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Statement of
Luis P. Salaveria, Director
Department of Business, Economic Development and Tourism
before the
**House Committee on Veterans, Military, International Affairs &
Culture and the Arts**
Monday, February 2, 2015
9:00 AM
State Capitol, Conference Room 312

In consideration of
HB800
RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS.

Chair Cachola, Vice Chair Ito and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) offers the following comments on HB800 which seeks to transfer the State Foundation on Culture and the Arts from the Department of Accounting and General Services (DAGS) to DBEDT.

Our department values the economic and quality of life contributions of our creative sectors make to the overall health of our state. Culture and arts play a pivotal role in the identity of our destination for visitors, as well as contribute greatly to our growing creative economy. In 2013, these sectors represented \$3.4 Billion of the State's GDP; 4.5% of the State's total GDP.

Through establishment of DBEDT's Creative Industries Division (CID) in 2003, we have actively supported the business development of the creative sectors, launching programs such as Creative Lab, which is a key facet of our HI Growth Initiative.

As such, the department believes there are synergies between CID and SFCA and to that end, have worked with SFCA leadership to identify several collaborative

projects to share expertise, resources and a collective vision under a proposed Memorandum of Understanding (MOU) between our departments.

We welcome the continued dialogue with the Legislature, DAGS, SFCA leadership, staff and its Board of Commissioners, as we fully explore the best ways in which to collaboratively strengthen Hawaii's arts, culture and all creative sectors, resulting in a thriving creative economy for the state.

Thank you for the opportunity to offer these comments.



HAWAII

STATE FOUNDATION on
CULTURE and the ARTS

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**TESTIMONY OF
STATE FOUNDATION ON CULTURE AND THE ARTS
TO THE
HOUSE COMMITTEE ON VETERANS, MILITARY AND INTERNATIONAL AFFAIRS
AND
CULTURE AND THE ARTS
ON
February 2, 2015
H. B. 800**

RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS

Chair Cachola, Vice Chair Ito 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 offer testimony on H. B. 800.

The SFCA welcomes discussion on departmental placement and
recommends deferral of this legislation until more research relative to the impact
on furthering culture and the arts in Hawaii can be addressed.

The State Foundation on Culture and the Arts (SFCA) was established by
the legislature as an institution to provide education and access to culture and
arts for the people of Hawaii. This was in response to a congressional initiative to
designate an agency within each state to promote, perpetuate and preserve
culture and the arts unique to the conditions of each state.

The intent of the Creative Industries section of the Department of
Business, Economic Development and Tourism (DBEDT) is to foster economic
development of the creative economy to ensure its success.

Education, access and economics all are necessary in sustaining a vibrant
culture and arts community, yet proposing to move one to the other under the
current legislation provides no framework for success greater than what exists
today. HB 800 does not provide reasons for the transfer. Neither does it

provide projected benefits for the public, each department, nor the agencies involved. The SFCA maintains that prior to considering moving, dialogue needs to be initiated among the SFCA board, between DAGS and DBEDT, between Creative Industries and the State Foundation, and between the SFCA and the public. There are many questions that need to be addressed prior to proposing a transfer, such as the impact to the public, Federal grant eligibility and access to funding under the jurisdiction of both the SFCA and DBEDT.

The SFCA and Creative Industries are brainstorming ways of working together without moving. We have identified ways to collaborate that will capitalize on each other's strengths without compromising either entities' priorities, setting the stage to further culture and the arts for the people of Hawaii. We are confident, given the opportunity to partner on initiatives, culture and the arts in Hawaii will be stronger.

Thank you for the opportunity to testify on this matter.

JACQUELINE WAH

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1 February 2015

Rep. Romy M. Cachola
Rep. Ken Ito
Hawai'i State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: Committee on Veterans, Military, International Affairs, & Culture and the Arts
Hearing Schedule: Monday, February 2, 2015, 9:00 a.m., Conference Room 312
HB 800, Relating to the State Foundation on Culture and the Arts

Dear Rep. Cachola & Rep. Ito,

I am opposed to HB 800 which proposes to transfer the State Foundation on Culture and the Arts to the Creative Industries Division of the Department of Business, Economic Development and Tourism. There does not seem to be good reason to undertake such a move and, as I understand it, the moving of the agency would cause a huge loss of financial support.

If this move has been proposed in response to the recent audit of the agency, I feel the current administration (that had nothing to do with the prior problems detailed in the audit) should be given the opportunity to address and correct the concerns that were uncovered in the audit.

