

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:30 a.m. on March 3, 2011, in Room 144-S of the Capitol.

All members were present.

Committee staff present:

Jason Long, Office of the Revisor of Statutes
Doug Taylor, Office of the Revisor of Statutes
Dennis Hodgins, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Shirley D. Morrow, Kansas Legislative Research Department
Connie Burns, Committee Assistant

Conferees appearing before the Committee:

Landon Fulmer, Governor's Office
Sandra Hartley, Kansas Arts Foundation
Robert Swain, Kansas Arts Foundation
Linda Browning Weis, Kansas Arts Foundation
Henry Schwaller, Kansas Arts Commission
Brenda Meder, Hays Arts Council
Cathy Hoy, Symphony in the Flint Hills, Inc.
Kathy Smith, ARTSConnect
Alan Tollakson, Emporia, Kansas
Julia Manglitz, American Institute of Architects in Kansas

Others attending:

See attached list.

Introduction of bills:

Senator Brungardt requested a bill introduction renaming a portion of Interstate 70 as the Eisenhower/Truman Presidential Highway.

Senator Brungardt moved that this request should be introduced as a committee bill. Senator Reitz seconded the motion. The motion carried.

Senator Apple requested a bill introduction relating to gas safety and reliability surcharge; extension of deadline for rate schedule.

Senator Morris moved that this request should be introduced as a committee bill. Senator Abrams seconded the motion. The motion carried.

Senator Owens requested a bill introduction relating to insurance; coverage for autism spectrum disorder.

Senator Owens moved that this request should be introduced as a committee bill. Senator Reitz seconded the motion. The motion carried.

ERO-39 - Abolishing the Kansas Arts Commission established by K.S.A. 74-5202 and the office of executive director of the commission established by K.S.A. 74-5204 and transferring the powers, duties, and functions to the state historical society.

Chairman Brungardt opened the hearings on **ERO-39**.

Shirley D. Morrow, Fiscal Analyst, Kansas Legislative Research Department, (KLRD) provided a fiscal overview of the ERO. (Attachment 1) The Chairperson of the House Education Budget Committee requested KLRD contact a representative from the National Endowment for the Arts (NEA) and the Mid-America Arts Alliance, to obtain clarification on the ability of a not-for-profit 501(c)(3) receiving pass-through monies from a state agency to qualify for federal programs in the same capacity that the Kansas Arts Commission is currently receiving. The bottom line is that without having the organizational

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structure, mission, and bylaws of the Historical Society and the 501(c)(3) available for review by the National Endowment for the Arts' General Counsel, the National Endowment for the Arts is unable to comment as to whether the "hypothetical" 501(c)(3) would be eligible to receive National Endowment for the Arts funds

The National Endowment for the Arts' investment in a state is predicated on a significant financial and programmatic commitment from state government to its arts council because in each case, state and federal funds are combined to support local programs and priorities. Continued Federal investment is contingent on the State of Kansas providing financial support to its designated state arts agency. The agency must have the capacity to carry out the significant responsibilities of the NEA Partnership Agreement.

Proponents:

Landon Fulmer, Policy Director, Governor's Office, testified in favor of the ERO. (Attachment 2) The historical society will act as the "state agency" for the purpose of transmitting Kansas' state plan to the National Endowment for the Arts in order to ensure continued federal matching funds. This is important because one of the requirements for the receipt of federal funds is that a designated state agency must request them as part of an NEA-approved state plan. Through the mechanism of the Historical Society as a state agency and the fund raising support of the Kansas Arts Foundation, the governor's reorganization as embodied in ERO 39 will set up a system by which the support of the arts in Kansas will truly be a public/private partnership.

Sandra K. Hartley, Kansas Arts Foundation, spoke in favor of the ERO. (Attachment 3) Ms. Hartley stated working together, through a public private partnership with the highly regarded Kansas State Historical Society, will be awesome.

Robert Swain, Kansas Arts Foundation, appeared in favor of the ERO. (Attachment 4) Because of what has happened in Topeka, with the elimination of its public arts organization, that a private initiative such as the Kansas Arts Foundation can indeed be effective as a statewide arts organization.

