

**REPORT OF THE JOINT SUBCOMMITTEE
STUDYING**

**EDUCATIONAL MUSEUMS AND
THE APPROPRIATE LEVEL OF
PUBLIC SUPPORT TO BE
PROVIDED SUCH INSTITUTIONS
PURSUANT TO HJR 430**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 70

**COMMONWEALTH OF VIRGINIA
RICHMOND
1996**

MEMBERS

Del. A. Victor Thomas, *co-chairman*
Sen. Stanley C. Walker, *co-chairman*
Del. George H. Heilig, Jr.
Del. Marian Van Landingham
Sen. Clarence A. Holland
Corliss V. Archer
Beverly H. Diamonstein
Cheryle Cuddy Gardner
The Hon. William B. Hopkins



Staff

Division of Legislative Services
Kathleen G. Harris, *Senior Attorney*
Pamela Catania, *Staff Attorney*
Carol S. Agee, *Operations Staff Assistant*
José A. Rosado, *Senior Operations Staff Assistant*

Office of the Clerk, House of Delegates
Dawn Smith, *Committee Clerk*

TABLE OF CONTENTS

Study Authority and Objectives	1
Funding for Museums in the Commonwealth	3
Conclusions and Recommendation	4
Bibliography	7

Appendices

Meetings of the Joint Subcommittee	8
State Grants to Nonstate Agencies, 1993-94	9
State Grants to Nonstate Agencies, 1994-95	10
State Grants to Nonstate Agencies, 1996-98	11
House Joint Resolution No. 453 (1993)	13
House Joint Resolution No. 75 (1994)	14
House Joint Resolution No. 430 (1995)	15
Proposed Legislation: HB 642	16

**REPORT OF THE JOINT SUBCOMMITTEE STUDYING EDUCATIONAL
MUSEUMS AND THE APPROPRIATE LEVEL OF PUBLIC SUPPORT TO BE
PROVIDED SUCH INSTITUTIONS PURSUANT TO HJR 430**

Study Authority and Objectives

Adopted by the 1993 Session of the General Assembly, House Joint Resolution No. 453 established a joint study committee to examine Virginia's educational museums and the appropriate level of public funding for these institutions. The committee was comprised of three members of the House of Delegates, appointed by the Speaker of the House; two members of the Senate, appointed by the Senate Committee on Privileges and Elections; and four members appointed by the Governor, including one representative of the Virginia Museum of Fine Arts, one representative of the business community, one representative of the Department of Education, and one citizen at large.

Acknowledging the significant value of museums as educational as well as cultural institutions, HJR 453 directed the joint subcommittee to conduct a comprehensive study of educational museums, to develop eligibility criteria for receipt of public funds as well as guidelines for state appropriations, and to examine "ways in which the Commonwealth might encourage and promote the arts." To meet these study directives, the committee's work included a review of the Commonwealth's seven state agency museums as well as the legal, fiscal, and administrative distinctions between public and private educational museums in Virginia. Also meriting committee scrutiny were current funding mechanisms for Virginia's educational museums and the availability of funding sources for public and private museums, including federal, state, local, and private funds. Finally, the subcommittee considered museum funding practices in other states and analyzed a variety of complex financial and policy issues, including museum patronage, geographic location, and impact on other activities promoting tourism and economic development.

Seeking to identify priorities for funding nonstate educational and cultural institutions, the joint subcommittee has met 10 times since its 1993 inception. In its first year of study, the joint subcommittee sought the input of representatives of the Virginia Commission for the Arts, the Virginia Department of Taxation, museum associations, and the institutions themselves, and visited nonstate educational museums across the Commonwealth to witness the valuable programs and resources offered by these institutions. The subcommittee's 1994 report, House Document No. 83, set forth recommendations that the joint subcommittee continue its study and that state funding for the Commission for the Arts be increased, consistent with the goal articulated by the General Assembly of an ultimate annual general fund appropriation of one dollar per capita. The report also included the subcommittee's policy statement recognizing the valuable contributions of educational and cultural museums to the Commonwealth and acknowledging the need for consistent, equitable support for these institutions.

