

# HOUSE BILL REPORT

## HB 2033

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**As Reported by House Committee On:**  
State Government & Tribal Affairs  
Ways & Means

**Title:** An act relating to consolidating arts and heritage programs for the purpose of streamlining government and improving efficiency.

**Brief Description:** Consolidating arts and heritage programs for the purpose of streamlining government and improving efficiency.

**Sponsors:** Representatives Darneille, Hunt, Roberts, Billig, Ryu, Jinkins, Hudgins, Ladenburg, McCoy, Appleton, Seaquist, Lias, Maxwell, Wilcox, Parker, Dammeier and Finn.

**Brief History:**

**Committee Activity:**

State Government & Tribal Affairs: 3/31/11, 4/6/11 [DPS];  
Ways & Means: 4/13/11, 4/15/11 [DPS(SGTA)].

**Brief Summary of Substitute Bill**

- Creates the Department of Heritage, Arts, and Culture as an executive branch agency.
- Transfers programs, departments, and commissions related to heritage, arts, and culture as programs under the new department.

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### HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Hunt, Chair; Appleton, Vice Chair; Darneille, Dunshee, Hurst and McCoy.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Taylor, Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Alexander, Condotta and Miloscia.

**Staff:** Marsha Reilly (786-7135).

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*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.*

## **Background:**

### Department of Archaeology and Historic Preservation.

The Department of Archaeology and Historic Preservation (DAHP), under the direction of the State Historic Preservation Officer, has responsibilities under both federal and state law. For example, under the National Historic Preservation Act of 1966, the DAHP must be consulted with respect to the impacts federal undertakings have on historic and cultural properties. This process includes arriving at agreements with proponents of a project in order for them to obtain federal approval. Other federal responsibilities of the DAHP include administering the State Historic Preservation Program and assisting local governments in becoming eligible for federal grant money. The DAHP is also responsible for nominating historic places to the state and national historic registers, maintaining an inventory of historic properties and archaeological sites, maintaining a computerized mapping system, and engaging in educational outreach.

### State Historical Societies.

Washington currently has two state historical societies: the Washington State Historical Society; and the Eastern Washington State Historical Society. These societies are responsible for collecting and preserving historical materials; operating state museums; planning for and conducting state historical celebrations; and promoting cultural, educational, and artistic activities related to the state's history. Fund-raising activities are undertaken for the purpose of increasing the self-support of the historical societies. Each historical society is governed by its own board of trustees and appoints its respective directors with the consent of the Governor.

### The Advisory Council on Historic Preservation.

The Advisory Council on Historic Preservation (Advisory Council) advises the Governor and the DAHP on matters relating to historic preservation; recommends measures to coordinate activities of state and local agencies, private institutions, and individuals relating to historic preservation; and reviews and recommends nomination for the National Register of Historic Places. The Advisory Council is comprised of nine members, two of which are the directors of the state historical societies. The remaining members are appointed by the Governor. Six are appointed based on interest and experience in matters considered by the Advisory Council and with backgrounds in history, architecture, and archaeology; one is a representative from the Washington archaeological community; and one is a Native American.

### Washington State Arts Commission.

The Washington State Arts Commission (Arts Commission) was established in 1985 to develop, sponsor, promote, and administer any activity, project, or program related to the growth and development of the arts. The Arts Commission consists of 19 members appointed by the Governor, and two members of the Legislature, one from each chamber, from opposing parties. One-half of 1 percent of the construction cost of any public work is set aside for the purpose of public art to be expended by the Arts Commission for the

acquisition of works of art. The designation of projects and sites; as well as the selection, contracting, purchasing, commissioning, reviewing of design, execution and placement, acceptance, maintenance, and sale, exchange, or disposition of works of art are the responsibility of the Arts Commission.

### Building for the Arts.

The Building for the Arts Program awards state grants to nonprofit performing arts, art museums, and cultural organizations to defray up to 20 percent of the capital costs of new facilities or major renovations. The Department of Commerce conducts a statewide competitive grant process every two years to solicit project proposals. A citizen advisory committee, including a representative from the Arts Commission, assists the Department of Commerce by helping establish program policy and reviewing and ranking project proposals.

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### **Summary of Substitute Bill:**

The stated intent of the Legislature is to promote the arts, culture, and heritage of the state, and enhance opportunities for collaboration and coordination by restructuring programs and departments that are inextricably linked.

The Department of Heritage, Arts, and Culture (Department) is created as an executive branch agency. The Director of the Department is appointed by the Governor, subject to confirmation by the Senate. The duties of the Director include the supervision and administration of the Department, and the appointment of deputy and assistant directors, as needed. The Office of Archaeology and Historic Preservation (OAHP) is created within the Department, and the powers, duties, and functions of the DAHP are transferred to the OAHP. Other transferred programs include the Arts Commission, the Building for the Arts Program, and the Washington historical societies.

