



HAWAII
STATE FOUNDATION on
CULTURE and the ARTS

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TESTIMONY OF
THE STATE FOUNDATION ON CULTURE AND THE ARTS
TO THE
HOUSE COMMITTEE ON FINANCE
February 25, 2015

HB 1256 HD1

RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS

Chair Luke and members of the committee, I am Jonathan Johnson, executive director of the State Foundation on Culture and the Arts and I am pleased to provide comments on HB 1256 HD1.

We are aware that this is a no growth year and departments are not requesting positions. Therefore, this response is based on the premise put forth in HB 1256 HD1 that additional staffing will address some of the concerns outlined in the management audit of 2014.

The effective tracking and collection of one percent funds would be supported by adding staff to our agency's fiscal administration and Art in Public Places Program.

Two arts program specialist positions in Art in Public Places would enable the SFCA to be more responsive in meeting the demand for works of art projects in new State construction, arts education services and access to arts programming, particularly for underserved areas of our state.

If it is the desire of the Legislature, we suggest reinstating positions that were abolished largely due to vacancies. All proposed positions would be supported by the Works of Art Special Fund within the projected biennium budget.

Thank you for the opportunity to testify before you on this matter.



**TESTIMONY OF JAN K. YAMANE, ACTING STATE AUDITOR,
ON HOUSE BILL NO. 1256, HOUSE DRAFT 1
RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS**

Committee on Finance

February 25, 2015

Chair Luke and Members of the Committee:

I am Jan Yamane, Acting State Auditor. Thank you for the opportunity to provide comments on House Bill No. 1256, House Draft 1, which would appropriate moneys to establish four FTEs within the SFCA.

As you are aware, in November 2014 we published our *Audit of the Hawai'i State Foundation on culture and the Arts* (Report No. 14-11). We found, as we had in our 1976 and 1999 audits, that the foundation's commission still struggled to fulfill its proper role in guiding the SFCA, and that continued planning and oversight deficiencies undermined accountability for the SFCA's primary public arts resources—the Works of Art Special Fund and a nearly 6,300 piece art collection. Instead of focusing on planning and policy, the commission disproportionately devoted its efforts to arts operations. We urged the commission to improve its strategic planning to achieve better accountability for its special fund and the achievement of its strategic goals. We also urged the foundation to improve its oversight of Works of Art Special Fund compliance and to propose, if needed, statutory changes to reduce the special fund assessment or allow

broader use of surplus moneys. Finally, we suggested the commission embrace its responsibility to conduct and document its decision-making publically and openly as required by law.

Report No. 14-11 recommended, among other things, that the foundation evaluate whether its enabling statute, Chapter 9, HRS, needed updating; and if so, propose appropriate legislative changes. We did not specifically suggest the SFCA request additional general fund resources.

Thank you for the opportunity to provide comments on HB 1256, HD 1. I am available to answer any questions you may have.



STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
DOUGLAS MURDOCK, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
FEBRUARY 25, 2015

H.B. 1256, H.D. 1

RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS

Chair Luke and members of the Committee, thank you for the opportunity to submit written testimony on H.B. 1256, H.D. 1. The Department of Accounting and General Services does not support H.B. 1256, H.D. 1.

We do not support this measure as any general funds appropriated to support the operations of the State Foundation on Culture and the Arts will have a negative impact on the administration's executive biennium budget and initiatives submitted for fiscal years 2016 and 2017.

Should the Committee determine that the four new positions be funded by the Works of Art special fund, we provide the following comments.

To preserve the tax exempt status for the State's general obligation bonds, the responsibilities of these four positions need to be directly related to the purpose and mission of the Works of Art special fund. If the funding for these positions from the Works of Art special

fund is supplanting general funds, the tax exempt status of the general obligation bonds could be adversely affected resulting in possibly higher borrowing costs.

To ensure that the tax exempt status is not affected, we suggest that the following language be added to the end of SECTION 2 at line 11: “provided that duties and responsibilities of each position must be directly related to the purpose and mission of the works of art special fund.”

