



January 31, 2013

**Board of  
Directors**

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**Artistic Advisor**

*JoAnn Falletta*

Committee on Finance  
House of Representatives  
State Capitol, room 306  
Honolulu, HI 96813

Attention: Ms. Susan Fernandez

Ladies and Gentlemen:

We are pleased to submit the attached application for a grant in aid for the Hawaii Symphony Orchestra.



Paul J. Kosasa  
Chair, Board of Directors

✓ cc: Committee on Ways and Means  
The Senate  
State Capitol, room 208  
Honolulu, HI 96813  
Attention: Mr. Rod Becker

House District \_\_\_\_\_

Senate District \_\_\_\_\_

**THE TWENTY-SEVENTH LEGISLATURE  
APPLICATION FOR GRANTS & SUBSIDIES  
CHAPTER 42F, HAWAII REVISED STATUTES**

Log No: \_\_\_\_\_

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): \_\_\_\_\_

STATE PROGRAM LD. NO. (LEAVE BLANK IF UNKNOWN): \_\_\_\_\_

**1. APPLICANT INFORMATION:**

Legal Name of Requesting Organization or Individual: Hawaii Symphony Orchestra

Dbas:

Street Address: 3610 Waiialae Avenue, Honolulu

Mailing Address: 3610 Waiialae Avenue, Honolulu, HI 96816

**2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:**

Name Paul J. Kosasa

Title: Chair, Board of Directors

Phone # 591-2550 \_\_\_\_\_

Fax # 591-2039 \_\_\_\_\_

e-mail [pkosasa@abcstores.com](mailto:pkosasa@abcstores.com)

**3. TYPE OF BUSINESS ENTITY:**

- NON PROFIT CORPORATION
- FOR PROFIT CORPORATION
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL

**6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:**

OPERATING GRANT TO (1) ENABLE THE HAWAII SYMPHONY ORCHESTRA TO PRESENT A BROADER PROGRAM OF SYMPHONIC MUSIC TO GENERAL AUDIENCES AND, IN PARTICULAR, TO DEVELOP INNOVATIVE PROGRAMS OF EDUCATION AND COMMUNITY PERFORMANCES WHICH WOULD OTHERWISE NOT BE POSSIBLE WITHOUT THE GRANT, AND (2) DEVELOP A LEVEL OF PRIVATE SUPPORT THAT WOULD REDUCE THE NEED FOR STATE SUPPORT IN FUTURE YEARS.

4. FEDERAL TAX ID #: \_\_\_\_\_

5. STATE TAX ID #: \_\_\_\_\_

**7. AMOUNT OF STATE FUNDS REQUESTED:**

FISCAL YEAR 2014: \$ 900,000

**8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:**

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ NONE  
 FEDERAL \$ NONE  
 COUNTY \$ NONE  
 PRIVATE/OTHER \$ 1,500,000 (ESTIMATED) – FUNDS CURRENTLY IN HAND

PAUL J. KOSASA, CHAIR OF THE BOARD  
NAME & TITLE

1/31/13  
DATE SIGNED

## Application for Grants and Subsidies

*If any item is not applicable to the request, the applicant should enter "not applicable".*

### I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Include the following:

1. A brief description of the applicant's background:

The Hawaii Symphony Orchestra (hereinafter "Orchestra"), a Hawaii nonprofit corporation, is the successor to the Honolulu Symphony Society, founded in 1902, that ceased operations and filed for bankruptcy in 2009 and was liquidated in 2010. The Orchestra was founded by a group of community leaders in 2011.

The Orchestra presented a 16-week series of classical and pops concerts between March and July 2012. This season, constrained by a lack of resources, was considerably shorter than seasons previously presented by the Honolulu Symphony Society.

2. The goals and objectives related to the request:

The 2012 symphonic season was an artistic success, but resulted in an operating deficit that was minimized by extraordinary contributions from directors, other individuals, and foundations, and was covered by loans from directors. The Orchestra's business objectives are to rebuild the base of private contributions to a level that can support a symphony orchestra that can in turn offer professional musicians sufficient income to allow them to accept positions within the Orchestra as core income source. Typically, many of the musicians would then participate in other performance and teaching opportunities, providing the serendipitous benefit of a pool of professional musicians in residence in Hawaii and the opportunity for the musicians to augment the modest income provided by the Orchestra. If the business objectives are achieved, the artistic objective of providing access to great symphonic music and music education to Hawaii's students, adult residents, and visitors will also be achievable. The requested grant funds would enable the Orchestra to accomplish these objectives.

