



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of  
**THEODORE E. LIU**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEES ON ECONOMIC DEVELOPMENT & TAXATION  
and  
EDUCATION**  
Monday, March 17, 2008  
3:00 PM  
State Capitol, Conference Room 225

in consideration of  
**HB 2587, HD1**  
**RELATING TO MAKING AN APPROPRIATION TO ESTABLISH  
CREATIVITY ACADEMIES.**

Chairs Fukunaga and Sakamoto, Vice Chairs Espero and Tokuda, and members of the Committees.

The Department of Business, Economic Development, and Tourism (DBEDT) strongly supports HB 2587, HD1, as it is also part of the Administration's package (HB 3066 and SB 2988) which would establish Creativity Academies for middle and high school students. This collaborative initiative between the University of Hawaii Community Colleges, Hawaii Department of Education (DOE)-Career and Technical Education Pathways (CTE) program, the science, technology, engineering and math program (STEM), and the Creative Industries Division at DBEDT is a unique partnership dedicated to the creation of a standards based curriculum that fuses arts, technology and sciences to reach a broader spectrum of students in Hawaii. Arts + Science = Innovation.

The Creativity Academies has received wide spread support from those who believe the program can fulfill a critical need in Hawaii's education and workforce development. The program has also received favorable interest from the National Science Foundation and last week, KCC's STEM leader, John Rand, met with United

States Senator Daniel Akaka's staff who also see great value in the establishment of a Creativity Academies curriculum and will be supporting efforts to obtain federal funding.

With only 18 per cent of Hawaii's eighth graders test proficient in mathematics, compared with 38 per cent among top states in the United States, the establishment of Creativity Academies is a crucial step to engaging these students, providing a pathway for exploration in the sciences and mathematics via creative disciplines in animation, game design, digital media and creative publishing.

Keeping in step with the goals of the P-20 system, Creativity Academies will create a bridge from middle school to college, including at-risk youth in middle and high school, fulfilling a need area identified by business, and educators including the DOE and UHCC leadership.

By its very nature, Hawaii is a magnet for creativity, nurtured by our natural environment and rich cultural heritage. From our native artisans to the artists who now call Hawaii home, this synergy of elements fosters an environment in which a thriving creative sector can flourish, resulting in high paying jobs and better quality of life for us all.

The Creativity Academies program is a key link to further developing the pipeline in education for building Hawaii's innovation capacity. As pointed out in recent dialogue between the CA team, Maui High School Digital Media faculty, Clint Gima and Candy Suiso, Seariders' faculty and founder of the successful Waianae program, by blending the science standards and digital media disciplines in a Creativity Academies pathway students will receive a much more comprehensive skill set to help accelerate their potential and succeed in the 21<sup>st</sup> century workforce.

Hawaii also has an opportunity to be a leader nationally by developing a cohesive creativity-infused STEM curriculum for middle and high school students with contextual learning in creative exploration (STEM) and creative expression (New Media Arts) at its core.

Creativity Academies requests an appropriation of \$1,629, 474 to develop the program, including:

- Conducting an inventory on best and promising practices statewide
- Developing the turn-key curricula infusing the arts into STEM learning

- Implementing teacher training for all interested faculty statewide on Oahu at Kapiolani Community College
- Pilot testing the complete pathway program at Kapiolani Community College, Oahu as well as testing the middle school curriculum on a neighbor island
- Supporting hardware and software needs to ramp up program at participating schools
- Solicit additional funding from the National Science Foundation/ATE grants

Both the legislature and the administration have agreed that by providing Hawaii students better access to education in the areas of science, technology and the creative arts is crucial to the development of our innovation economy. The Creativity Academies fulfill this mission.

Thank you for this opportunity to address your committees and we urge you to show your strong support by passing HB 2587, HD1. Mahalo.

Date of Hearing: March 17, 2008

Committee: Senate Economic Development  
and Taxation; Senate Education

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent

Title: H.B. 2587, HD1, HSCR842-08, Making an Appropriation to Establish  
Creativity Academies

Purpose: Appropriate funds to support the development of the creativity  
academy program, including a turnkey digital media program.

Department's Position: The Department of Education (DOE) supports creativity academies.  
The DOE recommends that the creativity academy program be  
facilitated jointly by the University of Hawaii community college  
system and the DOE. The continuity and transition from elementary  
programs to middle school programs to high school programs to  
postsecondary programs must be aligned to ensure progressive skills  
and knowledge development and avoid duplication. This program  
should be included in the Dual Credit Articulated Programs of Study  
(DCAPS) options for high school students. The DOE defers to the  
Department of Business, Economic Development, and Tourism  
(DBEDT) as to this funding priority.  
The DOE requests the opportunity to work with the committee,  
DBEDT, and the community colleges to draft the language in this Bill  
to ensure current DOE initiatives are not duplicated by the actions  
proposed in this Bill.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Economic Development and Taxation  
and  
Senate Committee on Education  
March 17, 2008 at 3:00 pm  
by  
John Morton  
Vice President for Community Colleges, University of Hawai'i

### HB 2587, HD1 - MAKING AN APPROPRIATION TO ESTABLISH CREATIVITY ACADEMIES

Chairs Fukunaga, Sakamoto, Vice Chairs Espero, Tokuda, and Members of the  
Committees:

I am here today to testify in support of House Bill 2587, HD1, that makes an appropriation to establish Creativity Academies within public high schools in partnership with the University of Hawai'i Community Colleges.

As described in the bill, the performance of our young people in mathematics and science lags behind the performance of most states. It is critical that we adopt new approaches that get an increasing number of students to engage in educational programs that prepare them with the skills necessary for their future success, as well as enabling them to contribute to the expansion of Hawai'i's innovation economy.

I believe it is our responsibility as educators to provide the enriched environment that allows our people to develop the skills and knowledge that will allow them to fully participate in our economy and society. Over the past decade, the University of Hawai'i Community Colleges, in partnership with a growing number of DOE high schools and various industry groups, have developed a number of successful career-focused academies, including the Cisco Networking Academies, the Construction Academies, and the HiEST Academies that focus on the development of science, technology, engineering, and mathematics (STEM) skills and knowledge. Using contextual based hands-on curricula, these initiatives have increased the engagement of students who have previously not been involved in a rigorous program of study. This, I believe, is what we can expect from the implementation of the Creativity Academies Program.

The mission of Creativity Academies is to provide students with the knowledge, attitudes, and workforce skills in the creative use of applied technology/ Digital Media; skills necessary to become creative, innovative, and entrepreneurial in the 21st century. The fusion and blending of the creative and problem solving processes through animation, game development, and creative publishing is essential to both scientific and artistic endeavors, as well as to business, health and hospitality undertakings. This fusion is the cornerstone of the Creativity Academies and a life skill in the 21st century global community.

Furthermore, the Creative Academies focus on the creative application of technology and how this technology can be effectively used to teach core skills for the twenty-first century and how this technology can infuse and blend into STEM, the Arts, Hospitality, Health, and Business curricula. This blending and infusing of technology/digital media into STEM will attract students who feel challenged in Math and Science classes to major in STEM disciplines.

The University of Hawai'i Community College system is well situated to provide leadership in promoting education in STEM and Digital Media/ New Media Arts programs. Both Honolulu CC and Kapi'olani CC have been innovative and creative in their approaches to developing programs focused on different aspects of STEM and New Media Arts related careers. Most relevant to HB 2587, HD1, is the fact that Kapi'olani CC has developed and implemented a highly successful STEM Program for high school juniors and seniors. The goals of this program are to enhance the quality of science, technology, engineering and mathematics instructional and outreach programs; to prepare students for STEM careers; and to increase the number of STEM students transferring to 4-year degree programs. Kapi'olani CC's one year old STEM program enrolled 205 students of which 165 are native Hawaiian students. Also, Kapi'olani CC's Digital Media/ New Media Arts Program with 70 majors, has produced students who have won national and international awards for their creative use of an art form that uses technology as its medium. Through programs such as STEM and Digital Media/New Media Arts Program, our Community Colleges are promoting creative thinking, problem solving, and decision making through the sciences and the arts.

