ACT 131

H.B. NO. 1378

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:

SECTION 1. The legislature finds that the mission of the state foundation on culture and the arts is to promote, perpetuate, preserve, and encourage culture and the arts as central to the quality of life and people of the State. One of the foundation's strategic priorities includes increasing public accessibility to arts and culture.

The foundation administers the state art museum and the art in public places and relocatable works of art programs, using the works of art special fund created pursuant to section 103-8.5, Hawaii Revised Statutes, and also issues grants through its foundation grants program. The museum and these programs aim to support, promote, and recognize the excellence of the State's diverse artists; create, display, and maintain in public places and the state art museum a collection of works of art that represent the diversity and excellence of the State's artistic expression; and provide the fullest possible access to the highest quality aesthetic and educational experiences available to all the citizens of the State.

The legislature further finds that the performing arts also represent various mediums that express creativity through singing, dancing, theatre, and musical performances. To ensure a wide range of artistic creativity and expression in the State, performing arts should also be recognized as a medium to provide the State's residents and visitors with creative, educational, and aesthetic performances that tell meaningful stories and provide engaging experiences.

The purpose of this Act is to further the foundation's endeavors by:

(1) Establishing the performing arts grants program, under the foundation's existing foundation grant program, to support performing arts in the State;
(2) Establishing the performing arts grants special fund;
(3) Clarifying the scope of the foundation's responsibilities to include the coordination, planning, promotion, marketing, and execution of performing arts events;
(4) Amending the funding sources for the state art museum;
(5) Amending the amounts required to be transferred into the works of art special fund, including an annual transfer amount, and amending the allowable expenditures from the works of art special fund;
(6) Appropriating general funds and federal funds for the operations of the state foundation on culture and the arts; and
(7) Appropriating general funds to provide grants under the performing arts grants program.

SECTION 2. Chapter 9, Hawaii Revised Statutes, is amended by adding two new sections to part II to be appropriately designated and to read as follows:

"§9- Performing arts grants program. (a) There is established a performing arts grants program, to be placed in the foundation for administrative purposes, to provide grants for the coordination, planning, promotion, marketing, and execution of performing arts events.

(b) The foundation shall administer the performing arts grants program in accordance with this part.

(c) The foundation shall submit an annual report to the legislature, no later than twenty days prior to the convening of the regular session of 2026 and every regular session thereafter, on performing arts grants awarded and the outcomes of each performing arts event that received a grant.

§9- Performing arts grants special fund. (a) There is established in the state treasury the performing arts grants special fund, to be administered by the foundation. The revenues of the special fund shall consist of:

(1) Appropriations made by the legislature;
(2) Revenues or moneys derived from the foundation's operations;
(3) Grants, gifts, and donations received by the foundation; and
(4) All interest earned on moneys deposited in the fund.

The special fund shall be used for the coordination, planning, promotion, marketing, and execution of performing arts events.

(b) The foundation shall oversee and administer grants for the coordination, planning, promotion, marketing, and execution of performing arts events. Applications for grants shall be made to the foundation and contain any information as the foundation shall require. At minimum, the applicant shall provide:

(1) The name of the requesting organization and individual;
(2) The purpose of the grant;
(3) The service to be supported by the grant;
(4) The target group to be benefited;
(5) The costs of the grant; and
(6) Acknowledgment the grant will be used for activities that are consistent with the purposes of this chapter.

(c) Grants shall only be awarded if:

(1) The applicant has applied for or received all applicable licenses and permits required to conduct the work for which a grant is awarded;
(2) The applicant agrees to comply with applicable federal, state, and county laws;
(3) All activities and improvements undertaken with funds received shall comply with all applicable federal, state, and county statutes and ordinances, including applicable building codes and agency rules; and
(4) The applicant will indemnify and hold harmless the foundation, the State, and its officers, agents, and employees from and against any and all claims arising out of or resulting from activities carried out or projects undertaken with funds provided hereunder.

Every grant shall be monitored by the foundation to ensure compliance with this chapter and the purposes and intent of the grant and shall be evaluated annually to determine whether the grant attained the intended results in the manner contemplated."

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

1. By adding a new definition to be appropriately inserted and to read:

"<u>"Performing arts" includes arts or skills that are intended to be performed before an audience, including but not limited to dance, singing, musical performances, and theater.</u>"

2. By amending the definition of “arts” to read:

““Arts” includes music, dance, painting, drawing, sculpture, architecture, drama, poetry, prose, crafts, industrial design, interior design, fashion design, photography, television, motion picture art, unique or decorative plants, landscaping, and all other performing arts and creative activity of imagination and beauty.”