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

FIN-Jo

From: tokioka2-Robert on behalf of vmitestimony
Sent: Tuesday, February 24, 2015 8:52 AM
To: FINTestimony
Subject: FW: HB 1256 HD 1 Testimony

We received this today, but I assume it's for the FIN hearing tomorrow.

From: deans@dsarch.net [mailto:deans@dsarch.net]
Sent: Tuesday, February 24, 2015 8:04 AM
To: vmitestimony
Cc: Jonathan.Johnson@hawaii.gov; estelle.enoki@hawaii.gov
Subject: HB 1256 HD 1 Testimony

Dear VMI Committee:

Please accept my testimony as a U.S. citizen and resident of the State of Hawai'i.

I am in support of HB 1256 HD 1, a measure to add 4 FTE to the State Foundation on Culture and the Arts (SFCA). The administration and perpetuation of culture and the arts is essential for civil human societies. As I think you will agree, culture and the arts in the State of Hawai'i is unique in all its forms, media and spirit. Now approaching its 50th year of existence, the SFCA is a landmark agency – it was the first state arts agency in the U.S. – which enables and administers cultural production in the Aloha State. Among the many programs and services the SFCA provides which include its Art in Public Places Program; Folk Arts Program; and Art in Education Program, which supplements the public schools limited arts curriculum, these programs need proper staff. As indicated in the SFCA's response to the recent Legislative Audit, the Executive Director, Staff and Board of Commissioners are committed to moving this agency and culture and the arts in Hawai'i back to the forefront of national recognition.

Mahalo,

Dean Sakamoto, FAIA, LEED AP

deans@dsarch.net

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TO: House Finance Committee,
Rep. Sylvia Luke, Chair

Wednesday Feb. 25, 2015 2:00 pm Conference Room 308

FROM: Duane Preble, Emeritus Professor of Art, UHM

RE: HB 1256 HD 1
Relating to the State Foundation on Culture and the Arts

SUPPORT

Copies to members.

Chair Luke and Members of the Committee:

My name is Duane Preble, Emeritus Professor of Art, UH Manoa

I strongly SUPPORT SB 1177 HD 1.

The State Foundation on Culture and the Arts had four established FTE positions that were lost due to vacancies in 2009 and 2010. SFCA staff members, by necessity, have had to take on the work previously done by people in those deleted positions.

Restoration of these positions, or creation of comparable new positions, is urgently needed in order for the SFCA to respond to the recent audit finding that recommends more thorough management of the Art in Public Places and the Relocatable Works of Art Collections.

The four returned positions will use Special, not General funds. And, as you know, Special Funds do not add to the State deficit.

finance8-Melanie

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 23, 2015 9:20 PM
To: FINTestimony
Cc: kay@kaymura.com
Subject: Submitted testimony for HB1256 on Feb 25, 2015 14:00PM

HB1256

Submitted on: 2/23/2015

Testimony for FIN on Feb 25, 2015 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Sayoko Kay Mura	Individual	Support	No

Comments: As an artist with work in the State collection and retired Professor of Art at Leeward Community College, I have first hand experience with the support that the SFCA provides to all the Arts in the State. I personally have known many of the hard working staff members and know how difficult their tasks have sometimes been because of budget cuts. In spite of the difficulties they have remained steadfast in their support of the Arts in the State of Hawaii and have often gone above and beyond because they believe in their mission. As the collection and workload have increased, it is vital to the entire community to support the SFCA with adequate staffing to maintain the quality of services that we, the community, deserve. Hawaii needs the Arts and we must support the SFCA by passing HB 1256 to benefit us all.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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finance8-Melanie

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2015 9:11 AM
To: FINTestimony
Cc: ckuraoka@aol.com
Subject: Submitted testimony for HB1256 on Feb 25, 2015 14:00PM
Attachments: HB1256 testimony.pages

HB1256

Submitted on: 2/24/2015

Testimony for FIN on Feb 25, 2015 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
David & Carol Kuraoka	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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