

STAND. COM. REP. NO.

2389

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 304

S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Economic Development and Taxation, to which was referred S.B. No. 304, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CULTURE,"

begs leave to report as follows:

The purpose of this measure is to appropriate \$810,000 for fiscal year 2008-2009 to meet the shortfall in funding for the operations of the Honolulu Symphony and its programs.

Testimony in support of this measure was received from the Honolulu Symphony and two of its board members; the Hawaii Opera Theatre; the Honolulu Symphony Chorus; Ellen Masaki School of Music; Punahou Music School; the Windward Arts Council; Nedra Chung Realty, Inc.; and twenty eight individuals, including musicians and music teachers. The Department of Accounting and General Services testified in opposition. The Department of Budget and Finance and the State Foundation on Culture and the Arts submitted comments.

Your Committee finds that Act 97, Session Laws of Hawaii 2006, and Act 156, Session Laws of Hawaii 2007, provided public support for the Honolulu Symphony by appropriating \$4,000,000 to the State of Hawaii Endowment Fund, from which the income and capital gains earned from that public investment are to be used by the Symphony; provided that the funds are matched by private funds or pledges. Your Committee has been informed that these funds were released in December 2006, with a clarification by the



Department of Budget and Finance and the Attorney General that the money must be matched dollar-for-dollar by private funds.

Your Committee has further heard that a meeting was recently held with the Administration and the Honolulu Symphony to clarify the requirements and that all parties are in agreement on what needs to be done to expedite the transfer of funds.

Your Committee notes that resolution of the use of the state appropriation for the endowment corpus and matching pledge amounts has taken two years and three legislative sessions. It is also a period when the Honolulu Symphony has experienced devastating shortfalls in funding. In addition, clarification of the requirements was the purpose of Act 156, which was signed into law by the Governor on June 8, 2007. Your Committee would be interested in learning why an additional eight months were needed to clarify the clarification, and further deprive the Honolulu Symphony of potential - and much needed - revenues earned by the fund.

Your Committee sincerely hopes this can be resolved quickly, to assist the Symphony in meeting the payroll obligations to its musicians and to provide fiscal support for its administration and programs, including marketing, communications, and youth education.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 304, S.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development and Taxation,



CAROL FUKUNAGA, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Economic Development and Taxation**  
**EDT**

Bill / Resolution No.:* <i>SB 304</i>	Committee Referral: <i>EDT, WAM</i>	Date: <i>2/14/08</i>
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The committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
  Pass, with amendments 2311    
  Hold 2310    
  Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	/			
ESPERO, Will (VC)	/			
BAKER, Rosalyn H.	/			
ENGLISH, J. Kalani				/
IGE, David Y.	/			
SLOM, Sam		/		
<b>TOTAL</b>	<i>4</i>	<i>1</i>		<i>1</i>

Recommendation:    
 Adopted    
 Not Adopted

Chair's or Designee's Signature:  
*Will Espero*

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\*Only one measure per Record of Votes