If we are to be successful in fixing our leaky educational pipeline, we believe it is important for our colleges to collaborate with the high schools throughout the State. The Creativity Academies Program as well as other similar initiatives, through the efforts of the UHCC system colleges and collaborating high schools, will provide our high school students with new skills to use in the innovation economy, as well as the opportunity to earn dual credit for their academic efforts, making a more efficient use of available resources.

This initiative is consistent with the planned University system strategic outcomes that include: to develop the educational capital of the state; to develop our workforce; to diversify the economy; and to increase our efforts on behalf of underserved regions and populations, particularly Native Hawaiians.

We support HB 2587, HD1, provided that its passage does not replace or adversely impact priorities as indicated in our Board of Regents approved Executive Supplemental Budget.

University of Hawai'i  
**KAPI'OLANI COMMUNITY COLLEGE**  
Arts and Sciences Counseling Services

Date: March 13, 2008

To: Senator Carol Fukunaga, Chair  
Senator Will Espero, Vice Chair  
Members of the Committee on Economic Development and  
Taxation

Senator Norman Sakamoto, Chair  
Senator Jill N. Tokuda, Vice Chair  
Members of the Committee on Education

From: Teri Durland, Counselor  
Kapi'olani Community College

Hearing: Senate Committee on Economic Development and Taxation  
Senate Committee on Education  
Monday, March 17, 2008 at 3:00 p.m.

Measure: HB 2587-Making an Appropriation to Establish Creativity  
Academies

Thank you for the opportunity to present testimony in support HB 2587.

The Creativity Academies is a pilot program for high school students where science, technology, engineering and math (STEM) is infused with creative expression (New Media Arts) in an integrated curriculum. Students will explore science and mathematics in combination with digital art and animation in an engaging, project-based curriculum. This integrated approach encourages students with passion and skills in digital media to learn and synthesize STEM knowledge, concepts and skills in a new and relevant way. It also offers students directed toward the STEM discipline the opportunity to explore a creative medium to develop and strengthen their learning. Students in the Creativity Academies may earn dual high school and college credit.

For the last five years, I have worked as a counselor at Kapi'olani Community College in two workforce development programs - one in the STEM discipline and one in the New Media Arts discipline. These two programs have collaborated on several on-campus initiatives and I have glimpsed the possibilities of what an integrated STEM and New Media Arts curriculum might look like and the benefits it will provide to students, especially as it is developed to respond to the unique educational needs of our Hawai'i students.

In the last seven weeks, I've had the opportunity to visit digital media programs on Oahu and Maui, and to learn more about what is offered on the Big Island. I hope to also familiarize myself with the digital media programs on the other islands. The Creativity Academies bill is well positioned to strengthen and enhance these high school

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programs and provide a better student pathway to the community colleges.

The uniqueness of Creativity Academies and the collaborative partnership of DBEDT, DOE, UHCC and industry, make this an especially exciting and well-reasoned initiative.

Thank you for allowing me to testify today in support of House Bill 2587.

**Sharon Sussman**

KCC | Arts & Humanities  
808-734-9382  
[ssussman@hawaii.edu](mailto:ssussman@hawaii.edu)

March 14, 2008

To: Senator Carol Fukunaga, Chair,  
Senator Will Espero, Vice Chair, and  
Members of the Senate Committee on Economic Development and Taxation  
Senator Norman Sakamoto, Chair,  
Senator Jill N. Tokuda, Vice Chair, and  
Member of the Senate Committee on Education

Thank you for the opportunity to submit testimony in support of the HB 2587 and the Administration's bills HB 2587 which would establish Creativity Academies for middle and high school students statewide. This is a forward-thinking step in continuing what is already in place for preparing students in Hawaii to be competitive in the digital media workforce.

I have been a professor of New Media Arts/Animation at Kapi'olani Community College (KCC) for the past five years. I came here from a 6-yr tenure at DreamWorks Feature Animation in Los Angeles.

I see that the New Media Arts (NMA) program at KCC gives students a direction in life and a confidence in their abilities. My students describe how the New Media Arts (NMA) program at KCC has changed the direction of their lives. They have expressed how their high school years would have been years of engagement rather than years of indifference had they had a program like NMA at the high school level. They describe KCC's New Media Arts program as a turning point from failure to success. These students found their way back to college, but where are the ones that did not?

The Creativity Academies program can not only catch at risk students with the allure of digital art and animation, but with the integration of Science, Technology, Engineering and Math (STEM) at the core of this curriculum, it may open doors that might never have been possible. This innovative program will help students develop math and science skills in tandem with digital art and animation tools. This has the potential to bring these students to the top of the career ladder in animation or to open math and science doors that were seemingly unattainable to them.

I strongly urge you to support House Bill 2587. Thank you for this opportunity to testify.

Sincerely,  
Sharon Sussman  
Assistant Professor, New Media Arts

## **Testimony for STEM bill.**

**BRIAN BUEZA • KCC New Media Arts Student**

My name is Brian Bueza, I'm a student at KCC and a part time, professional Graphic and Web designer, a profession that fits comfortably within classification of New Media Arts, especially since part of our program, at KCC, trains new professionals to enter this field. I have several years experience in this field and have attained an Art Director title in my professional career. I've designed Daniel Inouye's 2004 campaign website, and Linda Lingle's "Economic Momentum Commission" website through my former employer, Firefly Interactive.

I myself returned to school to retrain in what I believe is a profession that mirrors my true passions, being a creative professional for the entertainment media industry, specifically, 3D Computer Graphics (CG), animation and special effects for the game, broadcast and feature length movie industries.

I wanted to give testimony today on behalf of my instructors, colleagues, the young people of Hawaii, and of course, this Creative Academies Bill.

As a full time student, and part time professional, registered voter, a local resident taxpayer, and a transplant from San Francisco, California, I have to admit, prior to moving here, I had once believed that the beautiful state of Hawaii was a one-industry state. The industry in particular I am referring to is tourism. Once I've had moved here, fearing that I would not find employment as a designer, I quickly learned that it wasn't a one-industry state that only focused on tourism; there were other industries, particularly technology. However, tourism was, and is, an integral part of the state's history, the predominant industry in the state that puts the people to work. I was fortunate my former boss and coworkers from the Bay Area had also transplanted here, so I was able to quickly find myself a job as a designer making a good living. Again, since the industry here is tourism, I was designing for tourism oriented companies like Starwood Hotels, Aloha Airlines, Hawaii Visitors and Conventions Bureau.

If I can offer any testimony of worth, it would be that the bill is essential to not only Hawaii's young people, but for Hawaii overall in terms of its economy. Hawaii's young people are the future of Hawaii after-all. The future of Hawaii should include a diversified industry where not only Tourism continues, but new and emerging technologies are also embraced as a viable industry. Today's young people are the key to that future, and the proverbial seeds need to be planted for that to become a reality.

Hawaii simply must move beyond having one bread-and-butter industry, to move forward into the future. Tourism flows and ebbs depending on the same economic forces as the technology industry here. But, tourism itself is subject to other possible hindrances, for example, like a sewer pipe breaking, the Ala Wai flooding, the beautiful shores unsafe for tourists. Watching Howard Dicus, of Pacific Business News give his assessment on rooms filled in hotels, occupancy rates, and dollars spent here by visitors. One would believe Hawaii depends solely on tourism alone to exist as a functioning state. Again, my point is Hawaii needs to further diversify it's industries, mature them and invest in the technical skill levels of its people, particularly young people, which this bill would certainly make possible, and move them into these sectors.

