTEs to conduct 24 Orientations:

- 24 Orientations (2 per month for one year), with each Orientation training up to 40 students
- Cultural Trainer
- Digital Designer
- Curriculum development

#### **7. West O'ahu Innovation Center**

The West O'ahu Innovation Center will serve as a physical co-working space, entrepreneur, and resource center. It will be an innovative entrepreneur center for the underserved-community of

West O‘ahu, providing collaborative, meeting and event space; offering business workshops and counseling; engaging ‘Big Business’ mentors for small and micro-business entrepreneurs; and delivering loan assistance and broadband access.

The facility will also feature CNHA’s Hawaiian Trades Academy Technology Center and Classroom. By establishing these resources on the west side, small businesses will have the tools and support needed to start, grow and thrive.

This request for funding would cover the cost to retrofit an existing 10,000 sq ft facility to house the West O‘ahu Innovation Center.

#### **8. Community-Based Tourism Management**

This program would invest in communities to better manage tourism and tourism impacts on neighborhoods as well as the local natural and cultural resources of communities. The program would take a community based approach to identify highly impacted communities and identify ways to empower those communities with information about legal frameworks that can protect their resources, develop educational campaigns, including monitors, advertising, signage, and establish lines of communication with the tourism industry to voice community concern. The goal for this program is to build capacity to communities to better provide a visitor experience that kama‘āina and malihini can enjoy and appreciate - with ensuring the ‘āina and resources are well managed for generations to come.

Program would include the following activities and actions:

- Manage an incentive program that supports cottage industry; and new and existing farms that employ organic and sustainable practices, agri-tourism, and internship-to-employment training programs for community members.
- Manage incentive programs to:
  - Steward ‘āina, including receiving training to grow community capacity for this work
- Organize and host opportunities for community work days and voluntourism
- Develop educational online content about the history, traditions, and places of the ahupua'a and moku
- Design and implement gatherings open to residents and visitors that aim to share the traditions, practices, and history of a given area
- Manage grants for communities to gather and share mo'olelo, mele, images, and visitor guidelines
- Design a virtual tour experience for high traffic communities to reduce the environmental footprint.

#### **9. ‘Iolani Palace**

‘Iolani Palace is one of Hawai‘i’s most important historic sites and a cherished cultural symbol for Native Hawaiians. The Palace continues to struggle with funding to cover the operations, maintenance and repairs.

This request would cover the following costs:



1. Replace the damaged historic etched glass door panes that were vandalized in 2017. \$90,000
2. Six months (at \$20k per month) to operate the HVAC system, which runs 24/7, to control the temperature and humidity inside the Palace to protect the thousands of cultural objects housed there.

Further budget details can be provided for all programs.

Please note that we request two technical amendments to one sentence on page 4 of SB3357 SD1 by changing the word “with” to “for” on line 3 and adding an “s” to the end of the word “organization” on line 5, so that the amended sentence reads:

(B) The office of community services the sum of \$ \_\_\_\_\_ ; provided that the sum is used for culture training programs for military personnel, small businesses, and nonprofit organizations; and

In closing, CNHA urges the Legislature to pass SB3357 SD1. Mahalo nui loa for this opportunity to provide testimony on this measure.

Respectfully,

J. Kūhiō Lewis, CEO  
Council for Native Hawaiian Advancement

**SB-3357-SD-1**

Submitted on: 2/16/2022 7:13:04 PM

Testimony for WAM on 2/18/2022 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Brian Kealoha	Individual	Support	No

Comments:

Chair, Vice Chair, and Members of the Committee-

I am a member of the Board of the Friends of Iolani Palace and I am testifying in support SB 3357 SD1. This bill is critical to provide financial support in order to provide vital services to benefit Native Hawaiians.

Additionally this measure would provide Iolani Palace much needed funding for operations, maintenance and repairs of the Palace.

Thank you for the opportunity to testify in support.

**SB-3357-SD-1**

Submitted on: 2/16/2022 7:27:17 PM

Testimony for WAM on 2/18/2022 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Gerard K Akaka	Individual	Support	No

Comments:

Aloha,

I support SB 3357 SD1. It would provide grants, via state departments, to federal tax exempt, non-profit organizations to support their missions. All of the organizations included in this bill provide vital services to benefit Native Hawaiians.

The Iolani Palace is an important site for Hawaiians and the people of Hawaii. This measure would provide our organization, through DLNR, funding to be used for operations, maintenance and repairs. This would help us immensely as we care for and share the story of this wahi pana, this very special place.

Mahalo

Allen K. Hoe  
*Attorney at Law*  
PO Box 3589  
Honolulu, Hawaii 96811  
(808) 292-6845

Testimony of  
Allen K. Hoe

Before the Senate Committee on  
Ways and Means

Friday, February 18, 2022  
10:10 AM  
Conference room 211 & videoconference

In Consideration of  
SB 3357 SD1

Re: Senate Bill 3357 SD1, RELATING TO  
NATIVE HAWAIIAN AFFAIRS

Aloha Chair DELA CRUZ, Vice Chair KEITH-AGARAN, and Committee members.

I have the privilege of serving as a member of the Board of Directors of the Friends of Iolani Palace. As a native Hawaiian with a deep sense of duty to my kupuna and the ancients of our culture and its legacy to all of the citizens of Hawaii.

I support this Measure which will provide grants, via state departments, to tax exempt non-profit organizations such as the Friends of IOLANI PALACE.

Mahalo for your continuing support.

Allen K. Hoe

**LATE**

**SB-3357-SD-1**

Submitted on: 2/17/2022 4:48:29 PM

Testimony for WAM on 2/18/2022 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Bronsten Kossow	Individual	Support	No

Comments:

Please support, mahalo!



**LATE**

**SB-3357-SD-1**

Submitted on: 2/18/2022 7:36:48 AM

Testimony for WAM on 2/18/2022 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Julie Crabb	Individual	Support	No

Comments:

I fully support SB 3357 SD1. It would provide grants, via state departments, to federal tax exempt, non-profit organizations to support their missions. All of the organizations included in this bill provide vital services to benefit Native Hawaiians.

This measure would provide our organization, through DLNR, funding to be used for operations, maintenance and repairs of Iolani Palace. This would help us immensely as we care for and share the story of this wahi pana, this very special place.