

HOUSE BILL REPORT

E2SHB 2587

As Passed House:
February 14, 2012

Title: An act relating to a competitive grant program for arts and cultural facilities.

Brief Description: Expanding availability of the competitive grant program for arts and cultural facilities.

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Carlyle, Haler, Fitzgibbon, Jinkins, Asay, Dunshee, Lytton, Ormsby, Warnick, Walsh, Pettigrew, Kenney and Santos).

Brief History:

Committee Activity:

Community & Economic Development & Housing: 1/26/12, 1/30/12 [DPS];
Capital Budget: 2/2/12 [DP2S(w/o sub CDH)].

Floor Activity:

Passed House: 2/14/12, 80-18.

Brief Summary of Engrossed Second Substitute Bill

- Adds zoos, aquariums, and technology and science centers to the list of nonprofit arts and cultural organizations whose facilities projects may be assisted under the Building for the Arts competitive grant program.
- Increases the \$12 million cap on recommended funding to \$16 million.

HOUSE COMMITTEE ON COMMUNITY & ECONOMIC DEVELOPMENT & HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Kenney, Chair; Finn, Vice Chair; Smith, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Ahern, Maxwell, Ryu, Santos and Walsh.

Staff: Chris Cordes (786-7103).

HOUSE COMMITTEE ON CAPITAL BUDGET

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Community & Economic Development & Housing. Signed by 9 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Warnick, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Asay, Jinkins, Lytton, Pearson and Smith.

Minority Report: Do not pass. Signed by 2 members: Representatives Tharinger and Wylie.

Staff: Susan Howson (786-7142).

Background:

For a number of years, the state capital budget has provided capital funding to certain nonprofit organizations through various competitive grant programs. One of these programs, the Building for the Arts program, allows performing arts, art museums, and cultural organizations with facilities projects to apply for the competitive grants. Grant assistance to an organization may not exceed 20 percent of the project cost. The remaining matching funds must be from nonstate sources.

By law, the Department of Commerce (Department) is required to solicit applications for grants under the Building for the Arts program and review and rank the applications in consultation with a citizen advisory committee. The ranking must use objective criteria and consider local community support and an applicant's existing assets. The Department must then submit a prioritized list of recommended projects that are eligible for funding to the Governor and Legislature in the Department's biennial capital budget request. The total amount of recommended funding on the Department's biennial project list may not exceed \$12 million.

Since the 2001-2003 biennium, state capital budgets have provided over \$37.5 million for Building for the Arts projects. The 2011-2013 State Capital Budget provided just under \$2.5 million for these projects.

Summary of Engrossed Second Substitute Bill:

Zoos, aquariums, and technology and science centers are added to the list of nonprofit arts cultural organizations whose facilities projects may be assisted under the Building for the Arts competitive grant program. A zoo or aquarium must be an organization accredited by the Association of Zoos and Aquariums. A technology and science center must be an organization meeting the requirements to be a member of the Association of Science-Technology Centers.

To be eligible for facilities funding, a zoo, aquarium, or technology or science center application must demonstrate creativity and a strong connection to the arts, and provide significant educational and/or cultural benefits to the public.

Beginning with the 2013-15 biennium, the Department must submit a report along with its capital budget request. The report must: (1) document the Department's efforts to market the

Building for the Arts grant program statewide and to provide technical assistance so that organizations of diverse types, sizes, and geographic locations have the information necessary to apply; (2) identify all the applications received, the sponsor, the funding requested, and the nonstate resources committed; and (3) document the criteria and processes used to evaluate and rank recommended projects, with the reasons for rejecting projects.

The cap on the recommended funding in the Department's biennial project list is increased from \$12 million to \$16 million.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony (Community & Economic Development & Housing):

(In support) All the institutions eligible for the program are overwhelmingly funded by private money. But some have important public/private partnerships. This bill will broaden the reach of the public/private partnership model in a thoughtful way. It recognizes a changed dynamic where institutions that used to be public are now nonprofit. This allows effective leverage of state dollars.

Broadening the definition to include science organizations recognizes the role of science in the larger museum community and recognizes the actual scope of the sector. These facilities dedicate much of their resources to education and are also a big piece of the sector's economy. Similarly, zoos are an important part of cultural and educational opportunities. Students receive a science education which zoos work to match with the state's essential learning requirements. Students have been shown to become more interested in science if they have a hands-on interaction with animals. Learning programs for teachers are also provided.

Cultural organizations have made progress in consolidating to increase effectiveness. However, no organization can commit to capital projects based on gate revenue alone. Organizations provide access to low-income visitors by keeping ticket prices affordable and providing free tickets for students in free and reduced-price lunch programs.

Raising the limit on projects that can be recommended by the Department of Commerce will allow, over time, more support for projects. This does not commit the state to any additional funding.

(Information only) Funding for this program is from a bond account.

(Opposed) None.

Staff Summary of Public Testimony (Capital Budget):

(In support) The more narrow definition of a cultural facility fails to recognize the impact the museum community has on the culture of the community, particularly from the standpoint of informal learning. Expanding eligibility for the Building for the Arts program recognizes the actual scope of the nonprofit community that share similar missions of enriching community life and supporting the growth and education of our children. Raising the cap makes larger support possible over time for eligible organizations with worthy projects that survive the disciplined vetting process by the independent advisory committee. Raising the cap does not commit the Legislature to any additional spending.

(Opposed) None.

Persons Testifying (Community & Economic Development & Housing): (In support) Representative Carlyle, prime sponsor; Bryce Seidl, Pacific Science Center; and David Schaefer, Woodland Park Zoo.

(Information only) Dan Aarthun, Department of Commerce.

Persons Testifying (Capital Budget): Bob Davidson, Seattle Aquarium; and David Schaefer, Woodland Park Zoo.

Persons Signed In To Testify But Not Testifying (Community & Economic Development & Housing): None.

Persons Signed In To Testify But Not Testifying (Capital Budget): None.