It would seem game developers and film industry related owners find that conditions in Hawaii, economic or otherwise, are favorable to set up shop. But these businesses still have to backfill positions that require specific technical and artistic training. I learned first hand how Hawaii does try to take care of their own, first, and rightly so, they should, by hiring local people first, an unwritten rule I'd figured out, as I had to find new work here and there as a freelancer to supplement my income. I was fortunate to find enough contacts in the industry here weren't local themselves. I also respect that each state overall should implement certain protocols or programs to ensure its people stay competitive in the job markets available here.

At my company now, we need to hire skilled qualified help. And, we would also endeavor to hire a local employee. Unfortunately, there is a shortage of these people, and the company does not want to spend on relocation for an out-of-

state employee, or worse, off-shore the development to a country outside of the United States. Both of these aspects that touch on a much deeper and broader socio-economic and political discussion I won't delve into here.

But I digress; allowing this bill to proceed would address issues like these, and contribute to nurturing young people and grooming them for employment in a lucrative, creative, and pervasive industry. As a colleague of mine had mentioned, the creative works of those involved with New Media Arts, Science and Tech is not a niche industry. If one took their young children to see an animated feature length film, played video games, or have seen a movie at the theater, there's a multitude of people who took a direct hand in creating that content, content that sells in a growing, burgeoning, multibillion dollar industry. The state of Hawaii can secure a piece of economic phenomenon and put its young people at the precipice of a new component to the state/local economy.

If we can reach young people early, give them an opportunity up to where they haven't found anything else interesting, and cultivate their passions with New Media, math science and technology; they will continue on into this industry. These young people will not have to leave the islands to search for creative and lucrative careers elsewhere, they can stay in Hawaii near their families, and they'll be more likely to buy homes, pay taxes while building up another strong industry in Hawaii. These are the reasons I pledge support behind this bill.

Thank you,  
Brian Bueza  
808 271-5890

**testimony**

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**From:** Rosa & Hugh & Zane & Lex [rosa.hugh@usa.net]  
**Sent:** Thursday, March 13, 2008 11:32 AM  
**To:** testimony  
**Subject:** testimony for HB 2587, HD1

Please submit testimony for hearing for HB 2587, HD1 to  
EDT/EDU, WAM

for Monday, March 17, 2008, 3 pm , Conference Room 225

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Re: HB 2587, HD1

Appropriates funds to support the development of the creativity academy program, including a turnkey digital media program. (HB2587 HD1)

March 13, 2008

Rosa Russell

Kilauea School PTSA

PO Box 336, Kilauea, Kauai

I am strong support of HB 2587, HD1. I am currently working very hard to create an afterschool program in Kilauea. The need is so great and yet the resources are limited.

Firstly, I would like to express my enthusiasm comes from experience. As a child I was raised in Manhattan and a neighboring town. I was constantly exposed to the myriad extremes of human creation. I participated in a wide range of arts enrichment programs such as art camp, afterschool drawing, crafts at the community center, poetry contests, etc. These programs provided a fresh look at being a student, opened my perspective to work/play, offered me an outlet for my

frustrations and inner turmoil, provided healing, and helped prepare me for university.

A local organization recently held a meeting for those interested in arts enrichment for the Kilauea community youth. It was fantastic! It was clear that the community recognizes that currently there are very few options for the youth. Many of the resources are there such as teachers and facilities, yet the funding is not. And limitations set on the local public school are frustrating.

There is a great need. I believe strongly in the power the arts play in education and life preparation. Please support HB 2587, HD1.

Thank you,

Rosa Russell

COMMITTEE ON ECONOMIC DEVELOPMENT AND TAXATION

Senator Carol Fukunaga, Chair  
Senator Will Espero, Vice Chair

COMMITTEE ON EDUCATION

Senator Norman Sakamoto, Chair  
Senator Jill N. Tokuda, Vice Chair

**testimony**

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**From:** Chris Gargiulo [gargiulo@hawaii.edu]  
**Sent:** Friday, March 14, 2008 6:41 AM  
**To:** testimony  
**Subject:** Support for HB 2587 - Making an Appropriation to Establish Creativity Academies

**Chris Gargiulo**  
Instructor in New Media Arts  
Kapi'olani Community College  
4303 Diamond Head Road  
Honolulu, HI96816  
[gargiulo@hawaii.edu](mailto:gargiulo@hawaii.edu)

**March 14<sup>th</sup>, 2008**

**To:** THE SENATE  
THE TWENTY-FOURTH LEGISLATURE  
REGULAR SESSION OF 2008

COMMITTEE ON ECONOMIC DEVELOPMENT AND TAXATION

Senator Carol Fukunaga, Chair  
Senator Will Espero, Vice Chair

COMMITTEE ON EDUCATION

Senator Norman Sakamoto, Chair  
Senator Jill N. Tokuda, Vice Chair

**From:** Chris Gargiulo, Instructor - KCC New Media Arts

**HB No. 2587, Making an Appropriation to Establish Creativity Academies**

I am writing to offer testimony in support of HB 2587 and the Administration's bills HB3066 and SB2988 which would establish Creativity Academies for middle and high school students statewide. This is an important step in developing the potential of all of our students to compete in the twenty-first century workforce.

As an interface design teacher within the New Media Arts program at Kapi'olani Community College (KCC), I am familiar with the demand for more education in the areas of art, new media, and all related creative local industry sectors associated with digital arts such as animation, web design, graphic design, digital video, gaming, film, and television, amongst others. HB 2587 and the establishment of Creativity Academies seek to meet this demand in accordance with the Hawaii legislature and administration's recognition of the value of education in the creative arts as critical to our future workforce development.

Creativity Academies are a unique opportunity for middle and high school students to synergize their interests across multiple disciplines. KCC's STEM (Science, Technology, Engineering, and Math) program has already had great success with students using a turnkey inter-disciplinary curriculum that will act as a model for the curriculum that will be developed for the proposed Creativity Academies.

Most importantly, Creativity Academies will provide the opportunity needed for Hawaii's students to succeed in our growing creative economy and for the state of Hawaii's innovative economy to flourish.

By creating a curriculum and learning environment that combines the arts and sciences, with digital technology as a bridge, the goal is to provide a framework of study that will encourage students to continue their post-secondary education and to develop workforce skills in creative problem solving, innovative thinking, science, technology, math, digital media, interface design, animation, and creative publishing (ie. graphic design, music production, fashion, etc) – all key elements necessary to sustain a career in Hawaii’s growing creative economy.

Thank you for allowing me to provide testimony in support of HB 2587 and the Administration’s bills HB3066 and SB2988 which would establish Creativity Academies for middle and high school students statewide.

Sincerely,

Chris Gargiulo

## testimony

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**From:** Jake Yoshio Shimabuku [jakes@hawaii.edu]  
**Sent:** Friday, March 14, 2008 3:09 PM  
**To:** testimony  
**Subject:** HB2587

Testimony for HB 2587, HD1  
MAKING AN APPROPRIATION TO ESTABLISH CREATIVITY ACADEMIES.

COMMITTEE ON ECONOMIC DEVELOPMENT AND TAXATION Senator Carol Fukunaga, Chair Senator Will Espero, Vice Chair

COMMITTEE ON EDUCATION  
Senator Norman Sakamoto, Chair  
Senator Jill N. Tokuda, Vice Chair

Monday, March 17, 2008  
3:00 p.m.

Hi my name is Jake Shimabuku and I'm currently a student of the New Media Arts Program at KCC and I'm in support of this bill. For almost my entire academic life I believed I was a failure. I graduated high school with a 1.6 cumulative gpa and it carried over to college as well. It wasn't till a program like the NMA that got me excited about school. It was only then that I started to change everything around and started a successful path. After this semester my cumulative gpa will pass 3.0 I have never in my life until recently got a quarterly gpa of higher than 2.4. If high schools and middle schools had a program like the Creative Arts I'd like to believe that I would've jumped on this path years ago. I would've had a direction and an unquestionable drive to succeed at a earlier time in my life.

