

NEIL ABERCROMBIE  
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STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING  
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P.O. BOX 119  
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WRITTEN TESTIMONY  
OF  
DEAN H. SEKI, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
HOUSE COMMITTEE  
ON  
VETERANS, MILITARY, & INTERNATIONAL AFFAIRS, & CULTURE AND THE ARTS  
ON  
March 12, 2014

S.B. 3125, S.D. 2

RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS

Chair Takai and members of the Committee, thank you for the opportunity to submit written testimony on S.B. 3125, S.D. 2.

The Department of Accounting and General Services supports S.B. 3125, S.D. 2 which mandates a financial and management audit of the State Foundation on Culture and the Arts.

Thank you for the opportunity to submit written testimony on this matter.



## **Association of Hawaiian Civic Clubs**

P. O. Box 1135  
Honolulu, Hawai`i 96807

COMMITTEE ON VETERANS, MILITARY AND INTERNATIONAL  
AFFAIRS AND CULTURE AND THE ARTS

SB3125, SD2 (SSCR2733) RELATING TO THE STATE  
FOUNDATION ON CULTURE AND THE ARTS

Wednesday, 3/12/14; 8:30 am; Room 312

Aloha Chairman Takai, Vice chair Ito and members of the committee. The Association of Hawaiian Civic Clubs (AHCC) supports this bill requiring a financial and management audit of the State Foundation on Culture and the Arts.

In 2013 the Association of Hawaiian Civic Clubs was opposed the inappropriate use of a photo image of a beloved kupuna. The photo image was crudely cropped and used for commercial purposes until objections were filed. We would hope that there are administrative rules and a protocol with regard to the use of art pieces purchased by the State. We question whether it is proper to allow alteration and commercial use of art pieces purchased by the State. Simultaneously, in a visit to the SFCA gallery, it was found that a large portrait on display was totally mislabeled and misrepresented.

If there are no protocols currently in place, we suggest that there should be some very soon. We support this audit of the SFCA and would hope an audit will prevent such errors in the future. We support culture and the arts and urge respect for the artists, as well as the subject matter, at all times.

Thank you for the opportunity to testify.

Contact: [jalna.keala2@hawaiiantel.net](mailto:jalna.keala2@hawaiiantel.net)

## TESTIMONY

House of Reps. Committee on Veterans Affairs, Intergovernmental, Military Affairs, Culture & Arts

SB3125 SD2/ HB 2134

### Relating to State Foundation on Culture and the Arts Financial and Management Audit; State Foundation on Culture and the Arts

Chair Takai and members of the Committee, I am Eva Laird Smith, a private citizen and taxpayer. I am pleased to submit my testimony in support of SB3125 requiring the Auditor to conduct a financial and management audit of the State Foundation on Culture and the Arts effective 07/01/2050.

Having been this state agency's executive director from 2012 to 2013, I see the need for a state audit on the current financial and management practices in place at the SFCA. I personally welcome this effort as a positive development. The state auditor's review, assessment, and subsequent recommendations to best enable the State Foundation on Culture and the Arts full accountability of state taxpayers' support for the Percent for the Arts funds, General Funds, federal biennium partnership grants from the National Endowment for the Arts, and other public/private revenue source generation must be viewed positively.

In terms of effective and more transparent management of the agency, best practices have to be established, statutes, rules, regulations and procedures need to be reviewed and updated pertinent to staffing and operations management. Procurement compliances are critical to ensuring wider participation from vendors and contractual service providers as the state agency uses its resources in the most judicious and prudent manner possible.

As the State Foundation on Culture and the Arts approaches its fifty-year milestone in its existence, SB3125/HB 2134 is all the more relevant and critical to ensuring the sustainability of this art agency. Support for this bill is needed from the community at large, and to its stakeholders invested in the agency's future development.

Thank you for allowing me to submit my testimony of support.



**Roxanne Kamalu**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 11, 2014 9:56 AM  
**To:** vmitestimony  
**Cc:** sjost@honolulumuseum.org  
**Subject:** Submitted testimony for SB3125 on Mar 12, 2014 08:30AM

**SB3125**

Submitted on: 3/11/2014

Testimony for VMI on Mar 12, 2014 08:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stephan Jost	Honolulu Museum of Art	Support	No

Comments: Aloha Senators, I am a supporter of the State Foundation on Culture and the Arts. Indeed the organization has a long history of serving the public and helping the arts community here in Hawai'i. I do think that most agencies benefit from periodic review (including private organizations such as the Honolulu Museum of Art). This is why I favor SB3125. I think that an audit of the State Foundation on Culture and the Arts could be very helpful in re-focusing the mission and ensuring that the organization reflects contemporary needs and gains clarity about its mission. The bottom line should be based on how well the State Foundation serves the public. In SB 3125 there is a request that key areas be reviewed. I think that the area of "Best management practices" be one of the main areas that needs to have clarity. I have seen many very good people work for and with the State Foundation become derailed by governance issues. My guess is that structural issues rather than individuals are the problem. I also believe that there is a tension that needs to be resolved between two competing forces. On one hand there is the mandate to have works on view so the public can see them and on the other hand there is the mandate to ensure the upkeep and conservation of the collection. If the audit results in clarity about this tension, all will be served better. Finally, I believe that it is very important that the audit include suggestions from other similar organizations in other states. Indeed many other states have successfully found creative solutions similar problems. Again, I look forward to a strong and healthy State Foundation for Culture and the Arts that has a clear mission that serves the people of Hawaii. Please let us know how we can help. Sincerely, Stephan Jost  
Director Honolulu Museum of Art

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**LATE**



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TESTIMONY OF  
THE STATE FOUNDATION ON CULTURE AND THE ARTS  
TO THE  
HOUSE COMMITTEE ON VETERANS, MILITARY & INTERNATIONAL AFFAIRS  
& CULTURE AND THE ARTS  
on March 12, 2014

**SB 3125 SD2**

**RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS**

Chair Takai and members of the committee, I am Barbara Saromines-Ganne, Chairperson of the Commission on the State Foundation on Culture and the Arts (SFCA). I am testifying in support of SB 3125 SD2.

The SFCA receives a financial audit every year as a condition of eligibility for receiving its federal grant from the National Endowment for the Arts. Each year, the agency has provided a fiscal accountability of its financial activities to the Legislature through its annual report, as mandated. And while the infrastructure of the agency has been vulnerable to staffing and budget cuts over the years due to the global recession, we are proud of the work achieved and the consistency and quality of our efforts in programming and administration.

We welcome audits of our effectiveness in management and fiscal administration, if this bill is enacted, and stand ready to participate in the process.

Thank you for the opportunity to testify on this matter.