3. The public purpose and need to be served:

The public benefits of a resident professional orchestra are:



- a) It presents music concerts that inspire audiences and satisfy their souls.
- b) It brings to Hawaii nationally- and internationally-known guest artists whom most Hawaii residents would not otherwise have the opportunity to experience live.
- c) It is part of Hawaii's cultural landscape that enhances the quality of life and attracts business executives, university personnel, and others to live and work in Hawaii.
- d) It is an attraction to and an activity for visitors.
- e) It employs professional musicians, who are the backbone of the teaching of music for students in grades K-12 and in colleges and universities, and for individual adults pursuing music studies, and who otherwise would not be in residence in Hawaii.
- f) Its musicians, as part of their jobs with the Orchestra, go to schools to perform for and educate students about music and music instruments.
- g) It also employs a professional staff, stagehands, and security personnel.
- h) Its musicians are essential to the continued success of ballet, opera, and chamber music companies in Hawaii.
- i) "Without music, life would be a mistake."  
— 19<sup>th</sup> century German philosopher Fredrich Nietzsche.

4. Describe the target population to be served:

A resident professional orchestra will serve the target populations:

- (a) residents and business visitors and tourists who would attend concerts if concerts were performed;
- (b) students in schools that are visited and educated by musicians as part of their employment by the Orchestra;
- (c) students at all grade levels and adults who attend music classes or take music lessons from resident professional musicians whose teaching is done outside of their employment by the Orchestra.

5. Describe the geographic coverage:

Primarily the island of Oahu. The Orchestra also serves the neighbor islands through its radio broadcasts throughout the islands in collaboration with Hawaii Public Radio. It would also perform on the neighbor islands, including schools and colleges, if sponsors were found to fund the cost of inter-island travel. Additional opportunities for expanding presence on the neighbor islands lie in other delivery systems, including in-state telecasts of concerts to performance sites on neighbor islands.



## II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities:

The requested grant funds would provide the resources to expand the Orchestra's activities to include education and outreach activities during the 2013-14 season beyond the Masterworks and Pops concerts performed in the Blaisdell Concert Hall and the Waikiki Shell.

2. Provide a projected annual timeline for accomplishing the results or outcomes of the service:

The requested grant funds would be expended in the fall of 2013 and the spring of 2014 (a) to include free community concerts throughout its season (b) to provide free tickets to students and members of the Hawaii Youth Symphony (anticipate average 100 - 300 students per performance) to attend regular concerts at the Blaisdell Concert Hall, and (c) to cover a portion of the costs of (i) the regular 16-week season that will be presented at the Blaisdell Concert Hall in the fall of 2013 and the spring of 2014 and (ii) providing musicians to schools.

3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results:

High quality concert performances are the result of the coming together of talented musicians with adequate rehearsal time in a venue that is aesthetically pleasing and acoustically excellent, and the Hawaii Symphony will hire the most talented musicians available, which will be determined in large part by the grant requested in this application, to maximize the opportunities to present great concerts. In order to be successful, all performances require infrastructure to support the musical product, including marketing and promotional material, ticketing systems and other "back room" responsibilities, and an inviting and contemporary concert experience enabled by the comfort and amenities available in the facility in which performances are presented, the convenience of parking, and the welcoming demeanor of the personal working "front-of-house" during the performances. The Orchestra will provide training for its employees and volunteers, and will work with other vendors to maximize the enjoyment of the total concert experience. Annual subscription renewal rates are an indication of how well the public feels it has been served. In addition to the reviews of professional music critics that are published in the local press, the Hawaii Symphony will conduct surveys of concertgoers to assess their experiences and to improve.

The Orchestra will also work closely with the administrators and teachers in schools in which education programs and partnerships are developed, as well as with the “presenters” of our outreach concerts in throughout Oahu and the neighbor islands to evaluate the degree to which the Orchestra has met their expectations and how, together, we can improve both the expectations and their achievement. Again, invitations to return are also an effective way by which to evaluate our success.

High quality education in the schools is the result of enthusiastic musicians using a curriculum aligned with the Hawaii Content and Performance Standards. The previous Honolulu Symphony Society and the very successful Chamber Music Hawaii both have had such programs, and the Orchestra will utilize the relationships developed and experience gathered by both organizations.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

The measures of success of the requested state funds will be the number of people who attend concerts, the quality of their experiences as measured by the published reviews of professional music critics as well as the surveys described in #3 above, and the level of financial support from individuals, corporations, and foundations.

The measures of success of the education program will be the number of students reached and the quality of the experience, as reported by the classroom teachers whose students are reached by this program and from the parents of those students.

The Orchestra will follow all the measures closely and will adjust its marketing plans, programming, and fund-raising plans as appropriate.