The Washington State Heritage Center Account is renamed the Washington State Heritage, Arts, and Culture Account (Account) and is transferred to the new Department. Moneys in the Account may be spent only after appropriation and may be used only for programs and activities that fulfill the mission of the new Department.

### **Substitute Bill Compared to Original Bill:**

The substitute bill removes the Washington Legacy Project, the Legislative Oral History Program, the Washington State Library, and film and video promotion from transfer. Technical changes are made to transfer existing bargaining units and bargaining representatives of the transferred employees to the new Department.

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**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect on July 1, 2011, except for section 106, relating to the recodification of the definition of executive state officer in Chapter 42.17A, which takes effect on January 1, 2012.

**Staff Summary of Public Testimony:**

(In support) The state is in a dire situation. There are significant cuts in the budget, and many people do not understand why the arts should be supported in this budget climate. The bill elevates the arts, and does so by saving money. The Governor's legislation cuts arts and cultural programs. The bill will keep the museums open, among other things, and combines programs in a thoughtful way. The Arts Commission is supportive of the bill. It shows a commitment to arts and heritage throughout the state. The new Department maintains structures needed for purposes of federal funding. It is important to sustain the authority of the Arts Commission in order to respond to its mission. The Washington State Arts Alliance supports the bill for three reasons: it maintains the Arts Commission; creates efficiencies within our government; and preserves the importance of the arts. It is important to keep the Arts Commission. The City of Spokane is supportive of the Eastern Washington Historical Society. The Museum of Arts and Culture (MAC) is a treasure to the city. It has hundreds of thousands of objects in its collection and provides access to those objects. The MAC has registered more than 750,000 visitors, and each visitor creates \$10 toward the local economy. The bill may not be the perfect entity, but shutting down the MAC is not the answer. The Tacoma-Pierce County Chamber of Commerce supports the plan. The bill is a creative solution that keeps the Washington State History Museum (Museum) open. A goal of the Washington State Historical Society is to keep the iconic building open. Many students have come through the building in the past year. Forty percent of the Museum's budget has been cut in the recent past. We need to look at enterprise funds, expand donations, and increase membership. The programs of the historical societies have impacted students. Losing these programs is detrimental to the state, far more than a future building. When the Secretary of State calls on the historical societies, the societies deliver. Once you lose them, you cannot get them back. These are the finest historical agencies in the country. Closing the Museum will impact the Tacoma economy. Recognize the treasure we have and maintain it.

(With concerns) The Arts Commission appreciates the creative thinking involved in the bill and the intent to maintain its ability to receive private funding and to collaborate with the various entities. The Arts Commission is also included in House Bill 1371. Simultaneous listing in two bills might affect our financial stability. There is also potential that this consolidation might not save money. The concerns about the tourism provision in the original bill are addressed in the proposed substitute bill. There are some structural and financial concerns. Does it make structural sense to bring these agencies together now, as well as in the long term? Will there be competition for money among the programs? Libraries need a focal point in order to move forward. Does this make financial sense over the long term? There are concerns in section 705 regarding bargaining rights that need to be changed. The DAHP is a regulatory agency that protects the state's archaeological and historical resources. It is important to make sure that these resources, including human remains, continue to be protected and to be in compliance with federal law. A regulatory body needs to retain its independence. The proposed substitute bill does retain the independence of the DAHP. Section 106 of the National Historic Preservation Act is

enforced by the DAHP. The DAHP is an efficient agency, and does well independently. In a perfect world, they would remain independent.

(Opposed) The Washington State Library (Library) was saved years ago when it was transferred to the Office of the Secretary of State (Office). It has been revitalized. A lot of money has been raised for the Library and its programs. Great books have been published on oral histories with money that has been raised. A mega-agency could not accomplish this. This is a shift of \$12 million away from heritage. It is a bad idea, and the bill should not be passed. There is an old adage: if something is too good to be true, it usually is. This creates a mega-agency and its creation is not a way to solve the budget problem. The individual merits of the individual programs need to be recognized. The Library has sustained huge cuts over the years, but has been able to sustain its programs. The sponsor's heart is in the right place, but the heritage project and the Library need to be kept within the confines of the Office. These projects need to stay alive. It will cost more money to move them than to leave them in place. Cuts that have been made to the Library in the past decade have had an impact on the Washington Talking Book and Braille Library (WTBBL). Moving this program would be devastating. It provides quality of life to thousands of people. Consolidating the program into a huge conglomerate would have nothing to do with distributing books to blind people. We urge that the bill not be passed out of committee. The bill will affect the WTBBL drastically. The Secretary of State has been a great advocate for the WTBBL. Members rely on the books and periodicals for quality of life and as a way to be connected to the outside world. This consolidation will be detrimental. Losing budget is devastating, and at this point, if we stay where we are we can continue to serve our patrons. Please vote against this bill. The legislation, with all due respect, reeks of spin. It would cut the Library budget by 20 percent after it has been cut by 36 percent previously, and all in the name of producing a mega-agency. The program has worked well within the Office, and the affected programs would not make a good fit in the new agency. The bill takes away power from an elected official and gives it to an appointed official. The former Governor proposed to close the doors of the Library, and then to kill its funding. As a result, it became a part of the Office. Under the Office's direction the Library has thrived. There is encouragement and spirit of innovation. There is no compelling reason to move the Library to a new agency. There will be significant start-up costs at the expense of the patrons who rely on its services.