Aloha,

I am writing to voice my strong support for HB 2587, HD1- Making an Appropriation to Establish Creativity Academies.

I have served as an educator in the field of new media arts for over five years and have been involved with computer graphics for over a decade. As a professor in the New Media Arts Program at Kapi'olani Community College, I have witnessed firsthand the dramatic impact that digital media education can have on Hawaii's youth. Graduates from the program have gone on to work for leading local, national, and international companies in the Arts & Entertainment sector, including: Atlantis Cyberspace, Electronic Arts, Konami Computer Entertainment, Madskill Productions, Pacific Focus, Polygon Pictures, Sprite Entertainment, and Ubisoft. The fusion of creativity and high tech skills empowers students to pursue rewarding careers and contribute to the diverse industries that utilize digital media. The Creativity Academies will infuse digital media education into high schools & middle schools with the goal of catalyzing engagement with STEM.

Hawaii's need for greater economic diversification is well known. Events of the recent past (9/11, SARS, etc.) have demonstrated how concentrated and consequently precarious the local economy is. The twin engines of tourism and defense spending cannot provide the requisite high-skilled living-wage job opportunities to sustain future growth. Hawaii needs to invest in innovative educational initiatives to help generate robust new industries that can thrive in an increasingly competitive global economy. The Creativity Academies initiative is ideally suited to this objective; it will provide students with cutting edge workforce skills in Science, Technology, Engineering and Math and Digital Media/ New Media Arts. The aforementioned skills are at the core of emerging knowledge based industries. For example, the entertainment sector has undergone unprecedented growth in the past few years, creating strong demand for artists with high-tech skills. In a 2004 study, the US Department of Labor projected a 39.5% increase in multimedia and computer animation related jobs in the next decade. By establishing the Creative Academies, we will provide Hawaii's youth with the opportunity to profit from this growth and succeed in an era of rapid technological change.

By providing innovative curriculum that encompasses both STEM and Digital Media/ New Media Arts, the Creative Academies will promote a progressive integration of art and science. This will enable the next generation to effectively utilize technology to solve complex scientific/artistic challenges, and communicate with diverse media such as film, television, music, video games, and the web.

In conclusion, I believe the Creative Academies will provide a powerful stimulus to an educational system that is increasingly out of touch with trends in the competitive global economy. The Creative Academies will leverage the unique capabilities of the UHCC System and DOE to support and enhance the tremendous potential of Hawaii's youth. Thank you for the opportunity to testify in support of HB 2587, HD1- Making an Appropriation to Establish Creativity Academies.

Sincerely:

Joseph Tremonti

Cherie Tsukayama  
tsukayam@hawaii.edu

March 14, 2008

Senator Carol Fukunaga, Chair  
Senator Will Espero, Vice Chair  
Members of the Committee on Economic Development and Taxation

Senator Norman Sakamoto, Chair  
Senator Jill N. Tokuda, vice Chair  
Members of the Committee on Education

Notice of Hearing  
Date: March 17, 2008  
Time: 3:00 PM  
Place: Conference Room 225  
State Capitol  
415 South Beretania Street

I am a student at Kapiolani Community College in the New Media Arts – Animation program. I will be graduating from the program in the summer of 2008. I support bill HB 2587, HD1 100%. I attended Castle High School and was one of the students that floated in the middle with no guidance or direction. I was interested in gaming but had no idea about how it was made or the process of it. I spent a lot of my high school career gaming. School was a priority but it seemed to tailor to all the other types of studies except art. For example, there was a class that prepared students and alerted students about the nursing field, business field, entrepreneurship, athletics, student government, science, foreign languages but there was nothing for the arts. That's where they lost me. I had a .7 GPA in high school and once I entered the program a year later I had a 4.0 GPA and I maintain that GPA till present.

While entering in this program I learned so much about the arts, not only does this program teach computer graphics but it covers how having fine arts skills are important to do well in the industry. It sparks curiosity about opportunities that would have been nice to have in high school, for instance only after entering this program, I am starting to look into going to an art college/university to better my 3D skills. Alerting the high school students who are interested about the requirements that are needed to attend an art college early on helps so much in getting ahead. My grades suffered in high school because nothing interested me, so it made classes harder to deal with, in effect I had to take classes in college that I could have taken in high school making the transition slower, and pushing me a year back.

In this program you build a community that helps drive you and keep you on track with your goals. It's a positive community that this program provides. I am surrounded by people with the same interest as me and have been through similar struggles as me in high school. We support each other by doing critiques and helping each other out when we have a question about anything, work or life.

Another thing that I feel this program will provide for the high school and intermediate students, is guidance. Whether it be on how to go about starting a career in the computer graphics industry or

bettering their skills as an artist or, what I feel is most important, guidance about getting through school and life. The creative learning skills that they would learn in the program can be used in every aspect of their life. The reason that I feel this program is important is because if I had this type of community in high school I'd feel that there would be people or someone that could understand me, coming from an artist point of view. I had questions but no one to answer them; I had problems but no one that could understand my train of thought; I had potential but no one to see it or help it grow.

I am very supportive of this project and would like to see it put in action. Thank you for the opportunity to testify in support of HB 2587, HD1.

Cherie Tsukayama

**testimony**

---

**From:** jennifer nobrega [girlssurf2@yahoo.com]  
**Sent:** Friday, March 14, 2008 11:10 AM  
**To:** testimony  
**Subject:** Email testimony

March 14th, 2008

To: THE SENATE  
THE TWENTY-FOURTH LEGISLATURE  
REGULAR SESSION OF 2008

COMMITTEE ON ECONOMIC DEVELOPMENT AND TAXATION

Senator Carol Fukunaga, Chair  
Senator Will Espero, Vice Chair

COMMITTEE ON EDUCATION

Senator Norman Sakamoto, Chair  
Senator Jill N. Tokuda, Vice Chair

From: jennifer, KCC New Media Arts student

HB No. 2587, Making an Appropriation to Establish Creativity Academies

I am writing to offer testimony in support of HB 2587 and the Administration's bills HB3066 and SB2988 which would establish Creativity Academies for middle and high school students statewide.

As an interface design student within the New Media Arts program at Kapiolani Community College, I would like to see more educational opportunities for middle and high school students in the areas of art, new media, and all related creative local industry sectors associated with digital arts such as animation, web design, graphic design, digital video, film, etc. HB 2587 and the establishment of Creativity Academies seek to meet this demand in accordance with the Hawaii legislature and administration's recognition of the value of education in the creative arts as critical to our future workforce development.

Creativity Academies will be helpful for young students to develop workforce skills in creative problem solving, innovative thinking, science, technology, math, digital media, interface design, animation, and creative publishing – all key elements necessary to sustain a career in Hawaii's growing creative economy.

Thank you for allowing me to provide testimony in support of HB 2587 and the Administration's bills HB3066 and SB2988 which would establish Creativity Academies for middle and high school students statewide.

Sincerely,

Jennifer Nobrega

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HB 2587, HD 1 - MAKING AN APPROPRIATION TO ESTABLISH  
CREATIVITY ACADEMIES

Testimony Presented Before the Joint  
Senate Committees on  
Economic Development and Taxation  
and Education

March 17, 2008 at 3:00 pm  
by

Mark Loughridge  
Ulua Media

HB 2587, HD1 - Making an Appropriation to Establish Creativity Academies

Chairs Sakamoto and Fukunaga, Vice Chairs Tokuda and Espero, and Members of the  
Committees:

Thank you for this opportunity to offer testimony in support of the HB 2587 to establish  
Creativity Academies for middle and high school students statewide. I think this is a very  
important step in helping all of our students gain 21<sup>st</sup> century skills to compete in the  
rapidly changing global economy.

