

STORAGE NAME: h0829.gg

DATE: April 1, 1999

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
GENERAL GOVERNMENT APPROPRIATIONS
ANALYSIS**

BILL #: HB 829

RELATING TO: Art in State Buildings

SPONSOR(S): Representative Kilmer and others

COMPANION BILL(S): SB 2218 (similar)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) GOVERNMENTAL OPERATIONS YEAS 3 NAYS 2
 - (2) GENERAL GOVERNMENT APPROPRIATIONS
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill changes the Art in State Buildings Program from a mandatory program to a discretionary one.

It **authorizes**, rather than requires, that each appropriation for the construction of a new state building include an amount to be used for the acquisition of works of art. Further, it **lowers** the maximum percentage of the total appropriation which may be used to purchase art, from 0.5 percent to 0.25 percent, and **lowers** the maximum total amount which may be earmarked for art, from \$100,000 to \$50,000.

The bill has an effective date of July 1, 1999.

It is estimated that an annual construction project cost avoidance of \$144,112 may be realized as a result of this change.

The Department of State estimates a cost of \$13,000 to reprint program guides and update an instructional video; however, they estimate a savings of \$6,700 annually in monitoring costs.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

The Florida Art in State Buildings Program

In 1979, the Florida Legislature passed a law establishing the Art in State Buildings Program (see, ch. 79-188, L.O.F.). This program provides for the purchase of or commissioning of art for new State buildings. Specifically, it requires that up to one-half of one percent of the costs for constructing new state buildings be set aside to acquire artwork for display and viewing in public areas. This artwork may, but is not required to be, by Florida artists.

Works of art acquired under this program become a part of Florida's Permanent Collection of Art.

Upon receiving appropriations for the construction of new buildings, the Department of Management Services, the Board of Regents, or other state agency, is required to determine the amount to be made available for the acquisition of works of art, and to notify the Florida Arts Council and the user agency.

Under the statute, the user agency is responsible for the selection of artists or craftspersons. The Department of State is authorized to promulgate rules to implement this program, and final approval of recommendations for the acquisition of works of art are to be consistent with the art selection process pursuant to these rules.

Appropriations made for public buildings prior to July 1, 1979, are specifically excluded from this program.

Administration of the program

The program is administered by the Division of Cultural Affairs, one of seven divisions of the Department of State. The Division's advisory board is the Florida Arts Council, a 15-member body appointed by the Secretary of State.

The art selection process

The process of selecting works to be commissioned or purchased under the Art in State Buildings Program is undertaken by a Local Art Selection Committee. Its membership consists of a Florida Arts Council member (from the region of the state in which the building is located) who chairs the committee in a non-voting capacity, the Project Director (from the agency which is constructing the building), the Architect (from a private firm), the User Agency Representative (from the state agency which will occupy the building), the Occupant Representative (chosen from those who will actually work in the building), one or two Visual Art Representatives (local professionals with visual art expertise; e.g., museum officials, art or art history professors, artists, etc.), and the Division of Cultural Affairs Program Administrator.

The Committee selects artwork through a "blind review" that is based on the quality and appropriateness of the art, in an attempt to eliminate even the perception of favoritism.

Because of the localized artwork selection process, works selected for a building in Miami might be very different from pieces chosen for a site in Tallahassee.

Funding of the arts through Florida's Art in Public Buildings Program

According to the Division of Cultural Affairs, 413 artists have participated in the Art in State Buildings Program since it began in 1979. Of these artists, 287 (69%) were Floridians. Eight hundred thirty-three works of art have been acquired, and 640 (77%) of these works were by Florida artists.

STORAGE NAME: h0829.gg

DATE: April 1, 1999

PAGE 3

Since 1979, \$5,764,475 has been expended for artworks under this program, and \$3,241,159 (56%) of this amount went to Florida artists.

B. EFFECT OF PROPOSED CHANGES:

In effect, this bill makes the provisions of the Art in State Buildings Program **optional**.

It eliminates the requirement that each appropriation for the construction of a new state building include an amount to be used for the acquisition of works of art. The bill would make earmarking funds for the purchase of art optional. Further, it **lowers** the maximum percentage of the total appropriation which may be used to purchase art, from 0.5 percent to 0.25 percent, and **lowers** the maximum total amount which may be earmarked for art, from \$100,000 to \$50,000.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

No agency or program is eliminated or reduced.

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

The bill does not purport to provide services to families or children.

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

The bill does not create or change a program providing services to families or children.

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

s. 255.043, F.S.

E. SECTION-BY-SECTION ANALYSIS:

N/A

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

See, FISCAL COMMENTS.

2. Recurring Effects:

See, FISCAL COMMENTS.

3. Long Run Effects Other Than Normal Growth:

See, FISCAL COMMENTS.

4. Total Revenues and Expenditures:

See, FISCAL COMMENTS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

	<u>1999 - 2000</u>	<u>2000 - 2001</u>
Department of State Expenditures:		
Expenses - Reprint program guide and update instructional video	\$13,000	-0-
Expenses - Monitoring costs	<u>(\$6,700)</u>	<u>(\$6,700)</u>
Total	<u>\$6,700</u>	<u>(\$6,700)</u>

2. Recurring Effects:

See, FISCAL COMMENTS.

3. Long Run Effects Other Than Normal Growth:

See, FISCAL COMMENTS.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Passage of this bill would mean a potential loss of revenue for Florida artists, their material suppliers and their sub-contractors. In the past 20 years, Florida artists have received revenue of \$3,241,159 as a result of this program (56% of the total program allocation). It is not possible to accurately calculate future loss of revenue to the private sector. However, if this bill had been in effect for FY 98-99, the probable loss of revenue to the private sector could have been as much as \$629,069, of which \$350,598 would most likely have been paid to Florida artists. Generally the artists, whether Florida residents or not, pass on approximately 90% of those funds to suppliers and sub-contractors for overhead, materials, fabrication, travel, shipping, installation, insurance, etc. Thus, there is impact on a wider array of private businesses than is initially apparent.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

It is estimated that an annual project cost avoidance of \$144,112 may be realized as a result of this change.

Calculation: \$5,764,475 (spent since July 1, 1979)
 ÷ 20 years
 = \$288,224 average annual cost
 X 50% reduction estimated
 = \$144,112 annual cost avoidance

Also, there would be an average savings of approximately \$500 per project in travel costs for the Department of State to discontinue monitoring the program. There would be no reduction in FTE's, salaries and benefits. The \$500 per project saving was calculated by combining projects in

STORAGE NAME: h0829.gg

DATE: April 1, 1999

PAGE 7

Tallahassee that have no costs beyond staffing, projects in north Florida that have a minimal costs and projects in central and south Florida that have more travel costs and then averaging them.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On March 8, 1999, the Committee on Governmental Operations reported the bill favorably, with one amendment, which restores the maximum portion of the percentage of the total construction appropriation that may be used for the acquisition of works of art, from 0.25 percent to 0.5 percent.

VII. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

Jen Girgen

Staff Director:

Jimmy O. Helms

AS REVISED BY THE COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS:

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