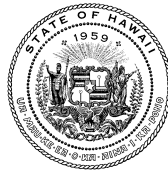


SB 406

EDT



**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
SENATE COMMITTEE
ON
ECONOMIC DEVELOPMENT AND TECHNOLOGY
ON
February 9, 2009

S.B. 406

RELATING TO WORKS OF ART SPECIAL FUND

Chair Fukunaga and members of the Committee, thank you for the opportunity to testify on S.B. 406.

The Department of Accounting and General Services (DAGS) has concerns about this bill, which amends Sections 6E-35, 6E-40, and 103-8.5, Hawaii Revised Statutes, to allow the State of Hawaii Museum of Monarchy History (Friends of 'Iolani Palace) and the Bernice P. Bishop Museum to receive funds from the Works of Art Special Fund. The Works of Art Special Fund currently supports the Art in Public Places Program and Hawaii State Art Museum. The Works of Art Special Fund is used to acquire predominantly contemporary art and to support living local artists. The collections of 'Iolani Palace and the Bishop Museum differ dramatically from the State Art Collection. Although DAGS supports the intent of the legislation to provide additional funding for

these older collections, these monies should come from a different source more focused on acquiring historic, archival pieces of art.

Thank you for the opportunity to testify on this matter.



IOLANI PALACE

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TESTIMONY OF KIPPEN DE ALBA CHU

COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY

Senator Carol Fukunaga, Chair
Senator Rosalyn H. Baker, Vice Chair

Monday, February 9, 2009

SB 406

Chair Fukunaga, Vice Chair Baker, and members of the Committee, thank you for this opportunity to testify in strong support of Senate Bill 406.

In the spirit of collaboration and cooperation, both The Friends of Iolani Palace and Bishop Museum have come together to seek some kind of dedicated funding from the State. This measure before you is one such proposal.

We acknowledge the policy considerations that this Committee must weigh in evaluating the merits of SB 406 and the longstanding support that the Works of Art Special Fund has had in the local culture and arts community. However, the main issue with special funds whenever they are created is that the Legislature relinquishes a certain amount of its constitutional mandate to appropriate public funds. Therefore, the Legislature's prerogative in amending the scope and use of special funds reflects a proper use of its constitutional authority.

In these times of economic hardship, we need to think creatively in trying to fund some of our State's most important cultural treasures.

Thank you again for allowing us to testify in full support of this measure.

TESTIMONY OF
LORI V. THOMAS

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND
TECHNOLOGY

ON

February 9, 2009

S B. 406

RELATING TO WORKS OF ART SPECIAL FUND

Chair Fukunaga and members of the committee, I am Lori Thomas, chairperson of the Hawaii State Foundation on Culture and the Arts and I am testifying today as an individual. Thank you for the opportunity to testify before you on S. B. 406, which I oppose.

This bill, which amends sections 6E-35, 6E-40, and 103-8.5, Hawaii Revised Statutes, allows the State of Hawaii Museum of Monarchy History (Friends of 'Iolani Palace) and the Bernice P. Bishop Museum to receive funds from the Works of Art Special Fund. The Special fund currently supports the Art in Public Places Program and Hawaii State Art Museum, which are administered by the SFCA of the Department of Accounting and General Services (DAGS).

The Works of Art Special Fund was established in 1989 to ensure the beautification and aesthetic value of the built environment through the placement of art as part of the architectural plan for the building and to curate the collection of acquired pieces. The collections of 'Iolani Palace and the Bishop Museum differ dramatically from the State Art Collection,

which is predominantly contemporary and acquired to support living local artists, thereby contributing to the economic vitality of the state.

Although I support the intent of the legislation to provide additional funding for these older collections, revising the Works of Art Special Fund compromises the ability of the SFCA to maintain, conserve, and grow the State Art Collection. The intent of Section 103-8.5, HRS would also be compromised in that directing funds to 'Iolani Palace and the Bishop Museum denies adherence to art as an aesthetic component to the architecture of a building.

Moreover, the SFCA administers its fund expenditures carefully, with more than \$1 million dedicated to staff salaries for the Art in Public Places Program, Hawaii State Art Museum, and beginning FY2010, 50% of its three administrative positions. If the fund must absorb additional costs, fund revenues will be totally expended within 2 years. This may result in staff layoffs or significantly curtailing operations.

Thank you for the opportunity to testify on this matter.