

SB 2143

EDT

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND
TECHNOLOGY AND JUDICIARY AND GOVERNMENT OPERATIONS
ON
SENATE BILL NO. 2143

February 1, 2010

RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS

Senate Bill No. 2143 allows the use of general obligation bond funds deposited into the Works of Arts Special Funds to support the staff costs to operate the State Foundation on Culture and the Arts. Specifically, the bill refers to paying for salary, wage, and fringe benefit costs of the Executive Director and other employees of the foundation. The proposal sunsets on June 30, 2015.

We are opposed to this bill. From a policy perspective, operating funds should be used to pay for operating expenditures and general obligation bond proceeds should be used to fund capital expenditures. As such, we believe it is imprudent to fund the State Foundation on Culture and the Arts' staff costs such as salary, wages, and fringe benefits with bond financing which would be repaid over a 20-year period.

Testimony before the
Senate Committee on Economic Development and Technology
and
Senate Committee on Judiciary and Government Operations

Monday, February 1, 2010
1:15 p.m. Conference Room 016

On S.B. 2143 -- Relating to the State Foundation on Culture and the Arts

By Lori V. Thomas

Chairs Fukunaga and Taniguchi, Vice Chairs Baker and Takamine and members of the committees, I am Lori Thomas, Chairperson of the Hawaii State Foundation on Culture and the Arts, from Oahu. I am testifying as an individual.

While the intent of the legislation is very much appreciated, there are important concerns that I ask this panel to consider.

First, I would like to thank those who have offered this proposal for its clear intent to support the State Foundation's mission by seeking an alternative to General Fund funding for key positions during this economic crisis.

As you may know, the HSFCA has lost 11 positions out of about 30 in the last two years. These losses have clearly threatened the ability of the agency to carry out programs and services that are used and appreciated by thousands of people monthly, from the students in our public schools for whom the only art education they receive may be through State Foundation programs, to visitors who appreciate the arts and culture of Hawaii by their visits to the Hawaii State Art Museum. Of course, untold hundreds and in some months thousands of people appreciate the art on display in public buildings.

Also threatened is federal and private sector funding to carry out a range of programs, mostly aimed to provide learning and life enhancing opportunities for our students and young people that the State Foundation has committed to carrying out.

What you may not know is that the remaining staff of the State Foundation, with the strong support of the commissioners, is working hard to reorganize, adjust and revitalize their efforts to meet our commitments to our young people. We appreciate the support of the arts community, a vibrant and vocal force, to continue our efforts, as well as many government leaders and policy makers.

Our concern with this well intended legislation is that by funding more positions from the Works of Art Special Fund, the fund would be completely depleted within just a few years. Given the political difficulty with reversing this move, that would effectively bring an end not only to the state's art in public places program – the first and perhaps

most respected program of its kind in the nation – but also programs that include arts education, and the ability to maintain and operate the Hawaii State Art Museum.

The commissioners and staff of the HSFCA have worked hard to conservatively manage the Works of Art Special Fund and other programs we provide. We have sought additional private funding when possible and we have recently worked to revitalize the Friends of the Hawaii State Art Museum to support programs that are popular with thousands of Hawaii residents. We have put on hold ambitious plans to extend the reach of the agency as we continue to keep our core programs strongly present throughout the state.

We all know that while we are in a severe fiscal situation right now, better times are ahead. We must be sure that the work of the last almost 50 years “to promote, perpetuate, preserve, and encourage culture and the arts, history and the humanities as central to the quality of life of the people of Hawaii” is not lost for future generations.

Even in these difficult fiscal time, I personally ask you, and I believe many many others who have benefited from the work of the Hawaii State Foundation on Culture and the Arts, including children from end to end of our islands, would ask you to seek other revenue streams for the agency rather than put the Works of Art Special Funds at risk.

Thank you for the opportunity to testify.

Testimony before the
Senate Committee on Economic Development and Technology
and
Senate Committee on Judiciary and Government Operations

Monday, February 1, 2010
1:15 p.m. Conference room 016

On S.B. 2143 -- Relating to the State Foundation on Culture and the Arts

Sheryl Seaman

Chairs Fukunaga and Taniguchi, Vice Chairs Baker and Takamine and members of the committees, I am Sheryl Seaman, Hawaii State Foundation on Culture and the Arts commissioner for Oahu. I am testifying as an individual.