SECTION 4. Section 9-21, Hawaii Revised Statutes, is amended to read as follows:

“[~~[~~]§9-21[~~]~~] Purpose. The foundation shall administer the art in public places and relocatable works of art programs, [~~pursuant to section 103-8.5,~~] performing arts grants program, and the state art museum to achieve the following purposes:

(1) Replace in public state buildings the natural beauty displaced in construction with works of art expressive of the State’s cultural, creative, and traditional arts of its various ethnic groups;
(2) Support, promote, and recognize excellence of the State’s diverse cultural, creative, and traditional artists; and
(3) Create, display, and maintain in public places and the state art museum a collection of works of art, and coordinate, plan, promote, market, and execute performing arts events, that:
    (A) [~~Represents~~] Represent the diversity and excellence of the State’s artistic expression; and
    (B) [~~Provides~~] Provide to all the citizens of the State the fullest possible access to the highest quality aesthetic and educational experiences available.”

SECTION 5. Section 9-22, Hawaii Revised Statutes, is amended to read as follows:

“[~~[~~]§9-22[~~]~~] State art museum; establishment. The state art museum is established within the foundation. The operations of the state art museum shall be funded and supported [~~by the works of art special fund, pursuant to section 103-8.5.~~] by:

(1) Appropriations from the legislature;
(2) Federal grants and subsidies;
(3) Voluntary contributions; and
(4) Funds received pursuant to section 9-3(7).”

SECTION 6. Section 103-8.5, Hawaii Revised Statutes, is amended to read as follows:

“§103-8.5 Works of art special fund. (a) There is created a works of art special fund, into which shall be transferred the annual transfer amount, as defined in subsection (i), made available from one per cent of all state fund appropriations for capital improvements designated for the construction cost element[~~;~~] each year; provided that this transfer shall apply only to general obligation bond fund capital improvement appropriations that are designated for the construction or renovation of state buildings. The one per cent transfer requirement shall not apply to appropriations from the passenger facility charge special fund established by section 261-5.5 and the rental motor vehicle customer facility charge special fund established under section 261-5.6.

(b) The works of art special fund shall be used solely for [~~the following purposes:~~

~~(1)~~ ~~Costs~~] costs related to the acquisition, planning, design, and construction of works of art[~~, including any consultant or staff services~~ [1]~~required to carry out the art in public places and relocatable works of art programs;~~

~~(2)~~ ~~Site modifications, display, and interpretive work necessary for the exhibition of works of art;~~

~~(3)~~ ~~Upkeep services, including maintenance, repair, and restoration of works of art;~~

~~(4)~~ ~~Storing and transporting works of art.~~] and related appurtenances.

(c) The one per cent amount, which is included in all general obligation bond fund capital improvement appropriations, shall be calculated at the time [~~the appropriation bills are signed into law.~~] that each appropriation becomes available. The [~~moneys shall~~] comptroller shall cause one per cent of each general obligation bond fund capital improvement appropriation designated for the construction or renovation of state buildings to be transferred into a general obligation bond fund appropriation the legislature may make specifically for deposits to the works of art special fund [~~upon~~] after availability of moneys from the appropriations. Each agency receiving capital improvement appropriations shall calculate the one per cent amount and transfer the [~~moneys~~] appropriation into a general obligation bond fund appropriation the legislature may make specifically for deposits to the works of art special fund.

(d) The comptroller and the state foundation on culture and the arts shall decide on the specific art objects to acquire, giving first consideration to placing appropriate pieces of art at the locations of the original appropriation.

The selection of, commissioning artists for, reviewing of design, execution, and placement of, and the acceptance of works of art shall be the responsibility of the comptroller and the state foundation on culture and the arts in consultation with the affected agency or department.

Expenditures from the works of art special fund shall be made by the comptroller.

(e) The comptroller shall:

(1) Provide each agency receiving capital improvement appropriations with information regarding items that shall be included and excluded from the one per cent amount;

(2) Ensure that each agency calculates its one per cent amount correctly; [~~and~~]

(3) Ensure that each agency transfers the correct amount of each appropriation to a separate appropriation made for deposits to the works of art special fund [~~in a timely manner.~~]; and

(4) Transfer to the works of art special fund the annual transfer amount, as defined in subsection (i), from an appropriation the legislature may make for deposits to the works of art special fund.

(f) The legislature may appropriate $1,000 of general obligation bond funds for deposits to the works of art special fund for each fiscal year. The appropriation will facilitate the ability of the comptroller to:

(1) Receive transfers of appropriation of one per cent of each general obligation bond fund capital improvement appropriation designated for the construction cost element for the construction or renovation of state buildings; and

(2) Convey the annual transfer amount from the appropriation to the works of art special fund.

(g) The balance of the appropriation described in subsection (f) that is not transferred to the works of art special fund shall lapse to the general obligation bond fund on June 30 of each fiscal year.