**Persons Testifying:** (In support) Representative Darneille, prime sponsor; Josh LaBelle, Washington State Arts Alliance and Seattle Theater Group; Al Aldrich, City of Spokane; Greg Pierce, Tacoma-Pierce County Chamber of Commerce; and Lauren Danner.

(With concerns) Elizabeth Conner and Andy Fife, Washington State Arts Commission; Nick Demerice, Department of Commerce; Naomi Stacey, Confederated Tribes of the Umatilla Indian Reservation; Mike Moran, Samish Indian Nation; and Alia Griffins, Washington Federation of State Employees.

(Opposed) Sam Reed, Secretary of State; Robert Utter, former Supreme Court Justice; Lynn Kessler, former State Representative; Denise Colley, Washington Council of the Blind; Mike Mello, Washington Talking Book and Braille Library Advisory Council; Mike Freeman, National Federation of the Blind of Washington; Jan Walsh, former Washington State Librarian; Michael Crose, Washington Library Association; Richard Johnson; and Gery Gerst.

**Persons Signed In To Testify But Not Testifying:** None.

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## HOUSE COMMITTEE ON WAYS & MEANS

**Majority Report:** The substitute bill by Committee on State Government & Tribal Affairs be substituted therefor and the substitute bill do pass. Signed by 19 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Dammeier, Assistant Ranking Minority Member; Carlyle, Cody, Dickerson, Haigh, Hudgins, Hunt, Kagi, Kenney, Ormsby, Parker, Pettigrew, Seaquist, Springer, Sullivan and Wilcox.

**Minority Report:** Do not pass. Signed by 7 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Haler, Hinkle and Schmick.

**Staff:** Michael Bennion (786-7118).

### **Summary of Recommendation of Committee On Ways & Means Compared to Recommendation of Committee On State Government & Tribal Affairs:**

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect on July 1, 2011, except for section 106, relating to the recodification of the definition of executive state officer in Chapter 42.17A, which takes effect on January 1, 2012.

### **Staff Summary of Public Testimony:**

(In support) The Board of the Arts Commission (Arts Commission) supports the bill and the attention given to continued access to arts. There are three concerns that needed to be addressed: structure, authority, and funding. It is critical that the Arts Commission is able to match National Endowment of the Arts federal grant funding and the structure of this bill accomplishes that. The budget for the Arts Commission is about half of what it was three years ago and that requires strategic solutions to weather bad times. The proposed budget funding in the bill is stable and predictable. The bill also preserves the Arts Commission's statutory authority as it relates to Arts in Public Places, which maintains stewardship of and public access to our state's well regarded art collection. The Tacoma Pierce County Chamber of Commerce supports the bill and its creative and innovative approach in the challenging economic climate. It is a solution that keeps the historical museum and its iconic building open, which provides numerous benefits to our students and the citizens, and fosters respect for diversity in our community. The City of Spokane supports the bill. The Eastern Washington Historical Society and its Museum of Arts and Culture stimulates the state and local economy, houses displays rich in culture and historical significance, and should remain open to the community and visitors. Greater Spokane Incorporated supports the bill and the emphasis it puts on the importance of the museum to local businesses, the City of Spokane,

and the rest of the state. The governance model gives the correct flexibility to run these types of organizations and leverage non-state funds.

(Opposed) Using funds from the proposed Heritage Center is like robbing Peter to pay Paul and Paul should be able to stand by itself.

**Persons Testifying:** (In support) Michael Transue, Tacoma-Pierce County Chamber of Commerce; Kent Carlson and Elizabeth Connelly, Washington State Arts Commission; Al Aldrich, City of Spokane; and Jim Hedrick, Greater Spokane Incorporated.

(Opposed) Richard Johnson.

**Persons Signed In To Testify But Not Testifying:** None.