While the intent of the legislation is excellent, I have important reservations that I ask you to consider.

First, I would like to thank those who have offered this proposal for its clear intent to support the State Foundation by seeking an alternative source of funding for key positions in these difficult economic times.

As you may know, the SFCA has lost 11 positions out of about 30 in the last two years. These losses have clearly threatened the ability of the agency to carry out programs and services that are used and appreciated by thousands of people monthly, from the students in our public schools for whom the only art education they receive may be through State Foundation programs to visitors who appreciate the arts and culture of Hawaii by their visits to the Hawaii State Art Museum. Of course, untold hundreds and in some months thousands of people appreciate the art on display in public buildings.

Also threatened is federal and private sector funding to carry out a range of programs, mostly aimed providing learning and life enhancing opportunities for our students and young people that the State Foundation has committed to carrying out.

What you may not know is that the remaining staff of the State Foundation, with the strong support of the commissioners, is working hard to reorganize, adjust and revitalize their efforts to meet those commitments to our young people. We appreciate the support of the arts community, a vibrant and vocal force, to continue our efforts, as well as many government leaders and polity makers.

Our concern with this well intended legislation is that by funding more positions from the Works of Art Special Fund risks depleting the fund within just a few years. Given the political difficulty with reversing this move, that would effectively bring an end not only to the state's art in public places program – the first and perhaps most respected such program in the nation – but also programs that include arts education, vital grants to

many, many arts organizations large and small in our community and the ability to maintain and operate the Hawaii State Art Museum.

The commissioners and staff of the HSFCA have worked hard to conservatively manage the Works of Art Special Fund and other programs we provide. We have sought additional private funding when possible and we have recently worked to reconstitute and revitalize the Friends of the Hawaii State Art Museum to support programs that are popular with thousands of Hawaii residents. We have put on hold ambitious plans to extend the reach of the agency to the Neighbor Islands and to underserved communities wherever they exist in our islands.

I strongly believe that while we are in a severe fiscal situation right now, this too shall pass. When it does, we must be sure that the work of the last almost 50 years “to promote, perpetuate, preserve, and encourage culture and the arts, history and the humanities as central to the quality of life of the people of Hawaii” is not lost in the shuffle.

Even in these difficult fiscal time, I personally ask you, and I believe many many others who have benefited from the work of the Hawaii State Foundation on Culture and the Arts, including children from end to end of our islands, would ask you to seek other revenue streams for the agency rather than put the Works of Art Special Funds at risk.

Thank you for the opportunity to testify.

Peter Rosegg

2101 Nu'uanu Avenue #1305

Honolulu, Hawaii 96817-1767

Mobile: 808-371-7474

peter-rosegg@hawaii.rr.com

**Testimony before the
Senate Committee on Economic Development and Technology
and
Senate Committee on Judiciary and Government Operations**

**Monday, February 1, 2010
1:15 p.m. Conference room 016**

**On S.B. 2143 -- Relating to the State Foundation on Culture and the
Arts**

By Peter Rosegg

Chairs Fukunaga and Taniguchi, Vice Chairs Baker and Takamine and members of the committees, I am My Name, Hawaii State Foundation on Culture and the Arts commissioner for Oahu. I am testifying as an individual.

While the intent of the legislation is excellent, I have important reservations that I ask you to consider.

First, I thank those who have offered this proposal for its clear intent to support the State Foundation by seeking an alternative source of funding for key positions in these difficult economic times.

As you may know, the HSFCA has lost 11 positions out of about 30 in the last two years. These losses have clearly threatened the ability of the agency to carry out programs and services used and appreciated by thousands of people monthly, from the students in our public schools for whom the only art education they receive may be through State Foundation to visitors who appreciate the arts and culture of Hawaii by their visits to the Hawaii State Art Museum. Of course, untold thousands of people appreciate the art on display in public buildings.

Also threatened are federal and private funding for a range of programs, mostly providing learning and life enhancing opportunities for students and young

More...

people that the State Foundation has committed to carrying out.

What you may **not** know is that the remaining staff of the Foundation, with strong support of the commissioners, is working hard to reorganize, adjust and revitalize to meet those commitments to our young people. We appreciate the support of the arts community, a vibrant and vocal force, to continue our efforts, as well as many government leaders and policy makers.