Linda Browning Weis, President, Kansas Arts Foundation, testified in favor of the ERO. (Attachment 5) The Kansas Arts Foundation is a Board of responsible leaders, committed to the exponential development of the Arts in Kansas. The Foundation is committed to extensive oversight of all private funds, oversight in those matching funds from a federal agency., and being good stewards of all private funding of the Arts through the Kansas Arts Foundation in the best interest of Kansas.

Opponents:

Senator Roger Reitz spoke in opposition to the ERO. (Attachment 6) The ERO represents a proposal to terminate the Kansas Arts Commission in July 2011 and suggests that in place of this Agency a private non-profit entity be established to raise funds for arts activities in Kansas.

This is not a feasible or prudent alternative. Two non-state finance groups currently help fund the programs of the Kansas Arts Commission. The National Endowment for the Arts is the key player and it has determined that Kansas will lose all federal partnership funds (almost \$800,000) if the Kansas Arts Commission is not longer a state Agency. Currently Kansas generates its matching funds for the KEA from the state's general fund on a one to one basis. The other entity generating money for the KAC is the Mid America Arts Alliance. Their contribution to Kansas last year was \$473,767. This contribution from the Alliance is totally lost if we are not a part of the National Endowment for the Arts relationship. Both of these philanthropic organizations not only provide funds but also offer services to strengthen effectiveness of Arts organizations in metropolitan areas and, ever bit as importantly, in Kansas rural areas.

Harry Schwaller, IV, Chairman, Kansas Arts Commission, testified in opposition to the ERO. (Attachment 7) The Kansas Arts Commission is one of the state's notable successes; although the agency is very small, it is responsive, open, and provides important leadership for arts and cultural organizations, artists and community development agencies in Kansas. We ask that the Legislature retain the Kansas Arts

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Commission as an agency of the state with base level funding for FY 12 of \$1,628,613, to maximize the potential federal dollars available to serve our state in the coming fiscal year. If the legislature and the Governor wish to pursue additional, private funding sources to supplement governmental support, thereby increasing the impact of the Kansas Arts Commission, those added resources are welcomed.

Brenda Meder, Executive Director, Hays Arts Council, spoke in opposition to the ERO. ([Attachment 8](#)) As a Kansas citizen and arts advocate, Ms. Meder stated she was there to preserve and celebrate HB 617, the 1965 legislation establishing the Kansas Arts Commission; to preserve the intention and legacy of Representative Vivian Meckel, who introduced the bill, and the forward thinking individuals who voted for this legislation.

Hays would not be the culturally rich community it is; and may never have grown, worthy of earning the 2010 Governor's Arts Award distinction of "Arts Community" without the leadership, organizational assistance, and funding of the Kansas Arts Commission. We know that the arts have an economic impact in our community; like other arts organizations, the Hays Arts Council pays salaries, sales and payroll taxes, utilities, facility rental, printing fees, computer purchases, reception supplies, and spot lights; and supports and promote the sales and employment of artists who likewise continue that economic growth. The Kansas Arts Commission fuels the programs and the people that make those creative experiences and aesthetic education possible.

Cathy Hoy, Board Member, Symphony in the Flint Hills, Inc. appeared in opposition to the ERO. ([Attachment 9](#)) Ms. Hoy stated she has been involved with Symphony in the Flint Hills since the planning stages in 2005. This celebration of the native Tallgrass Prairie, combing symphonic music with the beauty of nature and information about the history of the Flint Hills and their distinctive culture, has quickly become a premiere Kansas Arts Event. At completion of this year's event, over four million dollars will have been spent to produce the six events and 73% of these dollars goes directly to Flint Hills enterprises.

Over the last six years the Kansas Arts Commission has contributed almost 30,000 dollars. The majority of these funds are designated for operational support, which is often the most difficult type of support to raise from other sources. We strongly support the Kansas Arts Commission for all they do to increase the quality of life in rural areas. Their leadership, inspiration, and grant programs are vital to delivering high quality art to the underserved rural populations.

