

Testimony of Commissioner Kathy Herzog

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House Standing Committee on Education Budget

Good Afternoon, Madam Chairman and Members of the Committee. I am Commissioner Kathy Herzog, Vice Chairman of the Kansas Arts Commission which remains committed to championing the enhancement of Kansas' arts and cultural heritage. Today I want to highlight significant developments in 2011 but more importantly I am here today to convey to you the Commission's dedication to working effectively in a time of change to ensure the right results. We hope this hearing will serve to assure the legislature of the Commission's ability to be part of meaningful collaborations and to solicit your support in the way forward.

I have been a commissioner of the Kansas Arts Commission since August 2, 2011 and join eight other new commissioners appointed during a time of change and public controversy. During our service together, one universal characteristic has dominated our efforts – We are an energized group of Kansans devoted to the arts. While our Mission remains unchanged, we are united in pursuing an alternative funding vision by substituting innovative revenue sources such as private donations and a popular license plate program for decades of taxpayer revenues. The Commission supports this shift to private funding of the arts in order to ensure the future of Kansas arts programs by eliminating decades of reliance upon taxpayer funding. We are developing an ongoing source of funding that will sustain arts programming into the future.

I would like to discuss with you where we have been and where we are going.

Perhaps the most important information the Commission can bring today is a candid assessment of what have been the greatest impediments to the Commission during the past year as the Commission has attempted to forge a new way forward rather than trying to address each angry accusation in the mountain of public dialog which emerged during the past year.

When the concept of replacing nearly fifty years of taxpayer support with private support emerged last year, the arts communities in Kansas clearly felt that they had earned continued taxpayer support and that their achievements over the past fifty years demonstrated both the depth of their past accomplishments and their entitlement to future taxpayer funding. The concerns of Kansas arts supporters appear to be driven by two central things: FEAR that the generosity of Kansas arts patrons private support could not be trusted to become the future funding source of arts programs and by LOYALTY to the historic success of the NEA style taxpayer funding model which had earned continued taxpayer support. Consequently, these dedicated art supporters have refused to embrace the Commission's vision of a secure funding future through private donations. Yet all of us have remained passionately devoted to the importance of a continued vigorous and enlivened Kansas art and cultural mission.

I understand this fear and reliance on the 'we've always done it this way' philosophy. However, the current financial condition of the state and nation dictate that we look closely at where we can reduce expenses and increase revenue without sacrificing quality. Yes, the Commission has been criticized

because we have not yet given grants to arts organizations or conducted programming as has been done in the past. But if you look at where we were and where we have come, an incredible amount of work has been done. The past Commission cancelled the Arts Commission office space, gave away our copier, and many of the computers owned by the Arts Commission were locked and password protected and that data remains inaccessible to us to this day. We have a Commission of 11 members, but not all are actively involved. Those who are (including new appointees as well as ones who have served for some time) have obtained funding for, acquired and set up an office, reviewed mountains of paperwork to determine the processes used by staff to perform their duties and provide services to the state, and developed a process to prioritize programming moving forward.

We are a WORKING Commission; we are not a group that meets to receive reports and rubber-stamp the recommendations of staff. We ARE the staff; we do the work and almost every single one of us does it with no reimbursement for our travel, hotel or food expenses. Because we are a working board, we have been required to participate in many emergency or quickly scheduled meetings, all of which have been given due notification, and this has required effort beyond that which is normally expected of gubernatorial appointees. Those who served the Commission in the past and those who have been newly appointed have risen to the challenge to do all they can to mold the Arts Commission into a self-sustaining entity that will promote and support the arts in Kansas for years to come.

We have been criticized for not providing the needed funding to keep Kansas arts organizations and events afloat. There ARE organizations that desperately need our support and we are prioritizing a list of those so that organizational grants can once again be given. To those organizations I say, "Hold on, help is on the way. Continue to promote your organization in your community and get local contributions as we put the processes in place to provide support." Some criticism has not been justified, however. Some have publicly derided the Commission for being the cause of their organization or event's failure to exist this year, but upon review of the self-reported budgets of those organizations and events and the amount of financial support that the Commission provided in the past, it is clear that the Commission's contribution was only a small portion of the budget. While I am sure this contribution was helpful, it is hard to believe that the lack of it caused the entire organization or event to be financially insolvent. I have attached, for your information, a list of grants given in the previous year by the Commission.

We are conducting a total review of the Arts Commission. It is amazing to us to see how our government spends money. Almost the entire budget granted by the legislature in the past was used for overhead. For example, it is amazing to us that there are about 10 new Mac computers for the former 6 staff members: 7 laptops and three brand new self-contained table top models, one of which was still in the box. This is NOT a criticism of the former staff or the former Commission: it is a commentary on how governments function. The 'use it or lose it' budgetary philosophy leads to such excess. The change in the Arts Commission has given us an opportunity to critically assess what we really need. But a complete review and the development of a path forward cannot be done overnight by the few of us who are actively working for the Commission. I hope the processes we have begun to critically analyze what we are doing and why, and to request only those funds we need, will continue and spread to other commissions.

