DAVID Y. IGE GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

OFFICE OF THE PUBLIC DEFENDER



CRAIG K. HIRAI

GLORIA CHANG DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE P.O. BOX 150

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ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1924

February 23, 2022 2:00 p.m. Room 308 and Videoconference

RELATING TO THE HAWAII STATE FOUNDATION ON CULTURE AND THE ARTS

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 1924.

H.B. No. 1924 appropriates unspecified general funds in FY 23 for the State of Hawai'i Museum of Monarchy History and the State of Hawai'i Museum of Natural and Cultural History, to be expended by the State Foundation on Culture and the Arts.

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

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

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

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

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

Thank you for your consideration of our comments.

DAVID Y. IGE GOVERNOR OF HAWAII





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

Testimony of SUZANNE D. CASE Chairperson

Before the House Committee on FINANCE

Wednesday, February 23, 2022 2:00 PM State Capitol, Conference Room 308, Via Videoconference

In consideration of HOUSE BILL 1924 RELATING TO THE HAWAII STATE FOUNDATION ON CULTURE AND THE ARTS

House Bill 1924 proposes to appropriate funds to the State of Hawaii Museum of Monarchy History and the State of Hawaii Museum of Natural and Cultural History, to be expended by the Hawaii State Foundation on Culture and the Arts. The Department of Land and Natural Resources (Department) supports this measure and offers the following comments.

The Department appreciates the intent of the Legislature to support the State of Hawai'i Museum of Monarchy better known as 'Iolani Palace. The Department also feels that State support of 'Iolani Palace is essential due to its significant value to the people of Hawaii.

The Department executed a 25-year general lease with the Friends of 'Iolani Palace (Friends) to manage and operate 'Iolani Palace, 'Iolani Palace Barracks (Hale Koa) and the Coronation Pavilion. The Department's Division of State Parks (State Parks) regulates and manages the various public special use activities and events of the adjacent four quadrants that comprise the grounds surrounding the buildings and authorizes events that are managed by the Friends that are a primary source of operating revenue.

State Parks also administers and executes capital improvement projects for the buildings and appurtenant structures. The Department of Accounting and General Services performs all the grounds and tree maintenance functions and manages the parking areas surrounding the Palace and oversees the modern Archives Building.

The Friends have funded its operations entirely from earned revenues, donations, and grants (both private and government) for such items as salaries & benefits, repair and maintenance, and

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

ROBERT K. MASUDA

M. KALEO MANUEL
DEPUTY DIRECTOR - WATE

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

regular expenses of the Palace such as electricity, heating ventilation, and air conditioning (HVAC) maintenance, water for chillers and a security camera contract.

The Department feels that State support of 'Iolani Palace is essential due to its significant value to the people of Hawaii.

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE GOVERNOR OF HAWAII





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

Testimony of SUZANNE D. CASE Chairperson

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

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regular expenses of the Palace such as electricity, heating ventilation, and air conditioning (HVAC) maintenance, water for chillers and a security camera contract.

The Department feels that State support of 'Iolani Palace is essential due to its significant value to the people of Hawaii.

Thank you for the opportunity to comment on this measure.



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

Governor David Y. Ige

Comptroller Curt T. Otaguro

Chairperson Lloyd I. Unebasami

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

Executive Director Jonathan Johnson

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TESTIMONY OF

THE STATE FOUNDATION ON CULTURE AND THE ARTS TO THE HOUSE COMMITTEE ON FINANCE

February 23, 2022, Conference Room 308 & Videoconference at 2:00PM H.B. 1924

RELATING TO THE HAWAII STATE FOUNDATION ON CULTURE AND THE ARTS

Chair Luke and members of the Committee, I am Jonathan Johnson, Executive Director of the State Foundation on Culture and the Arts (SFCA), and we are grateful for the opportunity to testify in **SUPPORT** of H.B. 1924.

The State Foundation on Culture and the Arts recognizes the value of Iolani Palace and Bernice Pauahi Bishop Museum for the State of Hawaii. SFCA supports the appropriation of general funds to the State of Hawaii Museum of Monarchy History (Iolani Palace) and the State of Hawaii Museum of Natural and Cultural History (Bishop Museum) for fiscal year 2022-2023, to be expended by the State Foundation on Culture and the Arts, provided doing so does not replace or adversely impact priorities indicated in the Executive budget.