With the adoption of House Joint Resolution No. 75, the 1994 Session of the General Assembly ensured the continuation of the subcommittee's work for another year. Committee membership continued as appointed in 1993. The joint subcommittee's study was to include "further review of nonstate museum access to other funding sources, such as federal, local, and private funds; consideration of museum funding mechanisms, such as special taxes or contributions, employed in other states; and an additional examination of funding guidelines employed by the Virginia Commission for the Arts and other entities as the joint subcommittee may deem appropriate."

Although the joint subcommittee declined to present specific legislation to the 1995 Session of the General Assembly, it concluded that any state funding mechanism for nonstate museums should:

- acknowledge the Commonwealth's commitment to the existing "hierarchy" of state and nonstate educational and cultural organizations;
- create a stable funding source for those identified nonstate institutions that demonstrate a clear educational mission as well as a strong impact on regional economic development;
- provide funding for those institutions that have come to rely on state assistance;
- identify an agency or organization to administer state support;
- designate a portion of an existing general fund revenue source to support these nonstate entities;
- preserve legislative oversight; and
- ensure continuity in the administration of state support.¹

The joint subcommittee agreed that its work should continue, and proposed House Joint Resolution No. 430, which was adopted by the 1995 Session. The resolution directed the joint subcommittee to "monitor the implementation of its recommendations and to develop additional recommendations regarding funding mechanisms for nonstate educational and cultural entities and other related issues as it deems appropriate."

Also included among the recommendations of the joint subcommittee was the restoration of state funding in fiscal year 1995-96 for nonstate entities, the Virginia Commission for the Arts, and the Commonwealth's seven state agency museums to "the levels cited in Chapter 966 of the 1994 Acts of Assembly." While the joint subcommittee was successful in maintaining funding levels for nonstate educational and

¹Report of the Joint Subcommittee Studying Educational Museums and the Appropriate Level of Public Support to be Provided Such Institutions pursuant to HJR 75, *House Document No. 63*, at 16 (1995)[hereinafter referred to as *House Document No. 63*].

cultural entities in the 1995 Appropriation Act, six of the seven state agency museums witnessed reductions in state funding. The Virginia Commission for the Arts, however, received a slight increase in state general funds in 1995-96.²

Funding for Museums in the Commonwealth

Repeated testimony before the joint subcommittee confirmed that Commonwealth's museums and other cultural and educational institutions enhance educational opportunities for all Virginians, promote community growth and economic development, and enrich the overall quality of life for citizens throughout Virginia. Whether established by government or private entities, these institutions operate as nonprofit enterprises, relying on public and private funding to support their cultural and educational missions. Although private donations comprise the majority of arts funding, government funding--from the federal, state, and local levels--is essential to the survival of museums and other cultural institutions in Virginia.³

Federal support for the arts is provided either directly through government agencies and programs or indirectly through tax deductions and other benefits. Recognizing that "the arts are healthier when open to diverse influences and not financially dependent on any single source of support,"⁴ the Commonwealth supports museums and arts organizations in much the same manner as the federal government. Direct appropriations, grants from the Virginia Commission for the Arts, and tax benefits provide much-needed fiscal support.

Claiming top priority for Virginia's direct appropriations for museums and arts organizations are those seven institutions that have been established by the Commonwealth as state agencies--the Virginia Museum of Fine Arts, the Science Museum of Virginia, the Frontier Culture Museum, the Jamestown-Yorktown Foundation, the Board of Regents of Gunston Hall, the Virginia Museum of Natural History, and the Chippokes Plantation Farm Foundation.⁵

Home to approximately 400 history, science, art, and children's museums, Virginia also appropriates funds to a number of museums and arts organizations operated on a regional, local, or private basis. Funding for the care and maintenance of certain designated Confederate graves and cemeteries is provided through the Department of

²Only the Chippokes Plantation Foundation maintained stable funding for the second year of the fiscal biennium. See 1994 Acts of Assembly, c. 966, § 1-102, Item 505; 1995 Acts of Assembly, c. 853, §§ 1-67 (Virginia Museum of Fine Arts); 1-68 (Science Museum of Virginia); 1-69 (Jamestown-Yorktown Foundation); 1-70 (Frontier Culture Museum); 1-71 (Gunston Hall); 1-72 (Virginia Commission for the Arts); 1-108 (Virginia Museum of Natural History).

