

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 544

SPONSOR: Appropriations Subcommittee on General Government, Senator Pruitt and others

SUBJECT: The Florida Arts Council

DATE: March 4, 2002 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Rhea</u>	<u>Wilson</u>	<u>GO</u>	<u>Favorable</u>
2.	<u>Fabricant</u>	<u>Hayes</u>	<u>AGG</u>	<u>Favorable/CS</u>
3.	_____	_____	<u>AP</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Currently, the Secretary of State makes appointments to the Florida Arts Council. As a result of constitutional changes to the composition of the state cabinet which will be effective in January of 2003, the Secretary of State will no longer be elected, but instead will be appointed by the Governor. The bill removes the authority of the Secretary of State to make appointments to the council and substitutes the Governor, the President of the Senate, and the Speaker of the House of Representatives, in consultation with the Secretary of State. Qualifications for council membership are provided in the bill, but are not required. Further, the bill changes the requirement that every area of the state be represented on the Council to a requirement that the appointments recognize a need for geographical representation.

Additional revisions are made to the section that are conforming and technical in nature.

The bill also amends s. 265.286(4), F.S., to expand the funding categories in the challenge grant program. The bill provides three levels of application, with varying match requirements: local, regional, or state impact.

This bill amends the following sections of the Florida Statutes: 265.285 and 265.286(4).

II. Present Situation:

In 1980, the Florida Arts Council (the "Council") was created by the Legislature in s. 265.285, F.S., for the purposes of:

- Advising and assisting the Secretary of State in all matters concerning the award of grants under the Fine Arts Act;

- Advising on the department's programs pertaining to the arts; and
- Advising on ways to stimulate and encourage the study, presentation and participation in the arts and cultural heritage by Floridians and the state institutions.

The Council assists the Division of Cultural Affairs in the carrying out of its responsibilities by planning for the creation of new programs, evaluating existing ones, and determining grant distribution. Grant Review Panels, composed of artists, arts-related professionals and community cultural leaders, are appointed by the Secretary of State, evaluate requests for funds and make recommendations to the Florida Arts Council for their review and recommendation to the Secretary of State.

The Council consists of 15 members each of whom is appointed for a 4-year term of office by the Secretary of State. In making the appointments, the Secretary is required to give due consideration to geographical representation so that every area of the state will have a voice on the Council. Members serve without pay and meet quarterly at locations throughout the state.

Section 265.286(4), F.S., authorizes the Division of Cultural Affairs to develop and conduct a challenge grant program available to cultural institutions or groups of institutions that have regional or statewide impact. These grants cannot be less than \$10,000 and matching moneys must be at least a basis of 3 to 1, with the institution providing the higher amount in the ratio. The purpose of the grant program is to support significant projects designed as a new initiative, or a program of an innovative or unique nature and is not intended for continuation programming. Grants are awarded on a competitive basis considering the extent of organizational impact, proposed project quality and feasibility, impact of funding, and ability to match. A peer review panel evaluates applications and makes funding recommendations to the Florida Arts Council. The Council reviews panel reports and advises the Secretary of State on grant program funding allocations. The Legislature appropriated \$300,000 in FY 2001-02 for the challenge grant program.

According to the Division of Cultural Affairs, there has been an indication of a growing need for funding opportunities for projects of great value at the local level where resources are not available to meet the 3 to 1 cash match requirements as well as difficulty for those projects that are of a regional or greater scope but have support needs far beyond the current program funding limitations. Additionally, the Division has had recurring contacts from organizations around the state seeking matching funds to take advantage of private sector funding sources and investment programs.

III. Effect of Proposed Changes:

The bill amends s. 265.285, F.S., relating to the Florida Arts Council, to require appointment of the membership by the Governor, President of the Senate, and Speaker of the House of Representatives instead of by the Secretary of State. Seven members shall be appointed by the Governor, four members shall be appointed by the president of the Senate, and four members shall be appointed by the Speaker of the House of Representatives. Members are appointed for four-year terms. Council members can only serve two consecutive terms of appointment. After being off the Council for one year, however, a person may be reappointed.

All Council members serving on July 1, 2002, are to serve the remainder of their respective terms. When the membership falls below the statutorily required number of 15, the Governor will fill the first vacancy. After this, subsequent appointments to fill vacancies will be alternated among the President of the Senate, Speaker of the House of Representatives, and the Governor.

Suggestions are made regarding the qualifications of the persons appointed to the Council to ensure expertise in the areas of responsibility of the Council. The bill changes the requirement that every area of the state be represented on the Council to a requirement that the appointments recognize a need for geographical representation. The appointments are to be made in consultation with the Secretary of State.

Additional revisions are made to the section which are conforming and technical in nature.

The bill also amends s. 265.286(4), F.S., to expand the funding categories in the challenge grant program. Three levels of application are provided: local, regional, or state impact, with varying match requirements. The match levels are as follows: local project is 1:1; regional project is 2:1; and state or capital project is 3:1. The state or capital projects category encompasses two types of activity: larger grants for cultural projects of statewide significance and grants designed to leverage new funding sources and encourage community-wide capital project initiatives in partnership with local community foundations or similar nonprofit fiduciary entities.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The expanded eligibility criteria, varying match, and ability to leverage new funding sources and encourage community-wide capital project initiatives in partnership with community foundations or similar nonprofit fiduciary entities in the challenge grant program provides the potential for greater private sector participation and the expansion

of projects funded. Any increase in participation is based upon the appropriation of funds by the Legislature.

C. Government Sector Impact:

The Senate's proposed FY 2002-2003 budget includes an appropriation of \$300,000 for challenge grants. This is the same amount appropriated in the FY 2001-2002 General Appropriations Act. The bill expands the eligibility criteria for challenge grants, but does not increase the funding available. Any increase in participation in challenge grants would be contingent upon the appropriation of funds by the Legislature.

If a public entity governed by a local government chooses to participate in the challenge grant program under the expanded criteria and match requirements of the bill, then state money, if appropriated, would be available to help projects eligible to be funded through this program. Additionally, more resources might be available to such programs through the ability to leverage new funding sources through community-wide capital project initiatives.

If a public entity governed by a local government chooses to participate in the challenge grant program as amended by the bill, then there will be a required match ranging from \$1 of state funding to \$1 dollar of match up to \$1 of state funding to \$3 of match.

According to the Department of State, there is no fiscal impact. As stated above, there is, however, a potential for a positive impact on local governments and private sector by the proposed changes in the challenge grant program.

The bill expands the eligibility criteria for challenge grants, but does not increase the funding available. Any increase in participation in challenge grants would be contingent upon the appropriation of funds by the Legislature.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.