



**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119**

TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
TOURISM, CULTURE & INTERNATIONAL AFFAIRS
ON
February 7, 2009

H.B. 381

RELATING TO THE STATE OF HAWAII ENDOWMENT FUND

Chair Manahan and members of the Committee, thank you for the opportunity to testify on H.B. 381.

The Department of Accounting and General Services (DAGS) supports this bill.

The State of Hawaii endowment fund was established so that the income and capital gains from it could be used “for the production of music by an Oahu-based symphony orchestra; provided that the funds appropriated in this section are matched, dollar-for-dollar, by private funds or pledges pursuant to section 40-88, Hawaii Revised Statutes”. H.B. 381 extends the date on which a \$4,000,000 appropriation to this fund is to lapse to the general fund, from June 30, 2009 to June 30, 2011. This appears reasonable and prudent.

Thank you for the opportunity to testify on this matter.

LATE TESTIMONY

Testimony in Support of H.B. 381

For a hearing by the
House Committee on Tourism, Culture and International Affairs
Hawaii State Capitol
February 7, 2009
9:00 a.m. – Room 312

Chair Manahan, Vice Chair Tokioka and members of the House Committee on Tourism, Culture, and International Affairs, on behalf of the Honolulu Symphony, I am pleased to provide strong and unequivocal testimony in support of H.B. 381, relating to the State of Hawaii Endowment Fund, extending the date on which unmatched funds from the \$4,000,000 appropriation to the State of Hawaii Endowment Fund is to lapse to the general fund, from June 30, 2009 to June 30, 2011.

The Honolulu Symphony is extremely grateful to the members of our Hawaii State Legislature who, through the approval of Act 97, SLH 2006 appropriated \$4,000,000 from the State to be deposited to the Hawaii State Endowment Fund for the long-term support and benefit of the Honolulu Symphony, and further through the approval of Act 156, SLH 2007, allowed pledges to be qualified as matching funds for the \$4,000,000 appropriation.

The approval of Act 97, SLH 2006 and Act 156, SLH 2007 show the belief of this body in the importance of a professional symphony orchestra for the citizens of Hawaii and its desire to support this endeavor directly.

We support H.B. 381, which once again demonstrates a true commitment from our state lawmakers in these difficult times to support the Honolulu Symphony by extending the date at which unmatched funds would lapse from June 30, 2009 to June 30, 2011.

We thank you for the opportunity to provide this testimony.

With Aloha,



Thomas J. Gulick
Executive Director



HONOLULU SYMPHONY FOUNDATION

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Rep. Joey Manahan, Chair
Committee on Tourism, Culture,
& International Affairs
Hawaii State Capitol, Room 421
415 South Beretania Street
Honolulu, HI 96813

Dear Chairman Manahan,

I am writing you regarding House Bill 381, relating to the State of Hawaii Endowment Fund. The apparent intent of this bill is to extend the payment period for pledges made toward the \$4,000,000 appropriated by Act 97 SLH 2006, and amended by Act 156, SLH 2007. H.B. 381 proposes to specify a date of June 30, 2011 for any unexpended or unencumbered balances, but I believe this conflicts with the intent of the aforementioned Acts 97 and 156.

Act 97 (HB 3235) appropriates \$4,000,000 for fiscal year 2006-2007 and specifies the funds be matched, dollar-for-dollar by private funds. It does not set any time period or reference any other law. Act 156 SLH 2007 amends Act 97 to specify that pledges are matched pursuant to section 40-88, Hawaii Revised Statutes, and that any unexpended or unencumbered balances from the appropriation shall lapse on June 30, 2009.

As of February 7, 2008 the total \$4,000,000 had been matched by pledges and funds, and that amount was fully disbursed on February 26, 2008. There are no unexpended or unencumbered balances to my knowledge.

Returning to the intent of the bill, which is to extend the lapse date for the fund, I believe this Act should extend the five year *pledge fulfillment period* specified by HRS 40-88 by an additional two years, and specify that funds appropriated by Act 97 SLH 2006, amended by Act 156 SLH 2007 "be matched, dollar-for-dollar, by private funds or pledges pursuant to section 40-88, Hawaii Revised Statutes, except that all portions of pledges not matched by actual payment of such pledges by February 28, 2015 shall revert to the general fund."

Respectfully submitted,

Mark Wong
Chairman
Honolulu Symphony Foundation