Our concern with this well intended legislation is that by funding more positions from the Works of Art Special Fund risks depleting the fund within just a few years. Given the political difficulty with reversing this move, that would effectively bring an end not only to the art in public places program – the first and perhaps most respected such program in the nation – but also arts education, vital grants to many, many arts organizations large and small in our community and the ability to maintain and operate the Hawaii State Art Museum.

The commissioners and staff of the HSFCA have worked hard to conservatively manage the Works of Art Special Fund and other programs. We have sought additional private funding when possible and recently worked to reconstitute and revitalize the Friends of the Hawaii State Art Museum to support programs that are popular with thousands of Hawaii residents. We have put on hold ambitious plans to extend the reach of the agency to the Neighbor Islands and to underserved communities wherever they exist in our islands.

I strongly believe that while we are in a severe fiscal situation right now, this too shall pass. When it does, we must be sure that the work of the last almost 50 years “to promote, perpetuate, preserve, and encourage culture and the arts, history and the humanities as central to the quality of life of the people of Hawaii” is not lost. The foundation must remain strong.

Even in these difficult fiscal time, I personally ask -- and I believe many many others who have benefited from the work of the Hawaii State Foundation on Culture and the Arts, including children from end to end of our islands, would ask -- that you to seek other revenue streams for the agency rather than put the Works of Art Special Funds at risk.

Thank you for the opportunity to testify.

#



January 29, 2010

TO: Senate Committee on Economic Development & Technology
& Senate Committee on Judiciary & Government Operations

FROM: Mary Begier

RE: SB 2143-Relating to the Hawaii State Foundation on Culture and the Arts

Chairs Fukunaga and Taniguchi, Vice Chairs Baker and Takamine and members of the committees, my name is Mary Begier, I am serving as the commissioner to the Hawaii State Foundation on Culture and the Arts for Hawaii Island. I am here today testifying as an individual.

Thank you for your care and concern for the proposal you offer here today. However, given the economic challenges facing not only our state but our nation I am concerned that allowing additional staff positions to be funded from this fund dedicated to benefit future generations of Hawaii's people will undermine the very existence of this fund and thus its programs and good works.

The HSFCA staff and commissioners who have proceeded I have done an excellent job of managing these funds so that they are even available today. Revising the law to allow staffing to be funded with Special funds will directly and dramatically compromise the integrity of the law.

I am very proud of the staff remaining at the HSFCA, who with the strong support of the commissioners, is working hard to reorganize, adjust and revitalize our efforts to meet the needs of our young people. We have lost 11 positions but we have not lost our love and passion to serve Hawaii's people especially the children and underserved. We appreciate the support of the arts community, a vibrant and vocal force to continue our efforts, as well as many government leaders and policy makers. Please don't use the Works of Art Special fund in this manner. Allow us to continue our transition to a leaner, more efficient program with general funds paying appropriately for the staff positions that serve all our various programs.

fukunaga3 - Doris

From: Marla Musick [marla@hawaiiartsalliance.org]
Sent: Friday, January 29, 2010 5:30 PM
To: EDTTestimony
Subject: SB2143 from Hawaii Arts Alliance

January 29, 2010

Senator Carol Fukunaga, Chair

Senate Committee on Economic Development and Technology

Senator Brian Taniguchi, Chair

Senate Committee on Judiciary and Government Operations

Testimony on S.B. 2143 for February 1, 2010 at 1:15 p.m. Conference Room 016

Hawai'i Arts Alliance continues to be greatly concerned about the vitality of our public arts agency, Hawai'i State Foundation for Arts and Culture (SFCA). The Alliance firmly supports the efforts to find a viable solution that will restore the specialized staff that are so necessary to the efficient and expert functioning of this agency.

As stated in previous testimonies, public funds are essential to the arts. Without public support, the arts can become the private domain of an elite ownership. For a functioning democratic society, we must honor the essential role that the arts play in our economic health. For every one dollar of state support, the arts and culture organizations have been able to bring three to four dollars of non-state revenue to our economy.

We all know that research by prestigious universities continues to show that the arts are a key to all learning. Arts education is actually linked to the creation of neural pathways that connect our logical left brain with our spatial/imaginative right brain. To build the world class education needed for our 21st century civilization, we cannot afford to continue to risk sacrificing a complete education for our children and our future.