³House Document No. 63, at 2-5; see also, Report of the Joint Subcommittee Studying Educational Museums and the Appropriate Level of Public Support to be Provided Such Institutions, *House Document No. 83* at 2-3 (1994).

⁴Report of the Commission for the Arts on the Governor's Task Force on Promotion of the Arts, *House Document No. 3* at 5 (1992).

⁵*House Document No. 63*, *supra* note 1, at 2-5.

Historic Resources.⁶ The Department also funds a number of historical societies and museums. Funding for these entities is contingent upon certification to the Department that local or private matching funds or in-kind contributions are available in amounts equal to any state appropriation. Other historical societies, museums, or local governments seeking an appropriation for the maintenance of collections or exhibits must also follow a detailed budget request process.⁷

Virginia also provides direct appropriations to several nonstate museums and cultural organizations. Nonstate agencies--defined in the Code of Virginia as any public or private foundation, authority, institute, museum, corporation or other entity that is not a part of state government or a political subdivision as established by law--must file a request for aid with the Department of Planning and Budget biennially in odd-numbered years. The entity must certify that local or private matching funds are available and provide documentation of its tax-exempt status under the Internal Revenue Code.⁸

In 1993, the General Assembly directed \$2,324,025 in general funds for financial assistance for cultural and artistic affairs to 21 nonstate agencies; in 1994-95, \$4,616,439 in general funds were allotted for 38 entities. The 1996-98 Appropriation Act allocates \$7,096,056 and \$4,068,956 to 54 entities in the upcoming fiscal biennium, respectively.⁹ Safeguarding these appropriations is the requirement that the accounts of recipient organizations be subject to audit by the Auditor of Public Accounts. With limited exceptions, each nonstate agency receiving an appropriation must certify to the Secretary of Finance that funds are available "to match equally all or any part of an appropriation...." In addition, nonprofit organizations receiving appropriations greater than \$10,000 for construction, design, or planning services must comply with the provisions of the Virginia Public Procurement Act in the expenditure of the state appropriation.¹⁰

Conclusions and Recommendation

The testimony of representatives of many of the Commonwealth's nonstate museums confirmed not only the valuable educational missions of these institutions but also the significant role these entities may play in economic development. Many of these institutions coordinate with area school divisions to provide educational programs consistent with state Standards of Learning. Others have revived sagging local economies by providing cultural and community activities in previously vacant downtown neighborhoods.

⁶Va. Code § 10.1-2211 (1993); *see also*, 1994 Acts of Assembly, c. 966, § 1-103, Item 507(C)(1).

⁷*House Document No. 63, supra* note 1, at 6, 14; *see also*, Va. Code §§ 10.1-2212, 10.1-2213 (1993 and 1995 Supp.); 1994 Acts of Assembly, c. 966, § 1-103, Item 507 (C)(2); (3).

⁸Va. Code § 2.1-394.1 (1995); *House Document No. 63, supra* note 1, at 14-15.

⁹1993 Acts of Assembly, c. 994, § 1-129, Item 606; 1994 Acts of Assembly, c. 966, § 1-130, Item 644; 1996 Acts of Assembly, c. 912, § 1-133, Item 552.

¹⁰1994 Acts of Assembly, c. 966, § 4-5.07; 1996 Acts of Assembly, c. 912, § 1-133, Item 552; Va. Code § 11-35 (I) (1995 Supp.).

Continuing economic challenges have sorely tested museum budgets throughout the Commonwealth, however, as many museums rely heavily on state support. Private funding has been adversely affected as well. To combat these fiscal challenges, institutions have eliminated positions, altered benefits packages, reduced employee wages, and modified programming. While some institutions have established endowments, these moneys, together with other public or private funds, may not be sufficient to address operating costs, capital expansion, and maintenance and repair needs.¹¹

The joint subcommittee recognizes that nonstate museums must compete not only with state museums for appropriations, but also with the pressing demands that education, social services, transportation, and other programs place on the Commonwealth's budget. Dependent on stable, consistent funding to support their daily operations, nonstate museums must also rely on steady fiscal support to provide "seed money" for other grants and awards. Although each nonstate museum seeking an appropriation must now comply with a defined applications process, no clear criteria have previously existed for awarding state funds to these entities. The development of specific criteria for funding nonstate museums, however, requires the careful balancing of financial need and consistency with fiscal responsibility, fairness, and flexibility. While objective standards for funding may provide needed guidance in lean fiscal times, strict criteria may preclude consideration of a number of deserving organizations.