Hawaii's culture sector is the hardest hit in the nation. Bishop Museum and Iolani Palace have lost significant operating revenue due to the drop in attendance while each institution continues to require care for collections and repair and maintenance of their aging facilities. Funding these institutions through an annual appropriation from the general revenues of the State of Hawaii and on a consistent basis will help to support ongoing operations to preserve irreplaceable cultural treasures. Both Bishop Museum and Iolani Palace have provisions to receive State funds and an exemption from qualifying standards and conditions related to Chapter 42F. The Iolani Palace facility is in the purview of the Department of Land and Natural Resources (DLNR).

The cultural economy is one of our state's most important resources. When we invest in our cultural economy, we invest in economic stability of Hawai`i. State support of these two culturally significant institutions is an investment into cultural preservation as well as the State's economy. As the State recovers from the devasting effects of the global pandemic, visitors will return to Hawai`i and look to visit cultural establishments that in turn, support the revitalization of Hawaii's leading economy; tourism.

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



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Testimony of PAULA AKANA **Executive Director**

Before the House Committee on FIN

Wednesday, February 23, 2022 2:00 PM House Conference Room 308 via Videoconference

In Consideration of **HOUSE BILL 1924**

RE: Testimony in SUPPORT of HB 1924, RELATING TO THE HAWAII STATE FOUNDATION ON CULTURE AND THE ARTS

Aloha Chair Luke, Vice Chair Yamashita and Members of the House Committee on Finance:

I am Paula Akana, Executive Director of The Friends of Iolani Palace. We support HB 1924, which would provide much needed funding for Iolani Palace, The State of Hawaii Museum of Monarchy History.

This money would be expended by the Hawaii State Foundation on Culture and the Arts. The support comes with the assurance this funding would be separate from the funding HSFCA receives for its arts program statewide.

Iolani Palace is a wahi pana. A cultural piko for native Hawaiians, and a treasure for Hawaii and the world. It is a living restoration of a time when Hawaii was an independent, sovereign nation, recognized worldwide.

The Friends of Iolani Palace have been caring for the Palace since 1966, through a lease with the State Department of Land and Natural Resources. That includes repair and maintenance of the buildings, maintaining the costly HVAC system (and the electricity bill that goes with it) and securing the Palace, its grounds and gates, all while running the museum operations.

Our non-profit organization was devastated by the pandemic and experienced a significant drop in revenues. Despite slashing our budget, and being forced to cut back on staff and salaries, we continue to fulfill our kuleana to care for this iconic place and the estimated 5-thousand cultural artifacts within the Palace. And just as important, we continue to share the story of the Palace and our monarchy, with Hawaii and the world.

We mahalo you for the ARP funding received this fiscal year. It will allow us to end the year in the black. Without that help, we would have been forced to make even deeper cuts. We believe a dedicated, consistent source of State funding is crucial to the future of Iolani Palace.

Mahalo for your consideration of HB 1924.

Aloha,

Paula Akana

Executive Director

The Friends of Iolani Palace

Paula ahana

Submitted on: 2/22/2022 12:49:29 PM

Testimony for FIN on 2/23/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mark T. Shklov	The Friends of Iolani Palace	Support	No

Comments:

Testimony of Mark T. Shklov in Support of HB 1924

Aloha,

My name is Mark T. Shklov. I am a Hawaii Lawyer and a Member of The Board of Directors of the Friends of Iolani Palace, which is the non-profit corporation whose Purpose is "to preserve, restore, interpret, share and celebrate the unique cultural, historical, and spiritual qualities of Iolani Palace and its grounds for the benefit of and to serve Native Hawaiians, the People of Hawaii, and the World".

I submit this testimony in support of HB 1924.

Iolani Palace has been designated The State of Hawaii Museum of Monarchy History. It is a National Historic Landmark and the only royal residence in the United States. I believe that Iolani Palace is an iconic symbol of Hawaii's welcoming culture.

HB 1924 provides funds necessary for fiscal year 2022-2023 for Iolani Palace.

I believe that, during and after these difficult times, Iolani Palace can represent the Aloha Spirit and the welcoming friendship of Hawaiian culture, if the State of Hawaii provides the funds necessary to preserve, restore, and protect this cultural, historical, and spiritual wahi pana.

HB 1924 provides those funds.

Mahalo,

Mark T. Shklov

Submitted on: 2/22/2022 12:01:02 PM

Testimony for FIN on 2/23/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Leilani Williams- Solomon	Friends of 'Iolani Palace	Support	No

Comments:

Aloha,

I strongly support HB1924 that would provide funding to, among other organizations, Iolani Palace. The Palace is a beloved and important wahi pana in Hawaii, telling the history and stories of Hawaii in a unique way. It is the only building of its kind in Hawaii and in the US, a beacon for local, national and international citizens.

