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**WRITTEN ONLY**  
**TESTIMONY BY LUIS P. SALAVERIA**  
**DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE**  
**TO THE HOUSE COMMITTEE ON FINANCE**  
**ON**  
**HOUSE BILL NO. 1378, PROPOSED H.D. 2**

**February 25, 2025**  
**2:00 p.m.**  
**Room 308 and Videoconference**

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

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 1378, Proposed H.D. 2:

- Establishes the Performing Arts Grants Program (PAGP) within the State Foundation on Cultures and the Arts (SFCA) to provide grants for the coordination, planning, promotion, marketing, and execution of performing arts events.
- Establishes the Performing Arts Special Fund (PASF) to be administered by SFCA to be used for the coordination, planning, promotion, marketing, and execution of performing arts events.
- Amends Section 9-1, HRS, to define "performing arts."
- Amends Section 9-21, HRS, to amend the purpose of SFCA to include the coordination, planning, promotion, marketing, and execution of performing arts events.
- Appropriates an unspecified amount of general funds in FY 26 and FY 27 to SFCA to provide grants under the PAGP.

As a matter of general policy, B&F does not support the creation of any special fund, which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work, and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 1378, Proposed H.D. 2, it is difficult to determine if the PASF would be self-sustaining.

Thank you for your consideration of our comments.



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**Testimony of KAREN EWALD, Executive Director  
State Foundation on Culture and the Arts  
Before the  
HOUSE COMMITTEE ON FINANCE  
TUESDAY, FEBRUARY 25, 2025 Conference Room 308 at 2:00PM  
HOUSE BILL 1378 H.D.1, PROPOSED H.D.2  
RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS**

Dear Chair Yamashita and members of the Committee,

Due to the introduction of proposed amendment H.D. 2, the SFCA is providing **COMMENTS** on H.B.1378 H.D.2 which (H.D.1) establishes the Performing Arts Grants Program to support performing arts in the State and (H.D. 2) which amends the Works of Art Special Fund and shifts much of the Art in Public Places program funding to a General Fund appropriation in the State's base budget.

Regarding H.B.1378 H.D.2 SECTION 6 which amends the Works of Art Special Fund 103-8.5 HRS, the SFCA is grateful for the support of the legislature to fund the Art in Public Places Program through a General Fund appropriation in the State's budget, yet the SFCA **OPPOSES** lining out "staff services" on page 9 line 11. The SFCA understands the rationale of shifting staff services from Special Fund to General Fund, but request H.D. 2 not line out staff services from 103-8.5. Shifting the positions from the Works of Art Special Fund B to General Fund A can be accomplished in the bill and the budget without lining out staff services in 103-8.5HRS. Historically, when the Administration instituted a Reduction In Force for General Funded civil service positions, the SFCA was able to shift the salaries to the Works of Art Special Fund because the law allowed for staff services, even though the positions were being funded with General Funds. With the current Federal uncertainty, we are concerned if ever there is a Reduction in Force by the Administration, there will be no alternative funding source to support the agencies staff and therefore the agency will cease to function.

The SFCA is committed to ensuring that the agency's funding and staffing are whole in order to serve the culture and arts community for future generations.

The SFCA **SUPPORTS** SECTIONS 2 - 4 Which establish the Performing Arts Grants Program to support performing arts in the State; Clarifies the scope of the State Foundation on Culture and the Arts' responsibilities to include the coordination, planning, promotion, marketing, and execution of performing arts events; Appropriates funds to provide grants under the Performing Arts Grants Program.

Thank you for the opportunity to provide testimony on this measure.

**HB-1378-HD-1**

Submitted on: 2/24/2025 11:31:43 PM

Testimony for FIN on 2/25/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cardenas Pintor	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support this bill.

Mahalo nui,

Cardenas (Cards) Pintor