Having examined the missions and services of nonstate museums across the Commonwealth, the joint subcommittee found while the diverse collections of these nonstate institutions may include historic artifacts, artistic treasures, or wildlife, the missions of these institutions are linked by an unfailing commitment to education, economic development, and community service. Continued access to and excellence in the arts and education are contingent upon the availability of adequate and stable funding for these nonstate educational and cultural museums. Further, a stable funding source for these institutions is essential to the fulfillment of their missions of educational and cultural enrichment and economic development.

The joint subcommittee therefore makes the following recommendation:

That the Virginia Educational and Cultural Entities Fund be established, to be administered by the Department of Planning and Budget at the direction of the General Assembly.

In developing its final recommendation, the joint subcommittee considered museum funding mechanisms employed in other states as well as funding guidelines used by the Virginia Commission for the Arts and other similar entities. The joint subcommittee concludes that legislation is necessary to create a stable funding source for those identified nonstate institutions that demonstrate a clear educational mission as well as a

¹¹Summaries of October 6, 1993, and December 15, 1993, committee meetings; *see also, House Document No. 63, supra* note 1, at 6, 15.

strong impact on regional economic development and to provide funding for those institutions that have come to rely on state assistance. Further, the joint subcommittee agrees that the designation of a revenue source and an administering agency, continuity of support, and the preservation of legislative oversight are key elements of any legislative initiative supporting the Commonwealth's nonstate museums.

The creation of the Virginia Educational and Cultural Entities Fund would achieve these objectives. As proposed by the joint subcommittee, this funding mechanism acknowledges the Commonwealth's commitment to the existing "hierarchy" of state and nonstate educational and cultural organizations. The Fund would be comprised of 10 percent of the Commonwealth's annual interest earnings credited to the general fund and gifts and other moneys. No new taxes would be created to support the Fund, and those state funds already supporting the Commonwealth's state agency museums would remain untouched.

As administering agency, the Department of Planning and Budget would have no discretion in awarding these grants, but would simply serve as a "home" for the Fund, providing accountability and continuity. The General Assembly would retain ultimate authority over the disposition of grants from the Fund, as sums awarded from the Fund would be designated in the budget. Recipients would be required to certify annually as to the proper application of Fund appropriations. Grants from the Fund would support operating costs, special projects, and reserve funds for certain nonstate educational and cultural entities specified in the Code of Virginia and others as may be designated in the appropriation act.

Nonstate educational or cultural entities eligible for funding would include those nonstate institutions, museums, foundations, zoos, performing arts organizations, or other organizations that are educational or esthetic in purpose, have professional staff, own and exhibit tangible objects (or, in the case of foundations, those whose exclusive mission is the funding of nonprofit exhibiting museums or cultural organizations) and that are not units of state or local government. This definition represents a carefully crafted amalgam of current Code provisions, accreditation criteria established by the American Association of Museums, and the input of museum representatives.¹²

Respectfully submitted,
Del. A. Victor Thomas, *co-chairman*
Sen. Stanley C. Walker, *co-chairman*
Del. George H. Heilig, Jr.
Del. Marian Van Landingham
Sen. Clarence A. Holland
Corliss V. Archer
Beverly H. Diamonstein
Cheryle Cuddy Gardner
The Hon. William B. Hopkins

¹²January 7, 1994, Draft Options and Potential Recommendations Worksheet; *see also*, American Association of Museums, *Museum Accreditation: A Handbook for the Institution* (1990).

BIBLIOGRAPHY

STATUTORY AUTHORITY

Va. Code § 2.1-394.1 (1995); 10.1-2211; 10.1-2212; 10.1-2213(1993 and 1995 Supp.); 11-35 (1995 Supp.).

1993 Acts of Assembly, c. 994.

1994 Acts of Assembly, c. 966.

1995 Acts of Assembly, c. 853.

1996 Acts of Assembly, c. 912.

House Joint Resolution No. 453 (1993).

