

SB 2143, SD1

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2143, S.D. 1

February 24, 2010

RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS

Senate Bill No. 2143, S.D. 1, allows the use of general obligation bond funds deposited into the Works of Arts Special Funds to support the costs to operate the State Foundation on Culture and the Arts. Specifically, the proposal will:

1. Limit the personnel costs to administrative, grant, and contract personnel.
2. Delete the provision that the Comptroller provide information to each agency on the excluded items from the one per cent amount of an agency's capital improvement appropriations.
3. Require an annual report to the Governor and the Legislature.

The proposal sunsets on June 30, 2015.

We are opposed to this bill. From a policy perspective, operating funds should be used to pay for operating expenditures and general obligation bond proceeds should be used to fund capital expenditures. As such, we believe it is imprudent to fund the State Foundation on Culture and the Arts' administrative, grants, and contract personnel costs with bond financing which would be repaid over a 20-year period.

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**Testimony before the
Senate Committee on Ways and Means**

**Wednesday, February 24, 2010
10:05 a.m. Conference room 211**

**On S.B. 2143 -- Relating to the State Foundation on Culture and the
Arts**

By Peter Rosegg

Chair Kim, Vice-chair Tsutsui, and members of the committees, I am a Hawaii State Foundation on Culture and the Arts commissioner for Oahu. I am testifying as an individual.

While the intent of the legislation is excellent, I have important reservations that I ask you to consider.

First, I thank those who have offered this proposal for its clear intent to support the State Foundation by seeking an alternative source of funding for key positions in these difficult economic times.

As you may know, the HSFCA has lost 11 positions out of about 30 in the last two years. These losses have clearly threatened the ability of the agency to carry out programs and services used and appreciated by thousands of people monthly, from the students in our public schools for whom the only art education they receive may be through State Foundation to visitors who appreciate the arts and culture of Hawaii by their visits to the Hawaii State Art Museum. Of course, untold thousands of people appreciate the art on display in public buildings.

Also threatened are federal and private funding for a range of programs, mostly providing learning and life enhancing opportunities for students and young people that the State Foundation has committed to carrying out.

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What you may **not** know is that the remaining staff of the Foundation, with strong support of the commissioners, is working hard to reorganize, adjust and revitalize to meet those commitments to our young people. We appreciate the support of the arts community, a vibrant and vocal force, to continue our efforts, as well as many government leaders and policy makers.

Our concern with this well intended legislation is that by funding more positions from the Works of Art Special Fund risks depleting the fund within just a few years. Given the political difficulty with reversing this move, that would effectively bring an end not only to the art in public places program – the first and perhaps most respected such program in the nation – but also arts education, vital grants to many, many arts organizations large and small in our community and the ability to maintain and operate the Hawaii State Art Museum.

The commissioners and staff of the HSFCA have worked hard to conservatively manage the Works of Art Special Fund and other programs. We have sought additional private funding when possible and recently worked to reconstitute and revitalize the Friends of the Hawaii State Art Museum to support programs that are popular with thousands of Hawaii residents. We have put on hold ambitious plans to extend the reach of the agency to the Neighbor Islands and to underserved communities wherever they exist in our islands.

I strongly believe that while we are in a severe fiscal situation right now, this too shall pass. When it does, we must be sure that the work of the last almost 50 years “to promote, perpetuate, preserve, and encourage culture and the arts, history and the humanities as central to the quality of life of the people of Hawaii” is not lost. The foundation must remain strong.

Even in these difficult fiscal time, I personally ask -- and I believe many others who have benefited from the work of the Hawaii State Foundation on Culture and the Arts, including children from end to end of our islands, would ask -- that you to seek other revenue streams for the agency rather than put the Works of Art Special Funds at risk.

Thank you for the opportunity to testify.

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