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Josh Green, M.D.

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Keith A. Regan

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**Testimony of KAREN EWALD, Executive Director
State Foundation on Culture and the Arts**

**Before the
HOUSE COMMITTEE ON CULTURE & ARTS
WEDNESDAY, JANUARY 29, 2025 Conference Room 309 at 10:30AM**

**HOUSE BILL 450
RELATING TO
THE DEPARTMENT OF BUSINESS ECONOMIC DEVELOPMENT AND TOURISM**

Dear Chair Kapela and members of the Committee,

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.

SFCA respectfully provides **COMMENTS** on H.B. 450 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 has the following recommendations to facilitate a smooth transition while maintaining the agencies independence, governance, mission while ensuring funding remains intact.

- Add administrative and personnel staff to either DBEDT or SFCA to ensure support both the transition and a sustained future.
- Change the effective date to 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 negative funding impact as national statistics indicate that [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
HOUSE COMMITTEE ON CULTURE AND ARTS

Wednesday, January 29, 2025
10:30 AM
State Capitol, Conference Room 309 & Videoconference
415 South Beretania Street

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

Chair Kapela, and Vice Chair Kong, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports HB450, which proposes the transfer of both the King Kamehameha Celebration Commission and the State Foundation on Culture and the Arts (SFCA) from the Department of Accounting and General Services (DAGS) to DBEDT.

Provided current SFCA staffing, funding, core duties and statutes remain unchanged, we see the synergies between both DBEDT and SFCA to be of benefit and addresses concerns raised during the 2024 session. This realignment increases opportunities to partner with other DBEDT programs, including Creative Industries Division (CID). We concur that the ability of both SFCA and CID to fulfill their respective roles is not impeded by this measure. The department recognizes the benefit to our creative and arts community as we align educational and economic development programs to build a more thriving creative community here at home.

In discussion with SFCA, we respectfully request that the effective date should be delayed until July 1, 2026, to allow for adequate time to complete fiscal transfers and related matters. DBEDT will require an additional FTE position within the Administrative Services Office (ASO) to ensure proper continued support for SFCA.

Thank you for the opportunity to testify.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'ŌIHAHA HO'ŌMOHALA PĀ'ŌIHAHA, 'IMI WAIWAI
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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 HAWAII | KA MOKU'ĀINA O HAWAII'
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

COMMITTEE ON CULTURE & ARTS

H. B. 450

JANUARY 29, 2025, 10:30 AM
CONFERENCE ROOM 309 AND VIA VIDEOCONFERENCE, STATE CAPITOL

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

Chair Kapela, Vice Chair Kong, and Members of the Committee, thank you for the
opportunity to testify on H.B. 450.

The Department of Accounting and General Services (DAGS) offers **comments** for
H.B. 450, 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 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 comments on this proposed measure.

Rep. Jeanne Kapela, Chair
Rep. Sam Satoru Kong, Vice Chair
House Committee on Culture & Arts

Testimony of Jame K. Schaedel

Wednesday, January 29, 2025

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

WRITTEN TESTIMONY ONLY

Honorable Chair, Vice Chair, and Members of the Committee:

Thank you for the opportunity to submit testimony in **strong support** for House Bill No. 450. 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.

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.

House Committee on Culture & Arts

January 29, 2025

Page 2 of 2

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. Should you have any questions, please do not hesitate to reach out to me.

Respectfully,

Jame K. Schaedel
Kapolei, Hawai'i