The most time-consuming and frustrating element of the past year was our interaction with the NEA (National Endowment of the Arts). The fears of the public and the arts communities were further fueled by the NEA's assessment in August that our **existing** state partnership agreement was void. The Commission hoped that by addressing the NEA's requirements for continuation of the **existing** agreement that these fears could be reduced in the short term to allow us to conduct a more realistic assessment of whether taxpayer funding at the federal or state level could be relied upon in the future given the current economic and political realities. Despite the efforts of the Commission in cooperation with support from the Governor's Office and the Kansas Arts Foundation, the NEA's determination in August that Kansas was ineligible for continuing the **existing** agreement greatly exacerbated the fears of many. The Commission had spent enormous amounts of time and effort on this endeavor.

Although the existing agreement was not acceptable to the NEA, that rejection letter sent to us in late August offered a glimmer of hope by suggesting that we submit a new "on-year application" for a new agreement which would provide NEA funding for FY 2013. At that time the NEA did not indicate that only taxpayer funding would be acceptable as match for the NEA agreement. Had they done so, no further effort would have been expended trying to satisfy the rigorous requirements of "on-year" NEA applications. NEA statutes require that there be a state arts organization under the control of the state, which we have as the Arts Commission is a state commission per statute. The NEA requires that the funding of the Commission be state controlled. We believe that our funding IS state controlled since all donations go into the state treasury and are requested via the state budgetary process and allocated by the legislature. Thus they ARE state controlled. So we proceeded to spend countless hours developing the on-year plan with the help of many of the Commission's friends in arts organization across the state. This was a huge application that normally requires months and months to prepare and includes a vetting by arts supporters, organizations and the public from all over the state, yet we had two months to complete it. Personally I think it was felt that there was no way the Arts Commission could do it. But we did. Countless hours were spent developing this application while the Commission waited for the NEA to respond to its plea for a clarification or confirmation of acceptable funding sources. We were continually told the response was forthcoming, but it was not. Not knowing what the response would be, we had to move forward in order to have the extensive application for the new on-year agreement ready for submission by the October 31st deadline. With the application ready to submit, an envoy went to Washington, DC in late October to meet with the NEA and upon arrival, was given a letter stating that the application would not even be reviewed if the application did not contain evidence of Kansas taxpayer revenues being allocated to the Commission. The Commission had submitted its 2012 budget requests long before and did not then and does not now seek taxpayer revenues for its budget. The countless hours and resources devoted by the Commission to the "on-year" application between August and October were a waste. Pure and simple. Once the NEA edict regarding the requirement for taxpayer revenue was issued, the submission of a new "on-year application" was moot. Why the NEA edict regarding the requirement of taxpayer revenues wasn't issued in August when the NEA invitation was made remains a mystery.

In retrospect, the Commission's monumental effort to appease the NEA and address the concerns of Kansas arts patrons was unproductive. Those countless hours would have been better spent working to further evaluate the needs of arts organizations in the state and mechanisms to assist them. The

concerns driven by fear and loyalty continue to dominate the public dialog and much effort is currently being expended to persuade the Commission to abandon its commitment to securing the future through private funding and to engage the legislature in the restoration of taxpayer revenues.

Despite trying to address the loyalty and fears of many Kansas arts supporter by devoting a mountain of private resources to the NEA, the Commission has been in the process of laying the foundation for nurturing the only secure funding for the future of Kansas arts – private donations. In addition, as mentioned earlier, we are implementing a license plate program and will support a tax return check-off program. The new funding directions of the Commission with respect to the License Plate Program will be provided by Commissioner David Lindstrom who will also provide the Commission's support for a voluntary donation to the Commission through an income tax check-off. I am pleased to report, however, that the Commission received a grant of \$20,000 from the Kansas Arts Foundation, without which the Commission would have been unable to develop this license plate program.

The Commission continues to work through committees and will be supporting the continuation of the long standing Governor's Arts Awards. Commissioner Ronda Rodman has been named Director of Volunteers for the Commission and is in the process of organizing staffing of the Commission's offices which now also have telephone and internet services as a result of the grant from the Kansas Arts Foundation. We note that the Kansas Arts Foundation offered to provide financing for these services in May 2011 but the Commission at that time chose not to accept them. It is imperative that as a Commission and a state, regardless of political affiliation, we all work for the **success** of the Commission.

We know we need to move forward quickly to help address the arts needs of our state. But we don't want to throw in the towel on a new funding model without giving it a fair shot at success. A Commission with a new focus that still deals with internal conflict and boycotts while active members spend countless volunteer hours to meet NEA demands, go through mountains of paperwork in boxes and the accessible computers to determine the internal working of the Commission, set priorities and procedures for moving forward and doing all of this while creating and implementing new sources of funding, is frankly, impressive. Think of what can be done if those tasks are behind us! I would hope that the Kansas Arts Commission is given the support needed to continue its work in support of artists and arts organizations in Kansas.

Where do we go from here?

There is a plan to merge the film and arts commissions into the Creative Arts Industry Commission and provide some additional funding. The Arts Commission has not met to discuss this possibility, so my comments are my own. Personally I believe that this could be a workable solution. From an artistic viewpoint, according to some artists, this merger could result in a valuable cross-pollination of projects and enhance the natural affinity between film and other art forms. One of the greatest benefits of the change in the Arts Commission has been the involvement of commissioners in the operation of the Commission and frankly, I hope that this immersion is something that would occur with the Creative Arts Industry Commission as well.

Thank you.