The nonprofit Friends of Iolani Palace provides much of the operational and capital funding to support the Palace even though ownership of the building is with the State of Hawaii. Costs to operate and maintain the Palace exceed revenues, especially because it is an historic and very unique building. The funds provided with passage of this bill would go a long way to help keep the Palace accessible and safe to all those who wish to visit. I humbly urge you to support this measure.



Testimony of Pono Shim of Oahu Economic Development Board

House Committee on Finance

Wednesday February 23, 2022, 2 P.M. House Conference Room 308 and Videoconference

Re: House Bill 1924, RELATING TO THE HAWAII STATE FOUNDATION ON CULTURE AND THE ARTS

Aloha Chair Luke, Vice Chair Yamashita and Committee Members,

Please accept this testimony in full support of HB1924. In 2009, I was asked to join the Friends of Iolani Palace Board of Directors to provide specific skill sets to the Board and for the long term vision and recovery of our Palace. The vision and courage of Governor Burns to turn the management kuleana of the Palace to the Friends of Iolani Palace, yet sustain the government support by keeping the Palace as a State building to be maintained, like all other state buildings, is significant to the foundation of the Palace as a resource for our residents and the world.

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

Mahalo for your consideration.

Pono Shim

G-

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



TO: Representative Sylvia Luke, Chair

Representative Kyle T. Yamashita., Vice Chair

Committee on Finance (FIN)

FROM: Kiersten Faulkner

Executive Director, Historic Hawaii Foundation

Committee: Wednesday, February 23, 2022

2:00 p.m.

Via Videoconference & Conference Room 308

RE: HB 1924 Relating to the State Foundation on Culture and the Arts

On behalf of Historic Hawaii Foundation, I am writing in **support for HB1924.** The bill would appropriate funds to the State of Hawaiii Museum of Monarchy History (aka Iolani Palace) and the State of Hawaiii Museum of Natural and Cultural History (aka Bernice Pauahi Bishop Museum), to be expended by the Hawaiii State Foundation on Culture and the Arts.

Iolani Palace

Iolani Palace is an exceptional historic resource. It is designated as a State Monument, a National Historic Landmark and a contributing property in the Hawai'i State Capital National Historic District. Built in 1882 by King David Kalākaua, the palace served as the royal residence until 1893 for the King and his successor, Queen Lili'uokalani. For nine months in 1895, the deposed Queen was imprisoned in a bedroom of the Palace. From 1893 – 1968, the building served as the capitol of the Republic, the Territory and the State of Hawai'i. When the new capitol building opened in 1968, the process of restoring the Palace began under the leadership of the Friends of Iolani Palace, the Junior League of Honolulu and numerous community members.

The initial period of rehabilitation reflected a phenomenal effort and the results have been to restore the most significant building of the Monarchy era. All buildings require routine and regular maintenance; a historic structure of this level of significance also requires special treatment in accordance with strict preservation standards. The appropriation will allow the continued stewardship, care and operations on behalf of this beloved and significant site.

Bishop Museum

The Bernice Pauahi Bishop Museum campus is a designated historic district that is significant for its cultural, architectural, educational, scientific and historical contributions to the Hawaiian Islands. The first building of the museum was constructed in 1889. It was founded by Charles Reed Bishop as a memorial to his wife, Pauahi, who was the last of the royal Kamehameha line.

The Hawaiian Hall complex, built to house the founding collections of Bishop Museum, was constructed in three building phases from 1888 to 1903. Its buildings established a construction style and use of materials that was used through the early 1930s in Hawai'i. Particularly notable was its precedent-setting use of cut basalt stone, most of which was quarried on the grounds. Today, the complex is regarded as a masterwork of late Victorian museum design. It is listed on the National Register of Historic Places and is one of Hawai'i's most significant and iconic buildings.

The impact and importance of Bishop Museum is incalculable, not only for the people of the Hawaiian Islands, but also throughout the Pacific. The buildings, operations, research and exhibits all need to be supported for the education, inspiration, pleasure and enrichment of the public. The proposed appropriation will assist the Museum in its stewardship and trusteeship for both present and future generations.

Summary

The historic, cultural and natural resources of Hawai'i are a great legacy and irreplaceable treasures. Historic Hawai'i Foundation strongly supports measures that lead to investments in Hawaii's historic places and that help keep their stories alive for present and future generations. Bishop Museum and Iolani Palace are an important icons for Hawai'i residents and visitors, adding to the enjoyment, education, and understanding of Hawaii's history and inspiration for the future. We support the effort to identify additional funding sources to help preserve, restore, enhance and celebrate these resources.

