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## A BILL FOR AN ACT

RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 9, Hawaii Revised Statutes, is amended  
2 by amending the title of part II to read as follows:

3                   "**PART II. [FOUNDATION] GRANT [PROGRAM] PROGRAMS**"

4           SECTION 2. Section 9-11, Hawaii Revised Statutes, is  
5 amended to read as follows:

6           "~~§~~9-11~~§~~ **Qualifying standards for ~~foundation~~ grant**  
7 **applications.** An applicant for a foundation grant or performing  
8 arts grants program grant shall meet the following standards:

9           (1) If the applicant is an organization:

10                   (A) Be a for-profit organization incorporated under  
11                   the laws of the State or a nonprofit organization  
12                   exempt from the federal income tax by the  
13                   Internal Revenue Service;

14                   (B) In the case of a tax exempt nonprofit  
15                   organization, the organization shall have a  
16                   governing board whose members have no material



- 1 conflict of interest and serve without  
2 compensation;
- 3 (C) Have bylaws or policies that describe the manner  
4 in which business is conducted, prohibit  
5 nepotism, and provide for the management of  
6 potential conflict of interest situations; and
- 7 (D) Have at least one year's experience with the  
8 project or in the program or activity area for  
9 which the request for grant is being made;  
10 provided that the foundation may grant an  
11 exception where the requesting or proposing  
12 organization has demonstrated the necessary  
13 experience in the program area[~~+~~]; or
- 14 (2) If the applicant is an individual, the applicant must  
15 be determined by the foundation to be:
- 16 (A) Professionally recognized in the field of culture  
17 and the arts or history and the humanities; and
- 18 (B) Qualified to carry out the activity or program  
19 proposed for delivery to the general public or  
20 specified members of the general public."



1 SECTION 3. Section 9-12, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "~~{}~~§9-12~~{}~~ **Conditions for ~~[foundation]~~ grants.**

4 Applicants to whom a grant, including a performing arts grants  
5 program grant, has been awarded shall agree to comply with the  
6 following conditions before receiving the grant:

- 7 (1) Be, employ, or have under contract persons who are  
8 qualified to engage in the program or activity to be  
9 funded by the State; provided that for nonprofit  
10 organizations, no two or more members of a family or  
11 kin of the first or second degree shall be employed or  
12 under contract by the organization unless specifically  
13 permitted in writing by the foundation;
- 14 (2) Comply with applicable federal and state laws  
15 prohibiting discrimination against any person on the  
16 basis of race, color, national origin, religion,  
17 creed, sex, age, or physical handicap;
- 18 (3) Agree not to use public funds for purposes of  
19 entertainment or perquisites;



1 (4) Comply with other requirements as the foundation may  
2 prescribe to ensure adherence to federal, state, and  
3 county laws by the grant recipient; and

4 (5) Allow the foundation, the legislative bodies, and the  
5 legislative auditor full access to records, reports,  
6 files, and other related documents so that the  
7 program, management, and fiscal practices of the grant  
8 recipient may be monitored and evaluated to assure the  
9 proper and effective expenditure of public funds."

10 SECTION 4. Section 9-13, Hawaii Revised Statutes, is  
11 amended as follows:

12 1. By amending its title and subsections (a) and (b) to  
13 read:

14 "**§9-13 Required review of requests for [~~foundation~~**  
15 **grants.** (a) Every request for a foundation grant or performing  
16 arts grants program grant shall be reviewed in accordance with  
17 this section.

18 (b) Every request for a foundation grant or performing  
19 arts grants program grant shall be submitted to the foundation  
20 on an application form provided by the foundation. Each  
21 application shall contain:



- 1 (1) A statement of the purpose of the activity or program
- 2 to be funded by the grant;
- 3 (2) A written description of the activity or program;
- 4 (3) Financial information regarding the activity or
- 5 program;
- 6 (4) If the applicant is an organization, personnel
- 7 position salaries; and
- 8 (5) Any other information the foundation requires."

9 2. By amending subsection (e) to read:

10 "(e) The foundation shall inform each foundation grant or  
11 performing arts grants program grant applicant of the  
12 disposition of the application's request."

13 SECTION 5. Section 9-14, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 "[f]§9-14[+] **Allotment.** Appropriations for foundation  
16 grants or performing arts grants program grants to be made under  
17 this chapter shall be subject to the allotment system generally  
18 applicable to all appropriations made by the legislature."

19 SECTION 6. Section 9-15, Hawaii Revised Statutes, is  
20 amended by amending subsection (a) to read as follows:



1           "(a) The foundation shall not release the public funds  
2 approved for a foundation grant or performing arts grants  
3 program grant unless a contract is entered into between the  
4 foundation and the recipient of the grant. The foundation shall  
5 develop and determine, in consultation with and subject to the  
6 review and approval of the attorney general, the specific  
7 contract form to be used."

8           SECTION 7. Section 9-16, Hawaii Revised Statutes, is  
9 amended by amending subsections (a) and (b) to read as follows:

10           "(a) Every foundation grant contract and performing arts  
11 grants program grant contract shall be monitored by the  
12 foundation to ensure compliance with this part.

13           (b) Every foundation grant contract and performing arts  
14 grants program grant contract shall be evaluated annually to  
15 determine whether the grant attained the intended results in the  
16 manner contemplated."

17           SECTION 8. Section 9-17, Hawaii Revised Statutes, is  
18 amended to read as follows:

19           "~~§~~9-17~~§~~ **Continued eligibility.** Any recipient of a  
20 foundation grant or performing arts grants program grant who  
21 withholds or omits any material fact or deliberately



1 misrepresents facts to the foundation shall be in violation of  
2 this part. In addition to any other penalties provided by law,  
3 any recipient found by the foundation to have violated this part  
4 or the terms of its contract shall be prohibited from applying  
5 for any foundation grant or performing arts grants program grant  
6 for a period of five years from the date of termination."

7 SECTION 9. Section 9-18, Hawaii Revised Statutes, is  
8 amended to read as follows:

9 "[~~§~~9-18] **Applicability and interpretation.** This part  
10 shall control all foundation grants and performing arts grants  
11 program grants made by the foundation. This part shall be  
12 liberally construed so as not to hinder or impede the  
13 application, receipt, and use of federal moneys that may become  
14 available to the State and the foundation. If unanticipated  
15 federal moneys not included in the legislature's appropriation  
16 to the foundation become available, the foundation, pursuant to  
17 chapter 29, may apply for, receive, and expend the federal  
18 moneys in accordance with the terms and conditions specified in  
19 the applicable federal statutes, regulations, or financial award  
20 documents."



1 SECTION 10. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.  
3 SECTION 11. This Act shall take effect on July 13, 2085.



**Report Title:**

SFCA; Performing Arts Grants Program; Grants

**Description:**

Explicitly applies existing grant standards to Performing Arts Grants Program grants under the State Foundation on Culture and the Arts. Effective 7/13/2085. (SD1)

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