The target measures of success are:

<b>Concert attendance measures:</b>	
Number of people attending Blaisdell concerts (16-week series; 28 concerts)	50,400
Number of students attending with free tickets (average 300 per performance, 28 concerts)	8,400
Number of people attending community concerts (4 concerts)	2,000
<b>Education program measures:</b>	



Number of students reached	10,000
Percent of classroom teachers who report they would repeat the experience next year	90%
<b>Quality of concert experience measures:</b>	
Percent of press reviews that are favorable	90%
Percent of surveyed concert-goers who report a positive experience	90%
<b>Financial support measures:</b>	
Gross revenue from ticket sales	\$1,045,800
Number of individual contributors	500
Total dollars contributed by individuals	\$1,055,000
Total dollars contributed by corporate sponsors	\$400,000
Total dollars contributed by foundations	\$500,000

### III. Financial

#### Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

Attached.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2014.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
	\$450,000	\$450,000		\$900,000

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2014.

Gross revenue from ticket sales	\$1,045,800
Contributions from individuals	\$1,055,000
Corporate sponsors	\$400,000
Contributions from foundations	\$500,000
Total other sources	\$3,000,800

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.



The Orchestra has neither requested nor received federal or state tax credits and does not expect to apply for any tax credits.

#### **IV. Experience and Capability**

##### **A. Necessary Skills and Experience**

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

As stated above, the Orchestra is successor to the Honolulu Symphony Society, organized in 1902, that presented orchestral concerts for more than 100 years until its demise in 2010.

The current president of the Orchestra is the former president of the Cincinnati Symphony Orchestra who retired in 2008 after a highly successful 37-year career at the Cincinnati Orchestra, 31 of them in the top leadership position.

The Hawaii Symphony Orchestra, with little lead time, produced an artistically successful abbreviated season in the spring of 2012.

The Orchestra will collaborate with Chamber Music Hawaii (CMH) in its music-in-the schools program. CMH has a multi-year history of success with its program.

##### **B. Facilities**

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities. The applicant shall also describe how the facilities meet ADA requirements, as applicable.

The Orchestra's principal venue is the Blaisdell Concert Hall, owned and operated by the City & County of Honolulu, which meets ADA requirements.

The Orchestra's plans for the 2013-14 season include community concerts to be presented in school or college/university auditoriums on Oahu and, if inter-island travel costs can be funded, on one or more neighbor islands at county, community, school, or university venues for which arrangements have yet been made.

## V. Personnel: Project Organization and Staffing

### A. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

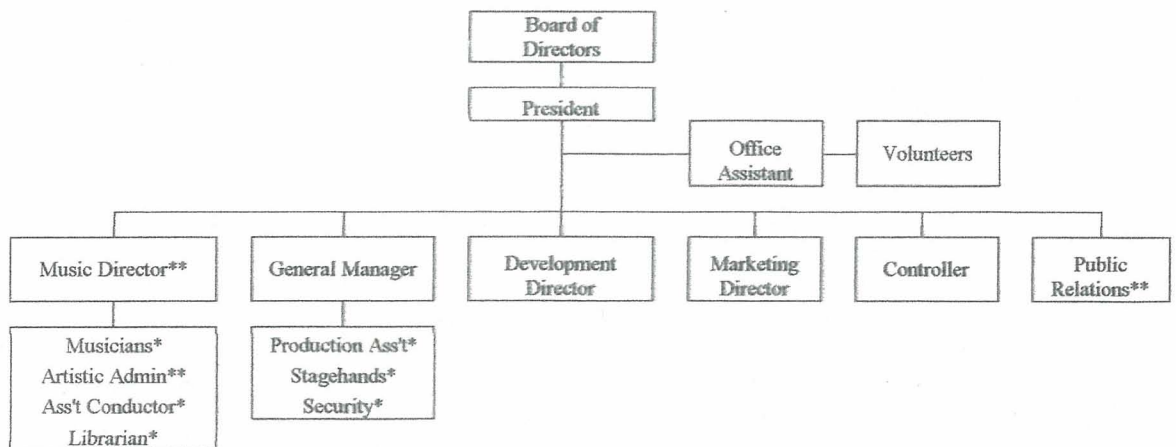
The Orchestra's administrative staff will consist of a chief executive (president), a music director (part-time on a contract basis), a controller, a development director, a marketing director, a general manager, an office assistant, and volunteer reception/clerical personnel.

As stated above, the current president is the former president of the Cincinnati Symphony Orchestra who retired in 2008 after a highly successful 37-year career at the Cincinnati Orchestra, 31 of them in the top leadership position. The other positions are currently performed by volunteers pending the hiring of a permanent staff.

### B. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organizational chart that illustrates the placement of this request.

The organization chart is:



\* seasonal positions

\*\* seasonal contract positions

## **VI. Other**

### **A. Litigation**

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

None.