Therefore, Historic Hawai'i Foundation supports HB1924.

Submitted on: 2/22/2022 3:50:50 PM

Testimony for FIN on 2/23/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
John Aeto	Native Hawaiian Hospitality Association	Support	No

Comments:

To: House Committee on Finance, 2/23/22 2:00pm Room 308 via videoconference

Re: HB 1924 Relating To The Hawai'i State Foundation on Culture and the Arts

From: John Aeto, President Board of Directors, Native Hawaiian Hospitality Association

Aloha, Chair Luke, Vice-Chair Yamashita, and members of the House Committee on Finance

I am John Aeto, Board President of The Native Hawaiian Hospitality Association. NaHHA stands in strong support of HB1924, which would provide much-needed funding for 'Iolani Palace, also known as The State of Hawai'i Museum of Monarchy History and Bishop Museum, also known as The State of Hawai'i Museum of Natural and Cultural History.

This money would be responsibly expended by the Hawai'i State Foundation on Culture and the Arts and comes with the assurance this funding would be separate from the funding HSFCA receives for its arts program statewide.

Besides being a historical and cultural landmark, 'Iolani Palace serves as a unique educational destination for our kama'āina and visitors. Scores of our island's students visit the 'Iolani Palace along with visitors to our islands seeking to gain a deeper understanding of the history and culture of Hawai'i. It both functions as a museum of the Kingdom of Hawai'i and its monarchy and also as a large publicly accessible grounds where many in the downtown Honolulu area use and traverse, seeking respite from crowded streets and a feeling of comfort and stability in modern Honolulu.

The Friends of 'Iolani Palace have been caring for the 'Iolani Palace since 1966, through a lease with the State Department of Land and Natural Resources. That includes repair and maintenance of the buildings, maintaining the costly HVAC system (and the electricity bill that goes with it) and securing the 'Iolani Palace, its grounds and gates, all while running the museum operations.

The Friends of 'Iolani Palace was devastated by the pandemic and experienced a significant drop in revenues demanding large budget, salary, and staff cuts. Despite these factors, they continue to fulfill their kuleana (responsibility) to care for this iconic place and the estimated five thousand cultural artifacts within the 'Iolani Palace.

While the long-term hope is a dedicated, consistent source of State funding the passage of this bill is critical in allowing the Friends of 'Iolani palace to fulfill its kuleana for the immediate and near-term future.

In humbleness and thanks, we ask for your vigorous support of HB 1924.

Allen K. Hoe

Attorney at Law

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Testimony of Allen K. Hoe

Before the House Committee on Finance

Wednesday, February 23, 2022 2:00 PM Conference room 308 & videoconference

In Consideration of HOUSE BILL 1924

Re: House Bill 1924, RELATING TO THE HAWAII STATE FOUNDATION ON CULTURE AND THE ARTS

Aloha Chair LUKE, Vice Chair YAMASHITA, and Committee members.

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

I support this Measure which provides much needed funding to continue our mission to protect this wahi pana we care about "IOLANI PALACE".

Mahalo for your continuing support.

Allen K. Hoe

Submitted on: 2/23/2022 1:45:30 AM

Testimony for FIN on 2/23/2022 2:00:00 PM

_	Submitted By	Organization	Testifier Position	Remote Testimony Requested
	Nancy & Zeb Jones	Individual	Support	No

Comments:

Aloha Chair Luke, Vice Chair Yamashita and Honorable Finance Committee Members:

We submit this testimony in SUPPORT of HB1924 which allocates funding via the State Foundation on Culture and the Arts to the Museum of Monarchy History (more widely known as I`olani Palace) and the State of Hawai`I Museum of Natural and Cultural History (known mainly as The Bishop Museum). We fully support the funding allocations for these two extremely valuable repositories of Hawai`i`s history via the State Foundation on Culture and the Arts. Given all that these two institutions have withstood during this COVID pandemic in the form of drastically reduced access, meager ticket sales, and event cutbacks, both deserve the financial support of taxpayers this session to continue their operations and valuable contributions to our community.

For the above reasons, we urge your honorable members to please pass HB1924 out of your committee. Mahalo again for this opportunity to present this testimony supporting HB1924.

Warm aloha,

Nancy & Zeb Jones

Hydroponics Alternatives LLC