Arts and culture are one of the most unique assets of our peoples in Hawai'i. As a destination of choice for visitors, all art, music, dance and culture will be irrevocably damaged if Hawai'i becomes a state without a functioning public arts agency. We must work to find the solution which can restore our State

Foundation on Culture and the Arts. We trust that our wise public leaders will be able to find a solution to maintain this relatively small but extremely essential state agency.

With aloha,

Marilyn Cristofori

Chief Executive Officer

fukunaga3 - Doris

From: Momi Subiono [momishells@msn.com]
Sent: Saturday, January 30, 2010 2:55 PM
To: EDTTestimony

I would like to urge you to support Bill S. B 2143 - Relating to the State Foundation on Culture and the Arts.

As a Native Practitioner and Artist for the Society for Kona's Education and Art, I have gone into the schools to share arts related to culture. Art is not a priority in the public schools. The State Foundation on Culture and Arts has helped me to realize that all Art can be tied to academics. It is a hands on approach to academics. My lessons have tied into Science, Social Studies, Literacy, Math, and Physical Education in allowing the students to express themselves through art. It is a promotion of their well being. These positions are greatly needed but please put a Native Hawaiian artist in the position.

Mahalo,

Momi Subiono

Anna L. Subiono
89-709 Lani Kona Rd.
Captain Cook, HI 96704

1(808)328-8939

Please pass this bill:

Bill S.B. 2143 - Relating to the State Foundation on Culture and the Arts

Hotmail: Powerful Free email with security by Microsoft. [Get it now.](#)

fukunaga3 - Doris

From: dTusher [tusher@att.net]
Sent: Monday, February 01, 2010 7:22 AM
To: EDTTestimony
Subject: February 1, 2010, 1:15 p.m. Bill S.B. 2143

I am testifying to support continued funding for Hawai'i Works of Art Special Fund and Hawai'i State Foundation for Culture and the Arts (HSFCA). I trust you will be able to find a solution to maintain this relatively small but extremely essential program and state agency through these difficult economic times.

The Hawai'i Works of Art Special Fund has created a unique and visionary core public art collection that enriches our lives and serves each of us in ways we don't always notice.

- Our Children – through placement of art in the schools/HiSAM programs
- General Public – through placement of art in state offices, public buildings and parks/creating increasingly scholarly HiSAM exhibitions
- Our Visitor Industry - visual art, music, dance and culture are an important and growing primary attraction for repeat and new visitors
- Our Business Community – core of a creative, innovative atmosphere that encourages existing business and attracts viable new enterprises across the spectrum from tech to ag

In turn, based on this core public collection, Hawai'i State Foundation for Culture and the Arts (HSFCA) extends this valuable resource through public access, education for children and adults, promoting understanding, and supporting the wide reaching business of the arts.

Many of our children only receive exposure to art from HSFCA programs in our schools and other non-profit art school programs funded by HSFCA.

The world class education needed for the 21st century requires the creative thinking ability the arts provide. Exposure to the arts improves learning and increases graduations rates. (Oakland School for the Arts has a 1% dropout rate in an area with an average 30% drop out rate.)

Recent International Conferences in the arts have brought tourists, visibility and broadened the image of Hawaii as a cultural destination.

For every one dollar of state support, arts and culture organizations bring three to four dollars of non-state revenue to our economy.

A vital public art agency like HSFCA is integral to successful public education and a vital social and business environment. It does good things and has the potential to do great things for our state.

Your efforts to find a viable solution to restore the specialized staff so necessary for the efficient and expert functioning of this agency without putting the Works of Art Special Funds at risk are essential, and are appreciated by the art community and by the community at large.

Thank you for the opportunity to testify.

