

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON CULTURE, ARTS, & INTERNATIONAL AFFAIRS
ON
HOUSE BILL NO. 2346

February 9, 2022
10:30 a.m.
Room 329 and Videoconference

RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 2346.

H.B. No. 2346 appropriates \$250,000 in general funds in FY 23 to the State Foundation on Culture and the Arts for its Artist Fellowship Program for the awarding of one-time fellowships to promising artists in the amount of not less than \$25,000.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



HAWAII

STATE FOUNDATION on
CULTURE and the ARTS

No. 1 Capitol District Building
250 South Hotel Street
Second Floor
Honolulu, HI 96813

Governor
David Y. Ige

Comptroller
Curt T. Otaguro

Chairperson
Lloyd I. Unebasami

Commissioners
Susan Browne
Nalani Brun
Jane Clement
Kālewa Correa
Ronald Michioka
Karen Tiller Polivka
Clyde Sakamoto
Allison Wong

Executive Director
Jonathan Johnson

Telephone
808.586.0300

Fax
808.586.0308

Website
sfca.hawaii.gov

**TESTIMONY OF
THE STATE FOUNDATION ON CULTURE AND THE ARTS
TO THE SENATE COMMITTEE ON LABOR, CULTURE AND THE ARTS
February 9, 2022, Conference Room 329 & Videoconference at 10:30AM
H.B. 2346
RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS**

Chair Gates and members of the Committee, I am Jonathan Johnson, Executive Director of the State Foundation on Culture and the Arts (SFCA), and we are grateful for the opportunity to testify in **SUPPORT** of H.B. 2346.

The State Foundation on Culture and the Arts, established in Chapter 9, Hawaii Revised Statutes (HRS), includes responsibility for recognizing individual artists for artistic excellence through an individual artist fellowships program.

As a community, it is important that we recognize and celebrate how the artistic endeavors of individuals contribute to Hawaii's rich cultural landscape and economic health of the State. Public recognition through programs such as the Individual Artist Fellowship are a reminder of the need to seek out creative solutions to our society's most complex issues.

Background on SFCA Fellowships:

From 1995 to 2008, SFCA provided fellowships in the areas of visual and performing arts. These fellowships provided for recognition and financial support for individual artists, celebrating Hawaii's creativity.

In 2010, the Individual Artist Fellowship Coordinator position was abolished and the general fund budget of SFCA was reduced, eliminating the budget to recognize individual artists of Hawai'i.

In 2019 the State Legislature appropriated general funds to SFCA for artist fellowships and SFCA recognized twelve teaching artists for artistic excellence and excellence in their teaching artistry.

SFCA was the recipient of American Rescue Plan Act funds through the National Endowment for the Arts in Fiscal Year 2022. A portion of the recovery funds was awarded to individual artists and cultural practitioners statewide. Awarded grantees will carry out a project with community impact in FY2022.

When we invest in our cultural economy, we invest in the economic stability of Hawai'i. Consistent appropriation of general funds from the legislature such as H.B. 2346 proposes in support of the creative arts community will benefit the State's overall economy.

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