[~~(f)~~] (h) The comptroller and the executive director shall track amounts [~~due from each agency under the one per cent requirement as provided in this section.~~] transferred to the works of art special fund, the use of all transferred amounts, and the timing of the use of all transferred amounts by appropriation and date of transfer.[2]

(i) For the purposes of this section, "annual transfer amount" means the amount determined each fiscal year that is the lesser of:

(1) $3,000,000; or

(2) $15,000,000 reduced by the unencumbered balance of the works of art special fund at the end of the prior fiscal year."

SECTION 7. The following sums or so much thereof as may be necessary for fiscal year 2025-2026 are appropriated or authorized, as the case may be, from moneys in the treasury received from general revenues and federal funds to be expended by the state foundation on culture and the arts to finance the positions and other cost items listed below. The letter symbols used with the specific appropriations indicate the source of financing and have the following meaning: (A) general revenues, (N) federal funds.

Prog ID/Org	Position Title/Program Description	Position #	MOF	FTE (P)	FY 26
AGS 881 LA	Secretary II	16047	A	0.50	23,502
AGS 881 LA	Administrative Services Assistant	21199	A	0.75	47,322
AGS 881 LA	Administrative Services Assistant	21199	N	0.25	15,774
AGS 881 LA	Arts Program Specialist III	26529	A	1.00	71,016
AGS 881 LA	Arts Program Specialist IV	27869	A	1.00	71,016
AGS 881 LA	Accountant IV	31184	A	0.75	67,365
AGS 881 LA	Accountant IV	31184	N	0.25	22,455
AGS 881 LA	Arts Program Specialist II	32873	N	1.00	56,064
AGS 881 LA	Arts Program Specialist III	39045	N	1.00	58,296
AGS 881 LA	Arts Program Specialist II	36841	A	1.00	73,836
AGS 881 LA	Information Specialist III	45697	A	0.75	47,322
AGS 881 LA	Information Specialist III	45697	N	0.25	15,774
AGS 881 LA	Account Clerk III	45700	A	0.75	31,356
AGS 881 LA	Account Clerk III	45700	N	0.25	10,452
AGS 881 LA	Arts Program Specialist III	47047	N	1.00	60,660
AGS 881 LA	Arts Program Specialist III	48120	A	1.00	63,096
AGS 881 LA	Arts Program Specialist II	52285	A	1.00	56,064
AGS 881 LA	Arts Program Specialist II	52286	A	1.00	56,064
AGS 881 LA	Arts Program Specialist II	52287	A	1.00	58,203

Prog ID/Org	Position Title/Program Description	Position #	MOF	FTE (P)	FY 26
AGS 881 LA	Arts Program Specialist III	52288	A	1.00	63,096
AGS 881 LA	Arts Program Specialist III	52290	A	1.00	65,664
AGS 881 LA	Executive Director, SFCA	100256	A	0.75	110,781
AGS 881 LA	Executive Director, SFCA	100256	N	0.25	36,927
AGS 881 LA	Arts Program Specialist II	112785	A	1.00	59,748
AGS 881 LA	Arts Program Specialist II	112788	A	1.00	63,096
AGS 881 LA	Arts Program Specialist III	122671	A	1.00	60,660
AGS 881 LA	Collective Bargaining		A		13,518
AGS 881 LA	Fringe Benefits		N		184,576
AGS 881 LA	Adjustment		A		6,978
AGS 881 LA	Adjustment		N		8,719
AGS 881 LA	Hawaii State Art Museum		A		1,857,580
AGS 881 LA	Interpretive Work		A		425,000
AGS 881 LA	Operating		A		201,923
AGS 881 LA	Consultant Services		A		35,000
AGS 881 LA	Registration		A		34,000
AGS 881 LA	Upkeep Services		A		29,530
AGS 881 LA	Display		A		285,580
AGS 881 LA	Transportation		A		19,085
		Total	A	16.25	3,997,401
			N	4.25	469,697

SECTION 8. There is appropriated out of the general revenues of the State of Hawaii the sum of $300,000 or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 to provide grants under the performing arts grants program.

The sums appropriated shall be expended by the state foundation on culture and the arts for the purposes of this Act.

SECTION 9. There is appropriated out of the general obligation bond funds of the State of Hawaii the sum of $1,000 or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 to provide for the annual transfer amount to the works of art special fund pursuant to section 103-8.5, Hawaii Revised Statutes.

The sums appropriated shall be expended by the department of accounting and general services for the purposes of this Act.

SECTION 10. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.[3]

SECTION 11. This Act shall take effect upon its approval; provided that sections 7, 8, and 9 shall take effect on July 1, 2025.

(Approved May 29, 2025.)

Notes

1. Should be stricken.
2. Should be underscored.
3. Edited pursuant to HRS §23G-16.5.