Diana Tusher

Artist, Small Businesswoman and Past President, Hawai'i Craftsmen



HAWAII
STATE FOUNDATION on
CULTURE and the ARTS

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

Governor
Linda Lingle

Comptroller
Russ K. Saito

Chairperson
Lori V. Thomas

Commissioners
Sandra Albano
Mary Begier
Leonard Chow
Sandra Fong
Teri Freitas Gorman
James Jennings
Peter Rosegg
Sheryl Seaman

Executive Director
Ronald K. Yamakawa

Administration
808.586.0300

Art in Public Places
808.586.0305

Contracts
808.586.0302

Fax
808.586.0308

TT: 808.586.0740

Website
www.hawaii.gov/sfca

TESTIMONY OF
THE STATE FOUNDATION ON CULTURE AND THE ARTS
TO
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND
TECHNOLOGY AND
SENATE COMMITTEE ON JUDICIARY AND GOVERNMENT
OPERATIONS
ON
FEBRUARY 1, 2010

SB 2143

Chair Fukunaga and Vice Chair Baker and Chair Taniguchi and Vice Chair Takamine and members of the committees, I am Ronald Yamakawa, executive director of the State Foundation on Culture and the Arts and I appreciate the chance to testify before you on SB2143.

The SFCA supports the intent of this measure, but with serious reservations. We acknowledge the intent of this bill to stabilize funding of personnel for our agency in the wake of losing 11 FTE positions last year.

There are now no positions supported with General funds in our agency. The National Endowment for the Arts (NEA) has expressed strong concern about continued federal funding of our programs after this recent reduction in staffing. We have expressed our strong intention to meet our obligations to continue receiving the federal funding.

We are working on a reorganization of the agency to do so. We greatly appreciate the support we've received from the arts community and the

concern expressed by policymakers. Still, our ability to meet those obligations to the satisfaction of the NEA is by no means guaranteed.

We do, however, have serious reservations about the integrity of the Works of Art Special Fund. Over the past 19 years, deposits into the Special Fund averaged approximately \$2.9 million per annum. Not only are 15 of the agency's 20 staff positions funded with Special funds, but a large part of programming and operations (approximately \$3 million) are made possible through Special fund support.

Revenue to the fund was low last year and allotment advices for this year have been cancelled. With reduced input to the Special Fund we project it will be completely depleted in two to three years. Adding more positions to be paid by the Special Fund will serve to quicken its end, making a short-term stopgap solution even shorter. And given the difficulty one can envision in moving positions back to General funds, we can only see this as a very worrisome move.

The NEA has clearly registered its concerns regarding the severe decline in State funding for our agency and the loss of so many positions. Our programs and services are in the process of being reevaluated; with the possibility of retracting our Federal partnership grant a very real consequence. Therefore, we must be particularly sensitive to any change in our enabling legislation.

We are currently matching the executive director's position and one other administrative position with Special funds as a result of general fund budget restrictions this year. At this time, the NEA is evaluating our request to continue funding these administrative and 3 program positions in addition to converting one account clerk position and one clerk stenographer position to be funded with 50% Federal and 50% Special funds. These are the only fiscal and clerical support positions for the agency, which numbers 20 staff and 9 commissioners.

The SFCA staff and commissioners, with support from the Department of Accounting and General Services have conservatively managed the Works of Art Special Fund with careful consistency so that commissions and exhibitions, in addition to ongoing maintenance and conservation, can be adequately planned. We have curated a stellar collection of site specific and relocatable works of art primarily by local artists. In partnership with the DOE, the Artists in Residence Program impacts students statewide, particularly on the neighbor islands where access to the arts is limited.

Special funds also provide support for operating the Hawaii State Art Museum (HiSAM). The museum budgets approximately \$600,000 per year for core operations, repairs, and public programming. An additional \$240,000 is spent in collaboration with the DOE for education programs that serve many of Hawaii's rural and underserved populations.

Programming is increasing in public support, with thousands of people attending every First Friday event. Through participation in a new program called Art Bento, hundreds of school

children take part in museum tours followed by specially designed lesson plans that compliment core curricula.

Revising the law to allow any position to be funded with Special funds will directly and dramatically compromise the integrity of the law. We strongly believe that positions that do not serve the intent of the Works of Art Special Fund to integrate art with the built environment, should not be funded by this source. Not all of our staff serve the Art in Public Places Program, just as not all of our staff work to fulfill Federal priorities.

While the SFCA must make every effort to preserve its staffing, we must be true to the law as well. The Works of Art Special Fund was written for a specific and unique purpose. The vision of this law allowed for the one percent to benefit future generations of Hawaii's people and as such, was written to last in perpetuity. The SFCA requests that the committees consider options that will generate new revenue streams for the agency.

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