Ulua Media works in education and technology to help learners of all ages gain 21<sup>st</sup> century  
skills. We are already working towards this vision in partnership with public and private schools  
throughout the state, with local colleges as well as with the MIT Media Lab and the California  
Institute of the Arts. We are contributing capital, industry talent, and many hours to help make  
these programs work. We are recruiting other local firms to join in the effort, including Aloha  
Island Inc and Avatar-Reality. The Creativity Academy programs we have helped start here are  
generating great excitement and excellent results among middle school students. We seek your  
support to help expand this public-private partnership. We seek your help to accelerate the effort  
so Hawaii can lead the country and the world in innovative programs that teach STEM and  
creative arts in ways that truly excite and empower students. Top global institutions such as the  
MIT Media Lab and the California Institute of the Arts (best animation school in the world) are  
eager partners in what we are pioneering. The Chinese Ministry of Education and leading digital  
media companies in Beijing, China and Singapore are also eager to extend partnerships. Please  
signal that you, too, are interested in helping Hawaii lead globally in education and innovation.

Hawaii is at a crossroads. As reported recently in the media, the visitor industry is on a  
gradual decline with no reversal in sight. Fuel costs are escalating and inflation is rising  
here faster than most of the US. By and large, visitor industry jobs are not high-paying.  
Are we equipping our students with the right skills to earn a better wage as traditional  
industries decline and costs rise?

Unfortunately, a disheartening number of students in Hawaii do not graduate from high  
school, do not go to college, and many of those who do go to college require serious

remediation. Meanwhile, studies show that the gap in earning power between college graduates and those who do not attend college is widening substantially. Students without a solid-grounding in 21<sup>st</sup> century skills are ill-prepared for the ways in which the global economy is quickly transforming.

The world is rapidly moving toward a knowledge-based economy with extreme competition. In many ways, US education is failing to keep up with rising global standards, and the US is losing dominance in industry after industry. Earning power is declining for labor with low skills as more and more industries outsource to less expensive countries. The skills needed to survive and thrive in our flat, hyper competitive world are radically different and much more complex than just a few generations ago. How can we practically help our students here in Hawaii to compete effectively in the future?

The Creativity Academies give students the opportunity to grow important 21<sup>st</sup> century skills in ways that truly engage them.

These programs develop fundamental skills in creativity and technology, help students explore fascinating careers, spur innovation, and ignite their passions to learn and master new fields. The Academies use project-based learning where students invent original works that combine skills from mathematics and science (STEM), and the arts. For example, the skills learned in the Game Academy program – core academic skills, brainstorming, computer programming, art and animation, project management, and team work – are lifelong skills that apply to a wide range of careers in digital media and beyond.

We have seen the magic of these programs at work. A Game Academy course for middle school premiered at the Iolani Summer School in 2007. It was the most oversubscribed course in the summer school. It received high marks from the students— an average ranking of 8.7 out of 10— and the graduates of the course have been requesting the opportunity to continue with an advanced course.

Meanwhile, the reception in public schools has been equally enthusiastic. Again, the course was oversubscribed when offered at Niu Valley Middle School in the fall of 2007. Informal pre and post tests revealed marked improvement in mathematics for those students who engaged in building and playing math-based games created during the course. Again, students gave the program high marks. Other public schools on the Big Island and Oahu are now launching Game Academy courses this spring (2008). Kealakehe High School on the Big Island responded to our program with the strongest student response ever for an after school program. One of our goals is to equip their older students to then turn around this fall and teach the elementary school students in their complex how to make their own games and animations while developing 21<sup>st</sup> century skills.

As digital media become ubiquitous, every industry and sphere of life is transforming. The future is hardly predictable, companies of all sizes are less stable and more vulnerable to competition than ever before, and *everyone* needs to learn to be more self-

reliant and better equipped to shape their careers. The Creativity Academies deeply engage students and effectively teach STEM, creativity, and entrepreneurial skills— the skills that are essential for students to take charge of their futures and lead in a rapidly changing world.

Thank you for this opportunity to provide testimony in support of House Bill 2587.

Testimony Presented Before the Joint  
Senate Committees on  
Economic Development & Taxation and Education  
March 17, 2008 at 3:00 pm

by  
John Rand PhD  
STEM Program Director/Professor, UH Kapiolani Community College

HB 2587, HD1 - Making an Appropriation to Establish Creativity Academies

Chairs Fukunaga and Sakamoto, Vice Chairs Espero and Tokuda, and Members of the Committees:

I am here today to testify in support of House Bill 2587, HD1 - Making an Appropriation to Establish Creativity Academies. I have been teaching Physics and Engineering at the University of Hawaii and at Kapiolani Community College for twenty years and I am the Program Director of the Science, Technology, Engineering and Mathematics (STEM) initiative at the College.

This appropriation will allow a curriculum design team made up of partners within the Hawaii Department of Education, Community Colleges, State Government, and private entrepreneurs to develop a creative, unique academic pathway that will not only increase the high school graduation rates, but will also increase the number of students who attend college in Hawaii, and will ensure that Hawaii's students will have 21st century skills needed for 21st century jobs.

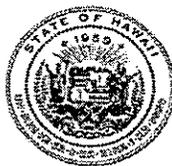
Jobs in digital media development, including animation and gaming technology are among the fastest growing segments of workforce needs in the nation. These jobs are being largely outsourced to foreign countries because of a lack of skilled workers in the United States. By establishing these academies in the near future our state will be in the forefront in providing these contemporary workforce skills. Hawaii will become a leader in the production of a well-trained, globally competitive workforce. These high technology jobs are high paying and will undoubtedly increase the standard of living here in the islands, as industries dependent on this technology look to our state and its emerging workforce.

By blending the curriculum from science, engineering, and mathematics with digital arts and creative writing, the Creativity Academy will inspire students from a broad range of academic interests. The academy will formalize the education that they are already getting as they navigate the internet, play digital games, create animations and manipulate digital video. This new media incorporates science, math and art in a convincing and demonstrative way, allowing the otherwise unmotivated or uninspired students to see value in having these skill sets that truly emphasize application.

I strongly encourage you to support this legislation.



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**TESTIMONY  
OF  
AARON S. FUJIOKA  
ADMINISTRATOR  
STATE PROCUREMENT OFFICE**

**TO THE  
SENATE COMMITTEES  
ON  
ECONOMIC DEVELOPMENT AND TAXATION  
AND  
EDUCATION**

March 17, 2008

HB 2429, HD 2

**RELATING TO RECREATION.**

Chair Fukunaga, Chair Sakamoto and committee members, thank you for the opportunity to testify on HB 2429, HD 2. The State Procurement Office's (SPO) testimony is limited to Section 8, which exempts the University of Hawaii stadium corporation from Chapter 103D, the public procurement code.

Statutory exemptions are contrary to the Code, section 103D-102, HRS, on the applicability of the chapter that states in part ". . . shall apply to all procurement contracts made by governmental bodies whether the consideration for the contract is cash, revenues, realizations, receipts, or earnings, . . ." Any governmental agency with the authority to expend funds should be in compliance with Chapter 103D, which promotes the policy of fair and equitable treatment of all persons who deal with the procurement system; fosters effective broad-based competition; and increases public confidence in public procurement.

The Code should not be viewed as an obstacle to a purchasing agency's mission, but rather as the single source of public procurement policy to be applied equally and uniformly to obtain its requirements. It was the legislature's intent for the Code to be a single source of public procurement policy. If individual agencies are exempted and allowed to develop their own individual processes, it becomes problematic for the administration and vendors/contractors that must comply with a variety of processes. Fairness, open competition, a level playing field, and government disclosure and transparency in the procurement and contracting process are vital to good government. For this to be accomplished, we must participate in the process with one set of statutes and rules.

