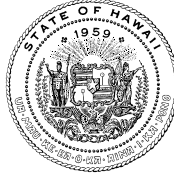


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



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

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

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

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

TRANSPORTATION AND CULTURE AND THE ARTS
ECONOMIC DEVELOPMENT AND TOURISM

S.B. 582

FEBRUARY 13, 2025, 1:00 PM
CONFERENCE ROOM 229 AND VIA VIDEOCONFERENCE, STATE CAPITOL

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

Chairs Lee and DeCoite, Vice Chairs Inouye and Wakai, and Members of the
Committees, thank you for the opportunity to testify on S.B. 582.

The Department of Accounting and General Services (DAGS) offers testimony in
support of S.B. 582 which transfers the State Foundation on Culture and the Arts (SFCA) and
the King Kamehameha Celebration Commission (KKCC) from the DAGS to the Department of
Business, Economic Development, and Tourism (DBEDT). In addition, this measure transfers
the authority held by the Comptroller over the Works of Art Special Fund to DBEDT.

DAGS provides the following comments:

1. SFCA's overall purpose and mission aligns more with the various attached agencies at
DBEDT.

2. The proposed transfer will improve administrative efficiency and facilitate the operations of SFCA and KKCC while providing opportunities for collaboration, synergy and strategic partnerships.

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



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

Governor
Josh Green, M.D.

Comptroller
Keith A. Regan

Chairperson
Konrad Ng

Commissioners
Susan Browne
Nalani Brun
Sean Connelly
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**Testimony of KAREN EWALD, Executive Director
State Foundation on Culture and the Arts
Before the
SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS
and the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM**

**Tuesday , February 13, 2025 Conference Room 229 at 1:00PM
SENATE BILL 582 RELATING TO
THE DEPARTMENT OF BUSINESS ECONOMIC DEVELOPMENT, AND TOURISM**

Chairs Lee, DeCoite and members of the Committees,

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

The SFCA **SUPPORTS** H.B. 582 which transfers the State Foundation on Culture and the Arts and the King Kamehameha Celebration Commission from the Department of Accounting and General Services to the Department of Business, Economic Development, and Tourism.

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

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

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



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

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

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Statement of
JAMES KUNANE TOKIOKA
Director

Department of Business, Economic Development, and Tourism
before the

**SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS
and the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM**

Thursday, February 13, 2025
1:00 PM

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

In consideration of
SENATE BILL 582
**RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM**

Chairs Lee and DeCoite, Vice Chairs Inouye and Wakai, and members of the Committees. The Department of Business, Economic Development and Tourism (DBEDT) supports SB 582, which transfers the King Kamehameha Celebration Commission and the State Foundation on Culture and the Arts (SFCA) from the Department of Accounting and General Services (DAGS) to DBEDT.

The success of this organizational transition hinges on three key factors that deserve special emphasis:

1. Administrative and Personnel Support
2. Implementation Timeline
3. Ensure stable funding through the transition period

The arts and culture sector is a vital component of Hawaii's economy and community well-being. According to national studies, organizational transitions of state arts

LATE

agencies require careful planning and adequate resources to succeed. The recommendations provided by SFCA reflect best practices learned from similar transitions in other states.

The alignment of SFCA with DBEDT's economic development mission presents exciting opportunities, but only if the transition is properly resourced and carefully implemented. Supporting these recommendations will help ensure that SFCA can continue its essential work of promoting and preserving Hawaii's cultural heritage while expanding its economic impact.

Thank you for the opportunity to testify.

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

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

Testimony of Jame K. Schaedel

Thursday, February 13, 2025

Support for Senate Bill No. 582 – Relating to the Department of Business, Economic Development, and Tourism

WRITTEN TESTIMONY ONLY

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

Thank you for the opportunity to submit testimony in **strong support** for Senate Bill No. 582. This bill, if approved, would transfer the State Foundation on Culture and the Arts (SFCA) and the King Kamehameha Celebration Commission (“commission”) from the Department of Accounting and General Services (DAGS) to the Department of Business, Economic Development, and Tourism (DBEDT). It would further transfer the authority held by the Comptroller over the Works of Art Special Fund to the Director of Business, Economic Development, and Tourism.

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

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

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

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

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

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

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

Thank you for considering my testimony in **strong support** for Senate Bill No. 582. Should you have any questions, please do not hesitate to reach out to me.

Respectfully,

Jame K. Schaedel
Kapolei, Hawai‘i

LATE

SB-582

Submitted on: 2/12/2025 10:09:52 PM

Testimony for TCA on 2/13/2025 1:00:00 PM

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

Comments:

I'd support SB582, Kamehameha Celebration Commission, but I think Office of Hawaiian Affairs or Native Hawaiian Hospitality Association/NaHHA created by Hawaii Tourism Authority, or Council for Native Hawaiian Advancement/CNHA, or Iolani Palace should choose the participants. Our present Governor Green does not have enough cultural understanding to see the significance of what these societies have done, but perhaps OHA being lead by native Hawaiians born and raised here in the islands would be better prepared.

Members of the various civic clubs around the islands can also help out, I'd even volunteer like so many others, but it seems that many were not included in the celebrations except for a select few. Being part of two Royal Orders like Ahahui Kaahumanu and the Royal Order of Kamehameha I Na Wahine, and meeting the others, there are many great leaders in all islands and not just on Oahu.

Women can do a lot if they work together and not see themselves as being higher ranking than others! We are all related, since Kamehameha Nui married all the women of high ranking positions because he realized their mana, before he died in 1819. He had his children and grandchildren marry those he believed he could trust, before the arrival in 1820 of the East Coast missionaries, so why not everyone be a part of this huge celebration!