Kathy Smith, Executive Director, ARTSConnect, Topeka, Kansas, testified in opposition to the ERO. ([Attachment 10](#)) Ms. Smith stated she wanted to take this opportunity to clarify a few details about the organization and a few misunderstandings surrounding how ARTSConnect is funded. ARTSConnect was conceived in 2006 as an initiative of the Topeka Community Foundations as a United Arts Fund, a United Way for the arts. The workplace campaigns generated funds that were then granted back into the arts community. This was a successful model for 3 years, but in 2009, all of the participating companies ceased their campaigns due to the major economic and human resources changes and limitation, thus eliminating the grant making capabilities and much of the revenue stream; and they no longer receive any funding from the City of Topeka, and rely heavily on private donors, both individual and corporate. The private sector has not been the only source of funding; ARTSConnect has received over \$32,000 in grants from the Kansas Arts Commission over the past three years. The one time \$17,000 ARRA grant received proved to be a lifeline in an extremely difficult funding year. Without the support of the Kansas Arts Commission, the work over the past few years would not have been possible and she would personally talk to the committee about the arts community in Topeka and Shawnee County and how the Kansas Arts Commission has made a difference here.

Alan Tollakson, Self-employed Artist/Sculptor and Master Stone Carver, Emporia, Kansas, appeared in opposition to the ERO. ([Attachment 11](#)) Wanted to express his concerns about any decisions to eliminate the Kansas Arts Commission; and understands the necessity for serious state budget cuts across the boards, but the enormity of this measure would appear to have serious long-term repercussions for the State of Kansas. Mr. Tollakson testified to his own successes and diligence as a tax-paying and contributing citizen of Kansas for 30 years, only because of a small boost in his early career as a professional artist by the Kansas Arts Commission. After achieving a Mast of Fine Arts degree in Stone Carving from KU in 1984, he was hired as a Kansas Arts Commission Artist-in-Residence for Hays and Emporia, KS from 1986 – 1987. Without the Kansas Arts Commission, he would likely be carving stone

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in a different state.

Most of the major limestone fabricators have called on him and other artists around the state to provide the finer work needed on special construction projects; and through these industries his artistic carving skills were involved in the new Library addition at Kansas State University, the new Horticultural Science Center at Johnson County Community College, and the 10th District Federal Reserve Bank of Kansas City, among many others in Kansas and across the nation. This spring he will honored to finish restoration of the deteriorating limestone carvings on the Kansas State Capitol building. For him the KAC has showed a wiliness to encourage the cultural heritage and future of its people.

Julia Manglitz, American Institute of Architects in Kansas, spoke in opposition to the ERO. (Attachment 12) AIA Kansas is opposed to the proposed elimination of the KAC, the funds saved by elimination of this agency are less than 1% of the budget shortfall; this agency and the programs it supports cost 30 cents annually per capita; that is less that an hour's parking in downtown Topeka.

Art and Architecture go hand in hand;

- Visual communication and creative problem solving are essential skills for architects. Arts based education teaches sketching, drawing, modeling. The KAC supports early arts education for students across the state with its programs
- The restoration of historic buildings relies on skilled artists, artisans, and craftspeople most of whom began their careers with arts education. The programs that the KAC sponsors has been directly responsible for retaining home-grown talent and indirectly responsible for fostering an environment in which we have skilled crafts people

Some people have proposed that a non-profit can take the place of the KAC, but with privatization comes the potential of censorship, the disruption of existing programs, further degradation of another segment of the economy, and the loss of funding sources from outside of the state. Retaining the KAC is the best way to prevent the detrimental effects of these consequences.

Written testimony was provided by the Kansas Arts Commission. (Attachment 13)

National Endowment for the Arts, Rocco Landesman, Chairman, provided response to questions concerning the ERO. (Attachment 14)

Chairman Brungardt closed the hearings on **ERO-39**.

Senator Reitz moved to introduce the resolution by the Senate to disapprove ERO 39. Senator Owens seconded the motion. The motion carried. The motion also included a recommendation that the full Senate adopt the resolution of disapproval. The motion carried.

Senator Abrams and Senator Ostmeyer requested to be recorded as a no vote.

The next meeting is scheduled for March 8, 2011. The meeting was adjourned at 11:55 a.m.