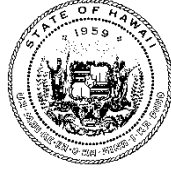


**SCR 57**  
**EDT**



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

TESTIMONY  
OF  
DEAN H. SEKI, ACTING COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
SENATE COMMITTEE  
ON  
ECONOMIC DEVELOPMENT AND TECHNOLOGY  
ON  
March 14, 2012

S.C.R. 57

REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO ESTABLISH A WORKING GROUP TO DEVELOP RECOMMENDATIONS REGARDING THE ADMINISTRATIVE PLACEMENT OF THE STATE FOUNDATION ON CULTURE AND THE ARTS

Chair Fukunaga and members of the Committee, thank you for the opportunity to testify on S.C.R. 57.

The Department of Accounting and General Services supports the intent of S.C.R. 57 and provides the following comments.

First, the State Foundation on Culture and the Arts (SFCA) should be the agency to establish the working group. Second, the number and composition of the working group should be identified. Lastly, the working group should only focus on addressing the question of where the SFCA should be administratively placed.

Thank you for the opportunity to testify on this matter.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

**NEIL ABERCROMBIE**  
GOVERNOR

**RICHARD C. LIM**  
DIRECTOR

**MARY ALICE EVANS**  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
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Statement of  
**RICHARD C. LIM**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY**  
Wednesday, March 14, 2012  
1:30pm  
State Capitol, Conference Room 016

in consideration of

**SCR 57**

**REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND  
TOURISM TO ESTABLISH A WORKING GROUP TO DEVELOP RECOMMENDATIONS  
REGARDING THE ADMINISTRATIVE PLACEMENT OF THE STATE FOUNDATION ON  
CULTURE AND THE ARTS**

Chair Fukunaga, Vice-Chair Wakai, and members of the Committee.

We support the intent of SCR 57, which establishes a working group to develop recommendations, evaluate best practices, and develop a sustainable funding model to support the agency and its grants programs, as well as recommendations regarding the administrative placement of the Hawaii State Foundation on the Culture and the Arts (SFCA) and to report these findings to the Legislature prior to the 2013 session. While the department appreciates engaging with the stakeholders in this working group, we respectfully recommend that the State Foundation on Culture and The Arts (SFCA) be the lead to establish and manage this group.

SFCA has been a collaborator with DBEDT and its Creative Industries Division over the past years and we welcome the opportunity to work together to support their exploration of the areas outlined in this resolution. The department also supports HCR 57, and will comply with the Legislature's determination on whichever measure it deems the best avenue to further explore the maximum potential of Hawaii's lead culture and arts agency. Thank you for the opportunity to testify on this measure.



No. 1 Capitol District Building  
250 South Hotel Street  
Second Floor  
Honolulu, HI 96813

Governor  
Neil Abercrombie

Acting Comptroller  
Dean H. Seki

Chairperson  
Barbara Saromines-Ganne

Commissioners  
Sandra Albano  
Mary Begier  
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TESTIMONY OF  
STATE FOUNDATION ON CULTURE AND THE ARTS  
COMMISSION  
TO THE  
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND  
TECHNOLOGY  
ON  
March 14, 2012

SCR 57

Chair Fukunaga, Vice Chair Wakai, and members of the committee, I am Barbara Saromines-Ganne, Chairperson of the State Foundation on Culture and the Arts Commission and I am pleased to offer testimony on SCR 57 on behalf of the SFCA Board.

Allow me to reiterate the purpose of the resolution and to affirm the SFCA Commission's full support of SCR 57, in the form amended by the executive director of the SFCA:

- We agree to the need for a working group tasked with studying the best placement of the SFCA in State government and that said working group will be selected by and serve under the auspices of the Comptroller of the Department of Accounting and General Services (DAGS); and
- We are dedicated to being responsive to the needs of our community and audience; and
- The SFCA will be an intrinsic part of the working group tasked by the Legislature for the aforementioned study; and

- We, the SFCA Commission, urge the Legislature's support of these sustainability goals that position the SFCA as a viable brand to further develop the marketability of the SFCA and the Hawai'i State Art Museum; and
- We request the Legislature's commitment to our agency's sustainability to perpetuate the arts and culture of Hawaii's people in the form of a significant and long lasting appropriation increase effective in and ongoing from FY 2014.

Recommended revisions to SCR 57 were submitted with the testimony provided by the SFCA executive director.

Thank you for the opportunity to testify before you; your support of the agency; and your kind attention.



**HAWAII**

STATE FOUNDATION on  
CULTURE and the ARTS

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250 South Hotel Street  
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Honolulu, HI 96813

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TESTIMONY OF  
STATE FOUNDATION ON CULTURE AND THE ARTS  
TO THE  
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND  
TECHNOLOGY

ON  
March 14, 2012

SCR 57

Chair Fukunaga, Vice Chair Wakai, and members of the committee, I am Eva Laird Smith, executive director of the State Foundation on Culture and the Arts (SFCA) and I am pleased to offer testimony on SCR 57.

First of all, allow me to express the appreciation of the SFCA Commission and myself for the vision and encouragement that SCR 57 represents. Our agency does require fair and unbiased scrutiny in terms of its infrastructure and organizational integrity. We can only accomplish this with the leadership and support of our lawmakers.