The Code provides consistency in the manner in which purchasing agencies procure goods, services, and construction. Although an exempted agency may develop their own procurement source selection methods, it was the intent and goal of the legislature to have a single source of policy and procedures to ensure consistency and continuity in the application of the procurement process among government agencies throughout the State and counties.

Exempting agencies from the Code will jeopardize uniform and consistent protections against waste, fraud, and abuse the legislature placed in the Code; and will potentially hinder the legislature in promoting and supporting specific segments of the Hawaii economy through preferences allowed by the Code. "Preferences" permit the legislature to promote specific segments of the state's economy and encourage the development of new products and technologies. However, preference programs apply only to agencies subject to the Code, and exempt agencies are not subject to the legislature's designated preferences.

The Code enables the legislature to impose specific requirements to eliminate practices that are detrimental to the public's perception of government procurement. The legislature passed and the governor signed into law, Act 52(2003), amending Section 103D-304 to require that all contract awards to professional service providers be made based upon the merits of the provider, and not upon any other factors; thereby reaffirming the public's understanding that professional service contracts are not awarded to companies based on political affiliation or amount of political contributions.

To provide fairness and consistency, and due process for vendors/contractors, the Code offers a legal and contractual remedy process to resolve protested solicitations and awards, which includes impartial reviews by the Department of Commerce and Consumer Affairs administrative hearings process and the ability to request judicial review. The protest process also protects agencies and taxpayers from onerous and baseless protests, minimizes delays and disruptions in the award of contracts, and supports a prompt resolution.

To insure all vendors/contractors who seek public contracts compete on equal footing they are required to demonstrate compliance with Hawaii laws. The Code requires potential vendors/contractors to comply with Hawaii laws prior to award of a contract, i.e. DOTAX Tax Clearance Certificate including IRS certification, DLIR Certificate of Compliance; DCCA Certificate of Good Standing. Upon completion of goods provided or services performed, and before final payment is made, a vendor/contractor is again required to demonstrate compliance with Hawaii laws, thereby assuring that public funds are paid to compliant vendors/contractors.

The Code contains a provision (§103D-102(b)(4)(L)) that allows a purchasing agency to request an exemption when it has been determined that procurement by competitive means is either not practicable or not advantageous to the State, thereby providing flexibility, but within the requirements of the Code.

HB 2429, HD 2  
Senate Committees on Economic Development and Taxation  
and Education  
March 17, 2008  
Page 3 of 3

Open bidding procedures assure that the State obtains value, and potential vendors/contractors are treated fairly. The SPO believes that it is vital to good government to have a fair and consistent process to award government contracts that hold agencies responsible and accountable for their actions.

The SPO is against exempting specific agencies from the Code, as it is not in the best interest of government, the business community, and the general public. The Code establishes a time-tested, fair, and reliable set of rules and processes for award of contracts.

In conclusion, there is no compelling reason to statutorily exempt the University of Hawaii stadium corporation from the Code. The SPO recommends deleting the amendments on Page 15, Section 8, lines 17-21.

Thank you.



**ALOHA STADIUM**

*An Agency of the State of Hawaii*

TESTIMONY  
OF  
SCOTT L. CHAN, STADIUM MANAGER  
STADIUM AUTHORITY  
TO THE  
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TAXATION  
AND  
SENATE COMMITTEE ON EDUCATION  
ON  
MARCH 17, 2008

H. B. No. 2429 H.D.2

Chairs Fukunaga and Sakamoto and members of the Senate Committees, thank you for this opportunity to testify before you on H. B. 2429 H.D.2.

Although newly appointed to the position of the Stadium Manager for Aloha Stadium, I have been with the stadium since 1995 and employed by the State of Hawaii since 1982. However, my relationship with the stadium dates back many more years than I'd like to say, starting off as a high school student and having the good fortune to actually play at the facility. You can't imagine how much it means to a teenager to be able to play at the same facility as professional athletes. It is something that stays with you for a lifetime.

The reason I am telling you this is because I want to stress the point that Aloha Stadium doesn't merely serve the University of Hawaii. It serves all of the people of Hawaii...high school students, graduating seniors at commencement exercises, grade school kids during the D.A.R.E program, firefighters training on their new fire trucks, truck drivers applying for their

commercial drivers licenses, concert goers, immigrants starting their own businesses, local people selling homemade bread and pastries, Girl Scouts distributing their cookies, etc. And I wonder how well these people will be served if House Bill 2429 H.D.2 is adopted?

Over the years and contrary to popular perception, the Stadium Authority and the staff at Aloha Stadium have supported the University of Hawaii Athletic Department in everyway possible. We take as much pride in UH Athletics and our Warriors as anyone else in the State of Hawaii. After the stadium spent \$2.2 million to professionally refurbishing the locker rooms and adjoining office spaces for UH, UH's coach was not satisfied with the exact shade of green used to paint the walls. To accommodate the team, our staff repainted the entire locker rooms again at no cost to UH.

On an annual basis, the stadium allots UH 2,127 parking stalls for promotional and staff purposes. In turn, 1,986 of these stalls are resold to season ticket holders or packaged with other marketing promotions, netting UH hundreds of thousands of dollars in additional revenue. Likewise, the stadium has allowed UH to use the interior of the stadium for advertising on the field and on the scoreboard as part of their \$2.2 million advertising program. For the past two years, UH has not been charged rent for its use of Aloha Stadium, saving the program more than \$700,000. We do this because we want to assist in supporting UH Athletics in general and UH football in particular.

At the same time, we want to remind everyone that only 13% of the stadium's \$9.4 million in revenue is generated by UH Athletics. As you know, most of our revenue is derived from non-sporting events such as the Aloha Stadium Swap Meet, carnivals and fairs, concerts, advertising income, etc. And, our investment into these other programs is very small in comparison to the time, energy and funding that is focus on the University and its 7-8 home

games annually. Because of this one-sided spending, the stadium has received criticism and complaints from our non-UH tenants.

If House Bill 2429 H.D.2 is passed, the staff at Aloha Stadium is fearful that all of the additional funds generated by the program will be used to support UH Athletics and that the stadium itself will fall further and further back into disrepair. As state agencies, it is incumbent upon all of us to be mindful of our expenditures and when the need arises, make appropriate, justifiable requests to the legislature for funding to cover program growth and repair and maintenance of our facilities. Bypassing the legislative allotment system should not be an option. However, this is exactly what can happen under House Bill 2429, H.D.2 and it requires only a mere vote of the board of directors to funnel all excess revenues to UH Athletics and away from much needed stadium repair programs. As legislators, you have always been extremely careful to ensure transparency and public input in your decision-making. If House Bill 2429 H.D.2 moves forward, it could certainly undo much of what you have hereto accomplished.

On behalf of the stadium staff, I therefore ask committee members to step back and re-examine this bill to determine if the House Bill 2429 H.D.2 is an appropriate way to address some of the recent issues that have plagued UH Athletics.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Joint Senate Committees on Economic Development  
& Taxation and Education

on  
March 17, 2008 at 3:00 pm

by  
David McClain  
President, University of Hawai'i System

HB 2429, HD 2 – RELATING TO RECREATION

Chairs Fukunaga and Sakamoto and Members of the Committees on Economic Development & Taxation and Education:

The University supports the concept that the Aloha Stadium should generate net income which should support the intercollegiate athletics program of the University of Hawai'i. Toward this end, the University is willing to operate and manage Aloha Stadium. However, the University objects to being made responsible for the repair and maintenance and improvement of the Stadium. Adding this liability to the already large capital renewal and deferred maintenance burden of the University would not be economically feasible and would be to the detriment of the University.

This bill, as currently worded, would create a University of Hawai'i stadium corporation which would be a part of the University of Hawai'i. Since the duties of the corporation include maintaining and improving the Aloha Stadium, any liabilities relating to these duties and any budgetary requests for funding will become part of the University of Hawai'i's budget. Also, the bill states that capital improvement projects for Aloha Stadium shall be funded by the Aloha Stadium special fund or general obligation bonds. In either case, the liability for related costs or debt service requirements may become the responsibility of the University. Accordingly, we cannot support this bill in its current form.