### **B. Licensure or Accreditation**

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

No licensure or accreditation is relevant.



**BUDGET REQUEST BY SOURCE OF FUNDS**  
(Period: July 1, 2013 to June 30, 2014)

Applicant: Hawaii Symphony Orchestra

<b>BUDGET CATEGORIES</b>	<b>Total State Funds Requested (a)</b>	<b>Ticket sales &amp; contributions (b)</b>	<b>(c)</b>	<b>(d)</b>
<b>A. PERSONNEL COST</b>				
1. Salaries	514,970	1,624,460		
2. Payroll Taxes & Assessments	60,509	190,874		
3. Fringe Benefits	92,605	292,121		
<b>TOTAL PERSONNEL COST</b>	<b>668,084</b>	<b>2,107,455</b>		
<b>B. OTHER CURRENT EXPENSES</b>				
1. Airfare, Inter-Island	0			
2. Insurance	0	65,476		
3. Lease/Rental of Equipment	0	13,200		
4. Lease/Rental of Space	0	3,795		
5. Staff Training	0			
6. Supplies	0	16,800		
7. Telecommunication	0	4,800		
8. Utilities	0	27,700		
9. Marketing & development expenses	60,176	189,824		
10. Production expense	171,740	541,750		
11. Professional services		30,000		
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>TOTAL OTHER CURRENT EXPENSES</b>	<b>231,916</b>	<b>893,345</b>		
<b>C. EQUIPMENT PURCHASES</b>				
<b>D. MOTOR VEHICLE PURCHASES</b>				
<b>E. CAPITAL</b>				
<b>TOTAL (A+B+C+D+E)</b>	<b>900,000</b>	<b>3,000,800</b>		
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	900,000	Randolph G. Moore	778-8832	Phone
(b) Ticket sales	1,045,800			
(c) Contributions	1,955,000			
(d)				
<b>TOTAL BUDGET</b>	<b>3,900,800</b>	Signature of Authorized Official		
		Paul Kosasa, chair of the board		
		Name and Title (Please type or print)		
				Date
				1/31/13

## BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Hawaii Symphony Orchestra

Period: July 1, 2013 to June 30, 2014

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
President	1	\$175,000.00	24.07%	\$ 42,123.25
General Manager	1	\$70,000.00	24.07%	\$ 16,849.30
Development Director	1	\$70,000.00	24.07%	\$ 16,849.30
Marketing Director	1	\$60,000.00	24.07%	\$ 14,442.26
Controller	1	\$60,000.00	24.07%	\$ 14,442.26
Office Assistant	1	\$35,000.00	24.07%	\$ 8,424.65
Production Assistant	0.5	\$25,000.00	24.07%	\$ 6,017.61
Musicians incl Librarian (64 for 16 weeks each)	20	\$1,248,000.00	24.07%	\$ 300,398.97
Musicians (20 per service equivalent to 8 weeks each)	3	\$156,000.00	24.07%	\$ 37,549.87
Stagehands (casual hires)	4	\$115,430.00	24.07%	\$ 27,784.50
Security (casual hires)	0.7	\$15,000.00	24.07%	\$ 3,610.56
Artistic administrator (seasonal contract)	0.5	\$35,000.00	24.07%	\$ 8,424.65
Assistant conductor (seasonal contract)	0.5	\$35,000.00	24.07%	\$ 8,424.65
Public relations (seasonal contract)	0.75	\$40,000.00	24.07%	\$ 9,628.17
<b>TOTAL:</b>		3086.00		514,970.00
<b>JUSTIFICATION/COMMENTS:</b>				

## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Hawaii Symphony Orchestra

Period: July 1, 2013 to June 30, 2014

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
none			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				
<b>JUSTIFICATION/COMMENTS:</b>				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
none			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				
<b>JUSTIFICATION/COMMENTS:</b>				



**BUDGET JUSTIFICATION  
CAPITAL PROJECT DETAILS**

Applicant: Hawaii Symphony Orchestra

Period: July 1, 2013 to June 30, 2014

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2011-2012	FY: 2012-2013	FY:2013-2014	FY:2013-2014	FY:2014-2015	FY:2015-2016
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
<b>TOTAL:</b>						
<b>JUSTIFICATION/COMMENTS:</b>						
This sheet is not applicable: no CIP funds are requested.						

**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO  
CHAPTER 42F, HAWAII REVISED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
  - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
  - c) Agrees not to use state funds for entertainment or lobbying activities; and
  - d) Allows the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.
- 2) The applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is incorporated under the laws of the State; and
  - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
  - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants or subsidies used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

H  
(T  
[Redacted] anization)

1/31/2013  
(Date)

Paul J. Kosasa  
(Typed Name)

Chair of the Board  
(Title)