House Joint Resolution No. 75 (1994).

House Joint Resolution No. 430 (1995).

OTHER AUTHORITY

American Association of Museums, *Museum Accreditation: A Handbook for the Institution* (1990).

Division of Legislative Services, *Meeting Summaries*, Joint Subcommittee Studying Educational Museums and the Appropriate Level of Public Support to be Provided Such Institutions.

January 7, 1994, Draft Options and Potential Recommendations Worksheet.

Report of the Commission for the Arts on the Governor's Task Force on Promotion of the Arts, *House Document No. 3* (1992).

Report of the Joint Subcommittee Studying Educational Museums and the Appropriate Level of Public Support to be Provided Such Institutions, *House Document No. 83* (1994).

Report of the Joint Subcommittee Studying Educational Museums and the Appropriate Level of Public Support to be Provided Such Institutions pursuant to HJR 75, *House Document No. 63* (1995).

**Meetings of the Joint Subcommittee Studying Educational Museums and the
Appropriate Level of Public Support to be Provided Such Institutions**

Meeting--10 a.m.--Monday, August 2, 1993--House Room C--General Assembly Building. Kathleen Harris, staff attorney, **Division of Legislative Services**; Judy M. Harris, Executive Director, **Virginia Association of Museums**; Michael S. Melson, Tax Policy Analyst, **Virginia Department of Taxation**; Karen Washabau, Director, **Virginia Department of Planning and Budget**; Edward W. Rucker, Director of Development, **Virginia Foundation for the Humanities and Public Policy**; Hugh C. Miller, Director, **Virginia Department of Historic Resources**.

Meeting--10 a.m.--Wednesday, October 6, 1993--The Chrysler Museum (Norfolk). Roy B. Martin, Jr., President, Board of Trustees, and Robert H. Frankel, Executive Director, **Chrysler Museum**; Robert P. Sullivan, Director, **Virginia Living Museum**; Peggy Baggett, Executive Director, **Virginia Commission for the Arts**; Louis Malon, Administrative Director of the **Association for the Preservation of Virginia Antiquities (APVA)**; Ellen Henry, Education Director and Leroy Thompson, immediate past president, **Peninsula Fine Arts Center**; Dr. Donald Taylor, Dean of Natural Sciences at Norfolk State University and member of the Board of Directors of the **Virginia Zoological Society, Virginia Zoo (Virginia Zoological Park)**; C. Mac Rawls, Director, **Virginia Marine Science Museum**.

Meeting--10 a.m.--Wednesday, December 15, 1993--Center in the Square (Roanoke). Del. Ward Armstrong, Roanoke Mayor David A. Bowers, and Kay Houck, Executive Director, **Virginia Museum of Transportation**; Warner Dalhouse, Chairman, Board of Directors, **Center in the Square**; Beverly T. Fitzpatrick, Director, **New Century Council**; Elizabeth A. Doughty, Executive Director, **Roanoke Valley Economic Development Partnership**; Bittle W. Porterfield, III, trustee, Dr. Ruth Appelhof, Executive Director, Jeff Roberts, Director of Development, and Mark Scala, Director of Education, **Art Museum of Western Virginia**; Charles F. Bryan, Jr., Director, **Virginia Historical Society**; Kenneth J. Schutz, Executive Director, **Science Museum of Western Virginia**; Barbara Lemon, President of the Board of Directors, **Roanoke Valley Historical Museum**; Susan Jennings, Executive Director, **Arts Council of the Blue Ridge**; E. R. "Ted" Feinour, Jr., President of the Board of Directors, **Mill Mountain Theatre**; Beth Poff, Executive Director, **Blue Ridge Zoological Society (Mill Mountain Zoo)**; David D. Britt, Executive Director, **Reynolds Homestead**; Rupert Cutler, Director, **Virginia's Explore Park**.

Work Session--10 a.m.--Friday, January 7, 1994--General Assembly Building.

Work Session--9 a.m.--Wednesday, January 12, 1994--General Assembly Building.

Work Session--10 a.m.--Tuesday, August 9, 1994--General Assembly Building.

Work Session--10 a.m., Thursday, November 3, 1994--State Capitol Building.