Jonathan Johnson, the SFCA Executive Director, was appointed less than a year ago, and there are several newly appointed Commissioners, the timing of such a move would seem to be very ill-timed.

Again, I vehemently oppose HB 800. Thank you for your consideration.

Sincerely,



Jacqueline Wah

Welina mai to the members of the Committee on Veterans, Military, International Affairs & Culture,

I am in strong opposition to your intentions to place the State Foundation on Culture and the Arts within the Department of Business Economic Development and Tourism. The SFCA has had a difficult past few years, but it appears to be based on its oversight rather than it's placement within the government.

SFCA has been a thriving arts entity for close to 50 years with programs, grants, direct services, and support reaching to the arts community on every island. A quick review of one program, recent biennium grantees in 2015 includes over sixty varied visual, performing, cultural, and historic organizations, large and small, with funds received from \$1,000 - \$14,000 reaching out to local communities on every island.

I believe the composition of the SFCA Board and its Board Chair should be addressed, rather than where the organization is placed. This proposed move feels like "throwing the baby out with the bath water." Time to have an honest review within the organization to address the recent audit and recent public concerns, but it starts with Commission members, not the displacement of the organization.

Mahalo for your thoughtful and thorough process,

Maile Meyer
Na Mea Hawaii/Puuhonua Society

ito3-George

From: Duane Preble <preble@hawaii.rr.com>
Sent: Sunday, February 01, 2015 2:41 PM
To: Testimony
Subject: HB 800 Monday Feb. 2, 2015 9:00 am AGAINST

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

Rep. Romy M. Cachola, Chair
Rep. Ken Ito, Vice Chair



Monday, February 2, 2015 9:00 a.m.

Conference Room 312 Copies to 13 members

Bill: HB 800

RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS

AGAINST

Aloha Chair Cachola, Vice Chair Ito and Members of the Committee:

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

I am testifying in opposition to HB 800.

It is my view the SFCA is best positioned where it is now, with the Department of Accounting and General Services. DAGS's Public Works Division plans, coordinates, organizes, directs and controls a variety of engineering and architectural services for the State. Their expertise is in administrating State construction projects and inventories. DAGS deals with physical objects from chairs to buildings. Works of visual art are the right fit for this kuliana.

The Department of Business, Economic Development and Tourism's Creative Industries Division has related concerns, but DBEDT has more bureaucratic, cumbersome funding processes.

Thank you for allowing me to offer my views on HB 800.

Duane Preble, Emeritus Professor of Art, UHM

3347 Anoaia Place Honolulu, HI 96822 phone 988-7500 preble@hawaii.rr.com

RE: HB 800

LATE

There are many reasons I oppose this bill.

I'm so upset about the way HB 800 has been submitted and how it has been handled. The public, the art community, and the supporters of the SFCA have not been told about this bill. With such an unreasonably short time given to the public, the Hawaii State's art community have not been given enough time to review the bill. This bill needs to have more than thorough explanation why relocation of the SFCA is needed.

In my opinion, the current SFCA and the staff are well experienced and competent. I feel it they could use more support and help but not changing the whole vision into something else. Rather than move the agency, what they need is to have is more support than ever before.

I have appreciated the integrity of the museum and its program that is one of the most important cultural asset we have where indigenous culture have been exhibited and appreciated and shared with visitors. It is a unique institution in Asia Pacific. This bill to move SFCA and public art program and acquisition program seems like it would be unproductive and more an unexplained political operation underneath of all.

By moving to the Creative Industries Division, how it would it affect SFCA financially and overall program-wise? I would also like to have an explanation how the other department would handle the future of the SFCA, the public art program and the acquisition program should the relocation take place.

These issues have to be clarified before the bill should be considered. Would all of the staff and programs stay put in the same way? Are there any other plans are already visualized by the bill? If so, we would like to know the detailed vision and plans. These issues need to be clarified before the Bill HB 800 should be considered.

Unfortunately, in my view, the public and the art community have not have time to review the bill. It is so disrespectful for the person who comes up with this bill. So disturbing, disrespectful and ill-guided vision in my opinion. It all seems largely political. The bill has not been handled in a way that SFCA and their supporters, the art community and public have been given enough time to review this bill. For all these reasons I am against this Bill HB 800.

Please explain why the SFCA needs to be moved to a different department.

Thanks for listening.

Aloha,

Masami Teraoka