



**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
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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. 601

RELATING TO THE WORKS OF ART SPECIAL FUND

Chair Manahan and members of the Committee, thank you for the opportunity to testify on H.B. 601.

The Department of Accounting and General Services (DAGS) supports the intent of this bill and has comments. This bill allows up to 50% of funds in the Works of Art Special Fund to be used for capital improvement projects, the purchase of facilities and the repair and maintenance of facilities dedicated to culture and arts. It also removes capital improvement appropriations that are designated for renovation of state buildings from the Works of Art Special Fund's 1% transfer requirement.

DAGS agrees with the need to fund the repair and maintenance of state buildings, as well as to maintain facilities dedicated to culture and arts. DAGS' comment is that part of the Works of Art Special Fund is used to pay salaries and other personnel costs of State Foundation on Culture and the Arts (SFCA) employees. The "up to 50%" allowance should be followed by a phrase saying something to the effect that "no money

should be spent out of the fund until all of the SFCA personnel and related costs have been covered". In addition, of the money that remains in the fund after the salaries and related expenses are covered, up to 50% can be used for capital improvement projects, the purchase of facilities and the repair and maintenance of facilities dedicated to culture and arts, with the remainder going to the Art in Public Places Program.

DAGS believes that the Art in Public Places Program and the Hawaii State Art Museum perpetuate and showcase public and contemporary local art, promote educational and cultural programs, and demonstrate government's investment in the creativity and vision of its people. The use of monies in the fund for capital improvement projects, the purchase of facilities and the repair and maintenance of facilities dedicated to culture and arts should not be allowed to threaten the vitality of the Art in Public Places Program and the Hawaii State Art Museum.

Thank you for the opportunity to testify on this matter.