

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
SENATE COMMITTEE
ON
WAYS AND MEANS
ON
FEBRUARY 25, 2015

S.B. 1177, S.D. 1

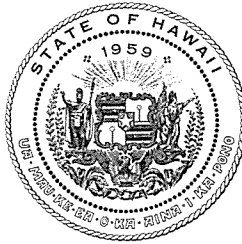
RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS

Chair Tokuda and members of the Committee, thank you for the opportunity to submit written testimony on S.B. 1177, S.D. 1. The Department of Accounting and General Services provides 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 10: "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 measure.



**TESTIMONY OF JAN K. YAMANE, ACTING STATE AUDITOR,
ON SENATE BILL NO. 1177, SENATE DRAFT 1
RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS**

**Committee on Ways and Means
February 25, 2015**

Chair Tokuda and Members of the Committee:

I am Jan Yamane, Acting State Auditor. Thank you for the opportunity to provide comments on SB 1177, SD1, which would appropriate moneys out of the Works of Art Special Fund 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 resources, but this bill is intended to address the spirit of our recommendation.

Thank you for the opportunity to provide comments on SB 1177, SD1.



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TESTIMONY OF
THE STATE FOUNDATION ON CULTURE AND THE ARTS
TO THE
SENATE COMMITTEE ON WAYS AND MEANS
February 25, 2015

SB 1177 SD1

RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS

Chair Tokuda 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 SB 1177 SD1.

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 SB 1177 SD1 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.



Hui No'eau Visual Arts Center
2841 Baldwin Avenue
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February 23, 2015

Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair
Senate Committee on Ways and Means

RE: SB 1177, SD1: Relating to the State Foundation on Culture & The Arts

Hearing: Wednesday, February 25, 2015
9am, State Capitol Conference Room 211

Dear Senate Committee on Ways and Means Chair Jill N. Tokuda, Vice Chair Ronald D. Kouchi and Committee Members,

At Hui No'eau Visual Arts Center, we are committed to our mission of *unlocking creativity through exceptional visual arts education*. One of the last of its kind on Maui, the Hui is a 501(c)(3) nonprofit organization dedicated to developing programs that provide in-depth knowledge, skills, and understanding of the visual arts to Maui youth and the community. We truly believe that art has the power to improve individuals and our community by strengthening bonds, creating social connections and increasing cross-cultural awareness. For these reasons and more, we are testifying in **support of SB1177, SD1: Relating to the State Foundation on Culture & The Arts**.

Through their many grants and educational programs, The State Foundation on Culture & The Arts plays a crucial role in strengthening the arts in Hawaii. According to *The Hawaii Association for the Education of Young Children*, accessibility to high-quality, developmentally appropriate early childhood programs produces short- and long-term positive effects on children's cognitive and social development. In partnering with Hawaii's art organizations, the State Foundation on Culture & The Arts directly supports and positively impacts all aspects of the arts in Hawaii.

The staff of Hui No'eau Visual Arts Center wholeheartedly supports SB 1177, SD1 to fund four full time positions with the State Foundation on Culture & The Arts.

Sincerely,

A handwritten signature in black ink that reads "Caroline Killhour". The signature is fluid and cursive, with the first name "Caroline" written in a larger, more prominent script than the last name "Killhour".

Caroline Killhour
Executive Director

SB1177

Submitted on: 2/23/2015

Testimony for WAM on Feb 25, 2015 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Anne-Marie Forsythe	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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SB1177

Submitted on: 2/23/2015

Testimony for WAM on Feb 25, 2015 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Audrey Rocha Reed	Individual	Comments Only	No

Comments: Mr. Chair and Members: The Hawaii State Foundation on Culture and the Arts performs an unduplicated service to the people of Hawaii by strengthening cultural awareness and appreciation for the arts. More, the HFSCA emphasizes preservation of Hawaii's unique mélange of ethnic groups and their individuals cultures. Over the last few years, revenue for the Foundation saw a dramatic decrease as State and Federal funding for culture and arts programs declined with the economy. The dedicated employees of the Foundation's employees maintained operations through difficult times. New leadership has also inspired a re-commitment to fulfilling the Foundation's mission. The Portuguese Association of Maui is currently a recipient of funding to preserve basic Portuguese culture on Maui. The grant has enabled the Association to maintain cultural practices; offer a beginner's class in the Portuguese language to adults; provide a weekly radio segment "Stories of Our People" that focuses on the history, culture, music, cuisine, folklore and legends of one of Hawaii's earliest immigrant groups; and conduct an annual genealogy workshop that helps Maui residents find their Portuguese roots. The HFSCA has helped us to share our cultural practices with more of Hawaii's people. The Portuguese Association of Maui respectfully urges your support of SB 1177 which seeks to fund four full time positions needed by the State Foundation to better serve the people of Hawaii.

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SB1177

Submitted on: 2/23/2015

Testimony for WAM on Feb 25, 2015 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Carl Vasconcellos	Individual	Support	No

Comments: The SFCA has been a driving force in the arts and culture in Hawaii and that's a very good thing. The SFCA has been stymied by not being able to hire for the positions listed in this bill. In order to get the job done, they need the personal and when they are getting the job done all Hawaii gains. A life with out the arts is not what we need. Please advance this bill for the people ow Hawaii and the world.

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SB1177

Submitted on: 2/24/2015

Testimony for WAM on Feb 25, 2015 09:00AM in Conference Room 211

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

Comments:

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TO: Senate Ways and Means Committee,
Sen. Jill Tokuda, Chair

FROM: Duane Preble, Emeritus Professor of Art, UHM

STRONG SUPPORT for SB 1177 SD1 Relating to the State Foundation on
Culture and the Arts

Wed. Feb. 25 at 9:00 am in Conference Room 211

SUPPORT

Copies to members.

Chair Tokuda and Members of the Committee:

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

I strongly support SB 1177 HD1.

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 have, by necessity, have had to take on the work previously done by people in these 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.

SB1177

Submitted on: 2/24/2015

Testimony for WAM on Feb 25, 2015 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Jodi Endicott	Individual	Comments Only	No

Comments: I submitted testimony before 9am on SB1177. I hope you received it as I did not receive a confirmation. Please pass SB1177 as we need these positions to make HISAM viable and help maintain our collection. The arts changes lives and we can use the arts to create an expanded economy. these positions will help us do that.

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SB1177

Submitted on: 2/23/2015

Testimony for WAM on Feb 25, 2015 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Katherine Love	Individual	Support	No

Comments: I support the funding of 4 full-time equivalent positions at the SFCA. Adequate staffing will allow the SFCA to better support, promote, and preserve the important work being produced in the arts in Hawaii today and in the future.

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SB1177

Submitted on: 2/23/2015

Testimony for WAM on Feb 25, 2015 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Katie Peterson	Individual	Support	No

Comments:

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SB1177

Submitted on: 2/23/2015

Testimony for WAM on Feb 25, 2015 09:00AM in Conference Room 211

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 SB1177 to benefit us all.

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