Work Session--9 a.m., Wednesday, January 11, 1995--State Capitol Building.

State Grants to Nonstate Agencies, 1993-94

1993 Appropriation Act, § 1-129, Item 606

Subprogram: *Financial Assistance to the Arts*

Arts Museum of Western Virginia	\$65,000
The Long Way Home, Inc.	2,500
Peninsula Fine Arts Museum	30,000
Piedmont Arts Association	25,000
Western Virginia Foundation of Arts and Sciences (Center on the Square)	161,915
William King Regional Arts Center	75,000

Subprogram: *Financial Assistance to Museums*

Children's Museum of Portsmouth	50,000
Chrysler Museum	471,816
Fisherman's Museum in Reedville	10,000
Richmond Children's Museum	25,000
Roanoke Transportation Museum	110,000
Science Museum of Western Virginia	178,978
Virginia Living Museum	243,816
Virginia Marine Museum	125,000
Virginia Sports Hall of Fame	10,000
Virginia Zoological Park	25,000
Volunteer Rescue Squad Museum	100,000

Subprogram: *Other Services*

Appalachian Traditions, Inc.	10,000
Coalition for Community Pride and Progress	30,000
Reynolds Homestead	25,000
Virginia Horse Center	550,000

Total for Nonstate Agencies: **\$2,324,025**

State Grants to Nonstate Agencies, 1994-95

1994 Appropriation Act, § 1-130, Item 644 (Unless otherwise indicated, amounts are same for 1995-96)

Subprogram: Financial Assistance to the Arts

Arts Museum of Western Virginia	\$115,000
Peninsula Fine Arts Center	80,000
Western Va. Found. of Arts and Sciences (Ctr. on the Sq.)	311,915
William King Regional Arts Center	100,000
The Long Way Home, Inc.	7,500
Montpelier Foundation for Arts and Education	10,000
Piedmont Arts Association	37,500
Virginia School of the Arts	20,000

Subprogram: Financial Assistance to Museums

Black History Museum and Cultural Center	50,000
Council for America's First Freedom	390,000/316,000
Science Museum of Western Virginia	250,000; 625,000 cap. exp./250,000
Blue Ridge Zoological Society of Virginia	24,250
Boussevain Coal Miners Museum	25,000/0
Children's Museum of Virginia	65,000
Chrysler Museum	471,816
Fredericksburg Area Museum and Cultural Center	12,500
Hanover Tavern Foundation	50,000
Historic Crab Orchard Museum & Pioneer Park, Inc.	15,000
Lewis Ginter Botanical Gardens	100,000
Maymont Foundation	50,000 ('96)
Museum of the Confederacy	50,000
Richmond Children's Museum	25,000
Scotchtown	10,000
Virginia Air and Space Museum	200,000
Virginia Living Museum	246,908
Virginia Marine Science Museum	225,000
Virginia Museum of Transportation	100,000
Virginia Recreational Facilities Authority	400,000 (match)
Virginia Sports Hall of Fame	26,550 ('95)
Virginia Zoological Park	60,000
Volunteer Rescue Squad Museum	37,500
Watermen's Museum	25,000 ('95)

Subprogram: Other Services

Appalachian Traditions, Inc.	5,000
Charles City County/Historic Courthouse	100,000 ('95)
Holiday Lake 4-H Educational Center, Inc.	45,000 ('95)
Martin Luther King Memorial	50,000 ('95)
Mathematics and Science Center	50,000
Virginia Veterans' Memorial	200,000 ('95)

Total for Nonstate Agencies: **\$4,616,439** /\$3,488,389

State Grants to Nonstate Agencies, 1996-98

1996 Appropriation Act, § 1-133, Item 552 (Unless otherwise indicated, amounts are same for 1997-98)

Subprogram: *Financial Assistance to the Arts*

Arts Museum of Western Virginia	\$150,000
Chrysler Museum	621,816/471,816
Peninsula Fine Arts Center	160,000
William King Regional Arts Center	100,000*
Fluvanna Arts Council.	100,000 ('96)
Hopewell Preservation, Inc.	25,000 ('96)
Piedmont Arts Association	37,500♦
Rawls Museum of Arts	25,000
Theatre IV	25,000
Trail of the Lonesome Pine Outdoor Drama	25,000 ('96)
Wolf Trap Foundation of the Performing Arts	100,000

