

Honolulu, Hawaii  
March 21, 2014

RE: S.B. No. 3125  
S.D. 2  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Veterans, Military, & International Affairs, & Culture and the Arts, to which was referred S.B. No. 3125, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS,"

begs leave to report as follows:

The purpose of this measure is to ensure government transparency and accountability by requiring the State Auditor to conduct a financial and management audit of the State Foundation on Culture and the Arts.

The State Foundation on Culture and the Arts, Department of Accounting and General Services, Association of Hawaiian Civic Clubs, Honolulu Museum of Art, and a concerned individual testified in support of this measure.

Your Committee has amended this measure by adding two additional issues for the Auditor to determine when conducting the management and financial audit. Specifically:

- (1) Whether the current, independent financial audit performed annually for the State Foundation on Culture and the Arts, its affiliates, or pass through entities, is substandard; and



- (2) The specific amounts of money:
  - (A) Spent by the Department of Transportation on capital improvement construction for the enhancement of airport facilities;
  - (B) Being deposited into the works of art special fund as required by law; and
  - (C) From the works of art special fund being used solely to purchase works of art for these airport facilities.

Your Committee has also amended this bill by:

- (1) Changing its effective date to upon approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Veterans, Military, & International Affairs, & Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3125, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3125, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Veterans,  
Military, & International  
Affairs, & Culture and the  
Arts,

  
\_\_\_\_\_  
K. MARK TAKAI, Chair



State of Hawaii  
House of Representatives  
The Twenty-seventh Legislature

HSOR 1161-14

Record of Votes of the Committee on Veterans, Military, & International Affairs, & Culture and the Arts

Bill/Resolution No.: <i>SB 3125 SD2</i>	Committee Referral: <i>VMI, FIN</i>	Date: <i>3/12/2014</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
VMI Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAI, K. Mark (C)	✓			
2. ITO, Ken (VC)	✓			
3. AWANA, Karen	✓			
4. BROWER, Tom				✓
5. CACHOLA, Romy M.	✓			
6. CHOY, Isaac W.	✓			
7. OHNO, Takashi	✓			
8. ONISHI, Richard H.K.	✓			
9. TSUJI, Clift	✓			
10. MCDERMOTT, Bob				✓
11. WOOLEY, Jessica	✓			
TOTAL (11)	9			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>[Signature]</i>				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				