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**Testimony of KAREN EWALD, Executive Director
State Foundation on Culture and the Arts
Before the
SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS
and the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM**

**Tuesday, March 13, 2025 Conference Room 229 at 1:00PM
HOUSE BILL 450 HD3 RELATING TO
THE DEPARTMENT OF BUSINESS ECONOMIC DEVELOPMENT, AND TOURISM**

Chairs Lee, DeCoite and members of the Committees,

The State Foundation on Culture and the Arts (SFCA), is dedicated to the promotion, perpetuation, and preservation of culture and the arts in Hawai'i.

The SFCA **SUPPORTS** H.B. 450 HD3 which transfers the State Foundation on Culture and the Arts and the King Kamehameha Celebration Commission from the Department of Accounting and General Services to the Department of Business, Economic Development, and Tourism.

In researching the pro's and con's of the proposed transfer and its impact on the community being served, the State Foundation on Culture and the Arts supports the following recommendations to facilitate a smooth transition while maintaining the agencies independence, governance, mission while ensuring funding remains intact.

- Add two administrative positions, one in the SFCA and one in DBEDT to ensure support both the transition and a sustained future.
- Make the effective date July 1, 2026 to provide time to make the necessary administrative changes so the organizations can continue without delays.
- Provide assurance there will be no amendments to HB450 HD3 similar to SB582 as national statistics indicate that nearly all [state arts agencies whose placement changes suffer significant budget decreases](#).

Thank you for the opportunity to provide testimony on this measure.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKĀ'I

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS
and the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Thursday, March 13, 2025
1:00 PM

State Capitol, Conference Room 229 & Videoconference
415 South Beretania Street

In consideration of
HB450 HD3
**RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM**

Chairs Lee and DeCoite, Vice Chairs Inouye and Wakai, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports HB450 HD3, which transfers the State Foundation on Culture and the Arts (SFCA) and the King Kamehameha Celebration Commission from the Department of Accounting and General Services (DAGS) to the Department of Business, Economic Development & Tourism (DBEDT).

The alignment of SFCA as an attached agency retaining all existing positions, powers and funding, would provide synergies with DBEDT and its Creative Industries Division (CID) as the missions are complimentary and play key roles in elevating our creative, arts and culture sectors, and their contributions as intrinsic to our wellbeing and economic vitality.

We agree that to have a successful transfer while maintaining the agencies' independence, governance, and mission, ensure funding remains intact, additional support is needed.

Given the position count and the scope of grants/contracts management in the transfer to DBEDT, this will have an impact on the capacity in our Administrative Services Office, (ASO). The department respectfully requests the committee's consideration of four key positions and funding in an SD1:

DBEDT:

- Human Resources Specialist V, SR-24, Salary/Fringe, \$116,643.78
 - Budget Analyst IV, SR-22, Salary/Fringe, \$ 103,635.18
 - Contracts Specialist, SR-22, Salary/Fringe, \$103,635.18
- **SFCA:**
- Administrative Officer V, SR-24, Salary + Fringe \$116,643.78

We also agree with SFCA that an effective date of July 1, 2026, would provide the time necessary to align procedures and implement the transfer of duties, funds and hiring of new positions. This will allow SFCA to have uninterrupted operations and a smooth transition from DAGS to DBEDT.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE COMMITTEES ON

TRANSPORTATION AND CULTURE AND THE ARTS
ECONOMIC DEVELOPMENT AND TOURISM

MARCH 13, 2025, 1:00 P.M.
CONFERENCE ROOM 229 AND VIA VIDEOCONFERENCE, STATE CAPITOL

H.B. 450 H.D. 3

RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM.

Chairs Lee and DeCoite, Vice Chairs Inouye and Wakai, and Members of the
Committees, thank you for the opportunity to submit testimony on H.B. 450 H.D.3.

The Department of Accounting and General Services (DAGS) **supports** H. B.
450, H.D.3, which transfers the State Foundation on Culture and the Arts (SFCA) and
the King Kamehameha Celebration Commission (KKCC) from the DAGS to the
Department of Business, Economic Development, and Tourism (DBEDT). In addition,
H.B. 450, H.D.3 transfers the authority held by the Comptroller over the Works of Art
Special Fund to DBEDT.

DAGS provides the following comments:

1. SFCA's overall purpose and mission aligns more with the various attached agencies at DBEDT.
2. The proposed transfer will improve administrative efficiency and facilitate the operations of SFCA and KKCC while providing opportunities for collaboration, synergy, and strategic partnerships.

Thank you for the opportunity to provide testimony on this measure.