Subprogram: *Financial Assistance to Museums*

Mariners' Museum	\$145,000
Maymont Foundation	50,000
Smithsonian Institution/Air & Space Mus. at Dulles	500,000 ('96)
Virginia Living Museum	246,910*
Virginia Museum of Transportation	125,000
Black History Museum and Cultural Center	50,000
Blue Ridge Zoological Society of Virginia	27,500
Children's Museum of Virginia	100,00
Culpeper Calvary Museum, Inc.	5,000
Danville Museum of Fine Arts and History	25,000
Fredericksburg Area Museum and Cultural Center	12,500
Hampton History Museum	25,000
Hampton University Museum Foundation, Inc.	30,000
Historic Crab Orchard Museum & Pioneer Park, Inc.	50,000/15,000
Historic Gordonsville, Inc.	10,000
Kinsale Museum	7,500
Lewis Ginter Botanical Gardens	50,000 ('96)
MacCallum More Museum and Gardens	50,000 ('96)
Museum of the Confederacy	50,000 ('96)
Norfolk Botanical Garden Society	100,000 ('96)
Richmond Children's Museum	50,000/25,000
Shenandoah Valley Discovery Museum	25,000
Virginia Marine Science Museum	100,000
Virginia Sports Hall of Fame	50,000
Virginia Zoological Society	150,000/75,000
Volunteer Rescue Squad Museum	50,000

Subprogram: Other Services

Barter Theatre	\$50,000
Virginia Air and Space Museum	200,000
Virginia Equine Center Foundation	1,036,915/182,300
Virginia Recreational Facilities Authority	400,000
Western Va. Found. of Arts and Sciences	411,915/361,900
Appalachian Traditions, Inc.	10,000
Banner Trail Committee	10,000
Blue Ridge Institute	35,000
Camp Baker	20,000
Chincoteague Recreation & Convention Center	10,000
Holiday Lake 4-H Educational Center, Inc.	50,000
John Marshall Foundation	15,000
National D-Day Memorial	150,000/100,000
Northern Virginia 4-H Educ. Center	50,000
Women in Military Serv. for Am. Mem. Found.	50,000

Total for Nonstate Agencies: \$7,096,000

956)

- * plus \$50,000 in first year for capital expenses
- ◆ \$62,500 in first year for capital expenses
- * \$350,000 in first year for capital expenses
- * \$150,000 in first year

HOUSE JOINT RESOLUTION NO. 453

Establishing a joint subcommittee to conduct a comprehensive study of educational museums and the appropriate level of public support to be provided to such institutions.

Agreed to by the House of Delegates, February 7, 1993
Agreed to by the Senate, February 23, 1993

WHEREAS, recognition of the importance of education has been the cornerstone of any civilized nation; and

WHEREAS, education has always held a significant place in the hearts of all Virginians; and

WHEREAS, Virginia's recognition of education's prominent role has resulted in the appropriation of millions of dollars in support thereof over the past biennium; and

WHEREAS, in lean financial times, however, appropriations to certain educational institutions appear to bear a disproportionate share of reductions; and

WHEREAS, many states have specific statutory grants, set-asides, and earmarkings for educational institutions, such as museums, so as to provide a consistent and reliable stream of funding for these projects; and

WHEREAS, worthy educational museums in the Commonwealth, such as the Chrysler Museum, the Center in the Square, the Virginia Living Museum and the Science Museum of Western Virginia, need to be assured of consistent, predictable funding to carry out their missions; and

WHEREAS, the Commonwealth could provide support and assistance to these important institutions through funding; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to conduct a comprehensive study of educational museums and the appropriate level of public support to be provided to such institutions. As part of the study, the subcommittee shall develop and recommend criteria for eligibility for receipt of public funds and guidelines, if any, to be used in establishing state appropriations. Ways in which the Commonwealth might encourage and promote the arts shall also be examined.

The joint subcommittee shall consist of nine members: three members of the House of Delegates, to be appointed by the Speaker of the House; two members of the Senate to be appointed by the Senate Committee on Privileges and Elections; and four members to be appointed by the Governor as follows: one representative of the Virginia Museum of Fine Arts, one representative of the business community, one representative of the Department of Education and one citizen at large.