Also, we have no detailed information regarding the current physical condition of the stadium, which could impact the operating costs of the Stadium even if the maintenance and improvement liability were separated. For example, the cost of, and even the ability to obtain, adequate insurance to cover the facility, events, operations and liability risks is uncertain. Additionally we have no information as to the historical financial operations and status of the Stadium, which could reveal other issues and concerns. Accordingly, we would need to be allowed the ability to do a significant amount of investigation into these and other matters prior to being given the responsibility for operations.

We would be willing to work with the Legislature on potential wording to address these concerns. In addition, there are several procedural issues with regard to the operation of the bill which we can address at that time.

Thank you for the opportunity to present this testimony.

TESTIMONY TO  
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TAXATION  
AND  
SENATE COMMITTEE ON EDUCATION  
THE TWENTY-FOURTH LEGISLATURE  
ON  
MARCH 17, 2008 3:00PM  
BY  
NEUMANN SHIM  
PRESIDENT,  
ALOHA STADIUM SWAP MEET VENDOR'S ASSOCIATION

HB2429 HD2

To Senate Committee on Economic Development and Taxation, Senator Carol Fukunaga, Chair, Senator Will Esporo Vice Chair, members of the committee; Senate Committee on Education, Senator Norman Sakamoto, Chair, Senator Jill N. Tokuda, Vice Chair and members of the committee.

Thank you for the opportunity to testify before you today. My name is Neumann Shim. I have been a vendor of the Aloha Stadium Swap Meet for over ten years. Currently, I am the President of the Aloha Stadium Swap Meet Vendor's Association.

Regarding House Bill 2429 to create the University of Hawaii Stadium Corporation and transfer jurisdiction of the Aloha Stadium from the Stadium Authority to the Stadium Corporation, I oppose this bill.

House Bill 2429's attempt to "transfer jurisdiction over Aloha Stadium to a public body with corporate powers is in the public interest." However HB2429, further states that its 'purpose' is "to create the University of Hawaii stadium corporation," which as a corporation in the State of Hawaii would be a private entity. This conflicting statement in HB 2429 suggests that really the transfer of jurisdiction is in the interest of a private corporation and not the public. The public will not have a direct benefit from such a transfer.

HB2429 states that "the primary duty of the stadium corporation is to operate, maintain, manage and improve the Aloha stadium," a duty already being performed by the current Stadium Manager and the current Stadium Authority Board of Directors.

HB2429 also states that the "secondary duty (of the stadium corporation) is to generate net income," again a duty already being performed by the current Stadium Manager and the current Stadium Authority Board of Directors. Yet, HB2429 believes that the "stadium corporation would be better able to maximize use and consequently the income of Aloha Stadium." However, there is nothing in the bill that states exactly how "the corporation" would do that.

One can only speculate the possibilities. There could be better marketing efforts, or reinvestments of current net income, the effects of which may only reap benefits in the longer term. In the short term, the only increase of net income can come from the current sources, which include the events, advertising, swap meet rent, parking fees and attendance revenues. So if the goal of the corporation is to hypothetically increase

revenues from the current 9 million per year to 25 million per year, in the short term it could only come from an increase in the current revenue sources.

The Vendor's Association and its 600 plus vendors believe that these increases would inflict extreme hardship and harm to the all of the vendors at the Aloha Stadium Swap Meet and eventually put all the vendors out of business. Current data shows clear evidence that while there were increases in rental and attendance rates in the last three years, a correlating decrease in Swap Meet rent revenues occurred. For example, although rental rates increased in 2006 there was a \$650,000 loss in rent revenues for 2006 compared to 2005. It's simply a matter of basic economics. Price affects supply and demand. As the price for stalls goes up, the demand for the stalls goes down. So if the corporation even thinks of raising price to increase revenues...they are deluded. If supporters of this bill had performed their due diligence, they would be more informed.

The swap meet vendors are a diverse ethnic mix of entrepreneurs that have, through hard work, dedication and perseverance made the Aloha Stadium Swap Meet the valuable current revenue source it is today. The Swap Meet is responsible for a large majority of the revenues (\$6 to \$7 million of the \$9.4 million annually) generated to support the Aloha Stadium and maintain its mission as a venue for recreation to the people of Hawaii. To support this bill in effect would be saying to all the Swap Meet vendors that although you have created value here at the Aloha Stadium for the last 29 years, you are valueless and we don't need you. It would be like telling all the voters that saw you, members of the committee, as valuable, that those voters have no value and that you don't need them any longer.

If you were to treat this whole scenario as a business transaction, which really it is, almost to the point of a hostile takeover, you must consider the built in value of the business being sought. You would have to also consider the future value that would be received. You would need to consider its effect on employees or other pertinent parties. You would need to negotiate a purchase price. What we have here through HB 2429 is a corporation wanting to take over a business for free. The bill has no consideration for the vendors that are more significantly responsible for the value built in to the Aloha Stadium compared to any other group including UH Athletics.

So to summarize my testimony in opposition to HB2429, again I oppose this bill. First, although the transfer is stated to be in the "public interest" it really is in the interest of a private corporation. Second, there is no evidence as to how this bill would "maximize net income" and thus could possibly be a detriment to the livelihood of over 600 Swap Meet Vendors. Third, I oppose HB 2429 because it has no consideration or compensation for the value of the Aloha Stadium that has been largely been built and earned by the Swap Meet vendors, to those vendors.

Please remember that the name "Aloha" is at the forefront of Stadium's namesake. It is not just a trivial trademark. It signifies everything that the people of Hawaii stand for. It even is the basis of a Law in Hawaii that determines the character of how a citizen should act. We have to ask ourselves, is HB 2429, with all its intent, really a "bill for an act" of "Aloha."

Thank you, for allowing me to testify on this matter.



Bubble Shack Hawaiian Soap Company, LLC  
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TESTIMONY TO  
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TAXATION  
AND  
SENATE COMMITTEE ON EDUCATION  
ON  
MARCH 17, 2008 3:00PM  
BY  
ASHLEY P. HARDING  
VICE PRESIDENT,  
ALOHA STADIUM SWAP MEET VENDORS' ASSOCIATION

HB2429 HD2

Aloha Chair Sakamoto, Chair Fukunaga and committee members. Thank you for the opportunity to testify on House Bill 2429 HD2. My name is Ashley Harding, I own and operate the Bubble Shack Hawaiian Soap Company, participate as a vendor at the Aloha Stadium Swap Meet, and as Vice President of the Aloha Stadium Swap Meet Vendors' Association I represent over six hundred entrepreneurs who all share a collective interest in the future of Aloha Stadium. I am providing my testimony today in opposition to HB2429 HD2.

First and foremost as a resident of the State of Hawaii I must point out that the Aloha Stadium should be for the people of Hawaii and all the diverse clients and events the stadium supports. As outlined in Section 1, yes, I agree the stadium could generate additional net income as a private corporation; however, this corporation should be in the interest of all of the people of Hawaii, preserving Aloha Stadium, and should not be the University of Hawaii Stadium Corporation whose top priorities include the transfer of stadium monies to try and fix the challenges of the University of Hawaii's Athletic program, again as outlined in section 1.

The Swap Meet Vendors' Association views this bill as a text book case of complete false economy. Although there could be short term financial gains for University of Hawaii Athletics, with no repair or maintenance responsibility assigned to the University of Hawaii stadium corporation, Swap Meet vendors are fearful that the stadium instead of properly being repaired will not remain at its current condition but actually continue to deteriorate.