That being said, allow me to continue to clarify that the bill transferring the SFCA to DBEDT died at the committee level in chambers. Hence, a transfer of the SFCA to DBEDT is not a consideration for next year.

We are hopeful, however, that the proposed conversion of General funds to funds from the Transient Accommodations Tax will be implemented. TAT funds are within the purview of DBEDT and the Hawaii Tourism Authority. Although the interdepartmental transfer will not take place in FY 2013, the SFCA in accepting TAT funds, must

commit to supporting the objectives that this new funding source necessitates.

Finally, in addition to the three goals identified in SCR 57, we recommend a fourth, requesting recommendations for changes in SFCA programs and/or in our infrastructure that the working group deems appropriate and a fifth to substantially increase our appropriation level in FY 2014.

Recommended revisions to SCR 57 are attached for your perusal.

Thank you for the opportunity to testify before you.

THE SENATE  
TWENTY-SIXTH LEGISLATURE, 2012  
STATE OF HAWAII

S.C.R. NO. <sup>57</sup>

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## SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF [BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM] ACCOUNTING AND GENERAL SERVICES TO ESTABLISH A WORKING GROUP TO DEVELOP RECOMMENDATIONS REGARDING THE ADMINISTRATIVE PLACEMENT OF THE STATE FOUNDATION ON CULTURE AND THE ARTS.

WHEREAS, the State Foundation on Culture and the Arts was established by Act 269, Session Laws of Hawaii 1965, as a temporary agency and placed within the Office of the Governor; and

WHEREAS, Act 192, Session Laws of Hawaii 1970, established the State Foundation on Culture and the Arts on a permanent basis, placed within the Department of Budget and Finance; and

WHEREAS, Act 302, Session Laws of Hawaii 1980, transferred the State Foundation on Culture and the Arts from the Department of Budget and Finance to the Department of Accounting and General Services; and

WHEREAS, since the inception of the State Foundation on Culture and the Arts in 1965, the Legislature has charged the State Foundation on Culture and the Arts with the task of stimulating, guiding, and promoting culture, arts, history, and the humanities throughout the State; and

WHEREAS, across the country, [art foundations] state arts agencies have evolved to remain relevant, vibrant, and able to play a significant, if not the central role, in promoting culture and the arts in their respective communities; and

WHEREAS, one means of achieving greater relevancy and assistance for Hawaii's arts and cultural communities would be a transfer of the State Foundation on Culture and the Arts from the Department of Accounting and General Services to the Department of Business, Economic Development, and Tourism; and

WHEREAS, such a transfer would provide an opportunity to evaluate successes and best practices from other jurisdictions in refocusing the State Foundation on Culture and the Arts and the Department of Business, Economic Development, and Tourism's Creative Industries Division to



achieve a higher level of business development opportunities for cultural, heritage, and arts programs, as well as leveraging public-private partnerships for financing Hawaii's cultural, heritage, and arts programs; and

WHEREAS, The SFCA agrees with the need to establish a working group tasked with the study of a possible transfer from DAGS to DBEDT; and

WHEREAS, the SFCA seeks to be relevant and responsive to its community needs and audiences, and strives to present all dynamic and diverse art forms in Hawai'i; and

WHEREAS, The SFCA will be part of a working group consisting of community, academic institutional, DBEDT and cultural leaders that would be tasked with identifying the long-term sustainable goals for the SFCA; and

WHEREAS, these identified enduring sustainable goals for the SFCA position the agency as a brand for Hawai'i that serves both local and visiting audiences; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-sixth Legislature of the State of Hawaii, Regular Session of 2012, the House of Representatives concurring, that the Department of [Business, Economic Development, and Tourism] Accounting and General Services is requested to establish a working group to develop recommendations regarding the administrative placement of the State Foundation on Culture and the Arts; and

BE IT FURTHER RESOLVED that the recommendations build upon the current mission of the State Foundation on Culture and the Arts and incorporate [Department of Business, Economic Development, and Tourism] the following objectives[expertise and support for]:

- (1) Leveraging public-private financing in support of visual arts, music, design, literature, theater, and dance[, libraries, museums, and galleries] to strengthen Hawaii's cultural sector with expanded funding and raise the grants funding capacity of the State Foundation on Culture and the Arts to cultural business development levels of \$5,000,000 to \$10,000,000 annually;
- (2) Developing a strategic plan to expand Hawaii's community arts organizations in order to provide Hawaii residents and visitors with quality cultural experiences; and
- (3) Developing a sustainable funding model to support increased investment in cultural, heritage, and arts programming throughout the State; and
- (4) Recommending changes as appropriate to SFCA programs and/or

infrastructure to further the effective implementation of the above mentioned objectives; and

- (5) Expanding the SFCA's funding base by adding \$10 million to be appropriated by the State Legislature effective FY 2014 in order for said goals to be achieved.

BE IT FURTHER RESOLVED that the Department of [Business, Economic Development, and Tourism] Accounting and General Services report its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013; and

BE IT FURTHER RESOLVED that the working group be dissolved on June 30, 2013; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the [Director of Business, Economic Development, and Tourism] Comptroller of the Department of Accounting and General Services, and the Executive Director of the State Foundation on Culture and the Arts.

OFFERED BY: \_\_\_\_\_