HB-450-HD-3

Submitted on: 3/12/2025 1:18:35 PM

Testimony for TCA on 3/13/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gaye Humphrey	Testifying for Hawai'i Arts Alliance	Support	Written Testimony Only

Comments:

RE: Testimony in Support of HB 450-HD 3

Dear Chairs Lee and DeCoite and Members of the TCA and EDT Committees:

The Hawai'i Arts Alliance supports the intent of HB 450-HD 3, which proposes to transition the State Foundation on Culture and the Arts (SFCA) from the Department of Accounting and General Services (DAGS) to the Department of Business, Economic Development, and Tourism (DBEDT). We believe this move presents a valuable opportunity to **elevate the role of arts and culture** in Hawai'i by aligning SFCA with an agency that fosters economic growth, tourism, and creative industries.

Potential Benefits of This Transition:

- **Stronger Economic & Creative Industry Integration** – Positions the arts as a key driver of business growth, innovation, and tourism while fostering collaborations with film, media, and small businesses.
- **Expanded Funding & Resources** – Greater access to public-private partnerships, new revenue streams, and investment opportunities to strengthen arts programming.
- **Increased Visibility & Support** – Elevates the arts as a vital contributor to workforce development, job creation, and cultural preservation, with potential for SFCA staff and program growth.

The Hawai'i Arts Alliance serves as a joyful arts advocate and an all-purpose ally to artists and audiences across the state. We champion Hawai'i's artists and amplify their transformative work, while fostering arts education and cultural engagement for keiki and families. We support efforts that enhance resources, elevate the arts, and strengthen Hawai'i's creative sector.

Mahalo for the opportunity to submit testimony in **support of HB 450-HD 3**.

Sincerely,
Gaye Humphrey
Executive Director
Hawai'i Arts Alliance

HB-450-HD-3

Submitted on: 3/11/2025 12:17:48 AM

Testimony for TCA on 3/13/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ellen Awai	Individual	Support	Written Testimony Only

Comments:

I support HB450 HD3. Kamehameha Day Celebration should be under Tourism DBEDT.

Senator Chris Lee, Chair
Senator Lorraine R. Inouye, Vice Chair
Senate Committee on Transportation and Culture and the Arts

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair
Senate Committee on Economic Development and Tourism

Testimony of Jame K. Schaedel

Thursday, March 13, 2025

Support for House Bill No. 450, HD No. 3 – Relating to the Department of Business, Economic Development, and Tourism

WRITTEN TESTIMONY ONLY

Honorable Chairs, Vice Chairs, and Members of the Committees:

Thank you for the opportunity to submit testimony in **strong support** for House Bill No. 450, HD No 3. This bill, if approved, would transfer the State Foundation on Culture and the Arts (SFCA) and the King Kamehameha Celebration Commission (“commission”) from the Department of Accounting and General Services (DAGS) to the Department of Business, Economic Development, and Tourism (DBEDT). It would further transfer the authority held by the Comptroller over the Works of Art Special Fund to the Director of Business, Economic Development, and Tourism.

I offer this testimony as a private citizen, and not in my capacity as a commissioner of the King Kamehameha Celebration Commission. My testimony will be focused on the commission and not the SFCA.

The commission was formally established by the 20th Legislature of the Territory of Hawai‘i in 1939 via House Bill No. 379, which was signed into law by Governor Joseph Poindexter on May 15, 1939, as Act 237.

In 1939 and 1940, limited kuleana for the commission was held by the Territorial Auditor specific to the expenditure of funds to pay for celebration expenses on islands designated in Act 237 (SLH 1939). This is likely why the Comptroller still has kuleana over the commission today.

For nearly nine decades, the commission has persevered, undergoing 14 amendments over the years, the most recent occurring in 2018. The latest amendments included commission membership changes, a certificate of good standing requirement, adding a commissioner to represent Lāna‘i, and authorizing the commission to appoint an Executive Director.

Senate Committee on Transportation and Culture and the Arts
Senate Committee on Economic Development and Tourism
March 13, 2025
Page 2 of 2

In my opinion, DAGS considers the commission and its employees to be “low hanging fruit” and has often been the first agency targeted by the Comptroller for budget cuts throughout the past two decades. Despite statutory requirements contained in §8-5, HRS, it is my understanding that DAGS has not funded, solicited to fill, nor filled 1.5 FTE positions, which include the Arts Program Specialist, and a part-time Clerk Typist. The positions no longer exist in the budget.

This status quo is no longer acceptable, and the commission would be more appropriately placed under the purview of DBEDT.

I also suggest a friendly amendment to add the commission to subsection (b), §26-18, HRS.

Thank you for considering my testimony in **strong support** for House Bill No. 450, HD No. 3. Should you have any questions, please do not hesitate to reach out to me.

Respectfully,

Jame K. Schaedel
Kapolei, Hawai‘i