HB2429 HD2 is not specific as to how additional net income will be captured. This should be a huge red flag. Unless the bill is specific as to how the corporation plans to earn more net income I ask all of you to oppose this bill. If you take this bill as read it seems to simply be unnecessary change; however, unless revenue sources are identified we all must imagine the endless changes that could negatively change the people of Hawaii's Aloha Stadium forever. These changes could potentially dissolve the Aloha Stadium Swap Meet and destroy the livelihood of over six hundred vendors who have been the primary revenue source and single largest user of Aloha Stadium for over 20 years.

Thank you.

## testimony

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**From:** Leigh Valencia [puertoviejo@mac.com]  
**Sent:** Sunday, March 16, 2008 5:28 PM  
**To:** testimony  
**Subject:** Testimony for House Bill 2429 @ 3 pm on March 17, conference room 225

Hello, my name is Manuel Gomez. I have been a vendor at the Aloha Stadium Swap Meet for the past 18 years. The last increase in rent at the swap meet, the cost of living, and the decline in tourism, has affected us all as vendors. Therefore I oppose House Bill 2429, which could possibly triple our rent. Already the swap meet accounts for 64% of the current annual revenues at Aloha Stadium. UH games only produce 13% of the annual revenues. Why should the swap meet vendors be punished with another increase in rent to make up for the lack of revenue by UH football games? Already the vendors sacrifice by cutting working hours on game days, while still paying the same amount in rent as a full working day.

Lately I have been aware of many vendors who have left the swap meet and gone out of business due to past rent increases and lack of sales. If you agree to pass this bill you will surely force many more vendors out of business, including myself. The swap meet is my only source of income. I ask you to consider the livelihood of hundreds of vendors before you attempt to pass this bill.

Thank You,

Manuel Gomez

**testimony**

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**From:** Shannon Wood [swood@hoku.com]  
**Sent:** Sunday, March 16, 2008 4:58 PM  
**To:** testimony  
**Subject:** HB2429 HD2 - RELATING TO RECREATION

**SUBMITTED BY:**

**Shannon Wood**  
**P.O. Box 1013**  
**Kailua, HI 96734**  
**Cell Phone: 224-4496**

**COMMITTEE ON ECONOMIC DEVELOPMENT & TAXATION**

*Sen. Carol Fukunaga, Chair*  
*Sen. Will Espero, Vice Chair*

**COMMITTEE ON EDUCATION**

*Sen. Norman Sakamoto, Chair*  
*Sen. Jill Tokuda, Vice Chair*

**PUBLIC HEARING**

**3 pm**  
**Monday, March 17, 2008**  
**Conference Room 225**

**HB2429 HD2 - RELATING TO RECREATION**  
**STRONGLY SUPPORT**

**TO:** *Chairs* Fukunaga and Sakamoto and members of the **Committees on Economic Development & Taxation and Education.**

My name is Shannon Wood, a Kailua, O`ahu resident, speaking only as an individual on my own behalf and not representing any group or organization. I am, however, a *University of Hawai`i* sports fan.

**HB 2429 HD2** would provide a legal mechanism to transfer control of **Aloha Stadium** from the *Stadium Authority*, sited in the *Department of Accounting and General Services*, to a newly-created eleven-member *University of Hawai`i Stadium Corporation* within the *University of Hawai`i System* which would oversee its management and operations.

Five of its members would be appointed by the *Governor* & confirmed by the **Senate** and five by the **Board of Regents**. The 11th member would always be the *President* of the *University of Hawai`i*. All members are expected to have experience in business, marketing, accounting, economics, engineering, architecture, or sports administration. Perhaps that part of the bill should be amended to include "higher education administration" and also require that at least one seat be de dedicated to an individual with strong sports administration experience.

It made sense decades ago to tuck **Aloha Stadium** in under a state agency such as *DAGS*. The two sports *UH* was beginning to build its intercollegiate sports reputation on - baseball and women's volleyball - were not intended to be played there but in special facilities to be built on campus - **Rainbow Stadium** for baseball, later changed to **Les Murakami Stadium**, and **Stan Sheriff Center** for indoor court sports and other athletic and non-athletic activities

The other reason it made sense to put **Aloha Stadium** under *DAGS* was that **Aloha Stadium** was to be used for **Triple A** professional baseball in the spring & summer months in addition to *UH* football being played there in the fall and early wintertime. Now, of course, baseball is no more while the venue is now used for swap meets, drifting races, concerts, and other team sports in addition to football.

It is my opinion that, as long as **Aloha Stadium** is part of the *DAGS* and under the operational management of the *Stadium Authority*, the *University of Hawai'i Department of Athletics* will be standing outside shaking a tin cup and begging for a piece of the action in concession sales & parking from football games held there.

In transferring *Aloha Stadium's* operations to the *University of Hawai'i*, the latter would also get the net revenues from all other events scheduled there which could benefit all ten campuses. This will help further the goal of decreasing financial support from state taxes.

However, the most important part of the transfer would be to allow the *University of Hawai'i Stadium Corporation* to enter into agreements with major sponsors for naming rights by which major repairs & improvements could be made. I don't believe that this could be done under the present system.

Yes, there are problems, but there we can work through them. I urge that the two committees support **HB 2429 HD2**, as it is now time for the *University of Hawai'i* to move the *UH-Manoa Athletic Department* into long-term financial stability.

*Mahalo* for the opportunity to provide testimony in support of **HB 2429 HD2**.

**testimony**

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**From:** James Cablay [cablayj001@hawaii.rr.com]  
**Sent:** Sunday, March 16, 2008 2:52 PM  
**To:** testimony  
**Subject:** House Bill 2429 HD2

This testimony is to be submitted to the: COMMITTEE ON ECONOMIC DEVELOPMENT AND TAXATION and COMMITTEE ON EDUCATION.

Date of Hearing: March 17, 2008  
Time of Hearing: 3:00pm

I would like to submit my written testimony against House Bill 2429 HD2. As a resident of Hawaii, born and raised, I have been privileged to attend many events at the Aloha Stadium from high school sports, UH athletics, music concerts and my grandkids Pop Warner football games. Each of those events was to benefit all the people of Hawaii. When each of those events generated any revenue, **that revenue benefited all the people of Hawaii.** The Aloha Stadium was built for one purpose in mind, **to benefit all the people of Hawaii.** Herein lies the problem of HB 2492 HD2.

To allow this bill to go forth with the sole intentional purpose of benefiting the University of Hawaii is terribly wrong. As a State "owned" facility the Aloha Stadium should remain in the hands of the State and not some private corporation with the sole purpose of benefiting one entity: the University of Hawaii.

I have heard that the proposed "new corporation" has boasted they could produce more than 2 ½ times the present revenue now being generated. Sure anyone can boast that they could produce additional revenue. To even boast that they could produce more that 2 ½ times the present revenue is a bit ludicrous. How will this revenue be generated? Has anyone seen any "plans" as to how this will be done?

Is part of that "plan" to increase rent to all those presently using the Aloha Stadium. Is part of this "so called revenue increase" coming from increasing costs to high schools, Pop Warner football teams, other athletic events, charity events, concert events, food vendors at UH football games, and the Aloha Stadium's golden egg, the Aloha Stadium Swap Meet.

Any rental increase to any of the above would have a negative effect to those involved. The biggest negative effect would be to the Aloha Stadium Swap Meet. As I understand, the Swap Meet produced 65% of all the revenue generated by the Aloha Stadium last year or nearly six million dollars. With the economic times being as bad as it is now any rent increase would force vendors out of business or may result in the total demise of the Swap Meet. This results not only in a loss of rental revenue to the Stadium but a huge loss in tax revenue to the State of Hawaii. Is this part of the proposed "new corporations" plan, to put small businesses out of business?

I humbly ask that this bill not be passed and should this bill continue to proceed, there should be an amendment requesting how specifically any additional revenue will be generated and include in this amendment a measure as to not financially jeopardize any of the Aloha Stadiums' present users.

Thank you,

Jim Cablay