The subcommittee shall submit its findings and recommendations to the 1994 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The indirect costs of the study are estimated to be \$11,070; the direct costs shall not exceed \$6,480.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

HOUSE JOINT RESOLUTION NO. 75

Continuing the Joint Subcommittee Studying Educational Museums and the Appropriate Level of Public Support to be Provided to Such Institutions.

Agreed to by the House of Delegates, February 8, 1994
Agreed to by the Senate, March 8, 1994

WHEREAS, acknowledging the significant value of museums as educational as well as cultural institutions, the 1993 Session of the General Assembly directed a nine-member joint study committee to examine Virginia's educational museums and the appropriate level of public funding for these institutions pursuant to House Joint Resolution No. 453; and

WHEREAS, charged to conduct a "comprehensive study" of educational museums, to develop criteria for eligibility for receipt of public funds as well as guidelines for state appropriations, and to examine "ways in which the Commonwealth might encourage and promote the arts," the joint subcommittee conducted five meetings to examine the missions and services of nonstate museums across the Commonwealth; and

WHEREAS, while the diverse collections of these nonstate institutions may include historic artifacts, artistic treasures, or wildlife, the missions of these institutions are linked by an unflinching commitment to education, economic development, and community service; and

WHEREAS, recognizing recent fiscal constraints that have prompted reductions in appropriations to various educational museums, the joint subcommittee sought the input of representatives of the Virginia Commission for the Arts, the Virginia Department of Taxation, museum associations, and the institutions themselves to explore the use and availability of funding sources for public and private museums, including federal, state, local, and private funds; and

WHEREAS, dependent on stable, consistent funding to support their daily operations, nonstate museums must also rely on steady fiscal support to provide "seed money" for other grants and awards, and although each nonstate museum seeking a state appropriation must comply with a defined applications process, no clear criteria exist for awarding state funds to these entities; and

WHEREAS, although the joint subcommittee has received testimony regarding museum patronage, geographic location and impact on other activities promoting tourism and economic development, and state and local ability to support these institutions, further study is needed to develop an effective funding mechanism for these museums that will carefully balance financial need and consistency with fiscal responsibility, fairness, and flexibility; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Subcommittee Studying Educational Museums and the Appropriate Level of Public Support to be Provided to Such Institutions be continued. In continuing its work, the joint subcommittee shall develop recommendations for potential funding mechanisms for nonstate educational museums. The joint subcommittee's study shall also include, among other things: further review of nonstate museum access to other funding sources, such as federal, local, and private funds; consideration of museum funding mechanisms, such as special taxes or contributions, employed in other states; and an additional examination of funding guidelines employed by the Virginia Commission for the Arts and other entities as the joint subcommittee may deem appropriate.

The current membership of the joint subcommittee shall continue to serve as appointed pursuant to HJR 453 (1993); any vacancies shall be filled in the manner consistent with the original resolution.

The direct costs of this study shall not exceed \$ 5,250.

All agencies of the Commonwealth shall provide assistance upon request as the joint subcommittee may deem appropriate.

The Division of Legislative Services shall provide staff support for the study. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1995 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

HOUSE JOINT RESOLUTION NO. 430

Continuing the Joint Subcommittee Studying Educational Museums and the Appropriate Level of Public Support to be Provided to Such Institutions.

Agreed to by the House of Delegates, February 23, 1995

Agreed to by the Senate, February 21, 1995

WHEREAS, the Commonwealth's museums, whether established by government or private entities, enhance educational opportunities for all Virginians, promote community growth and economic development, and enrich the overall quality of life for citizens throughout Virginia; and

WHEREAS, acknowledging the significant value of museums as educational as well as cultural institutions, the General Assembly established a nine-member joint study committee to examine Virginia's educational museums and the appropriate level of public funding for these institutions pursuant to House Joint Resolution No. 453 (1993) and authorized the continuation of the study in 1994 (House Joint Resolution No. 75); and

WHEREAS, having examined the missions and services of nonstate museums across the Commonwealth, the committee has found while the diverse collections of these nonstate institutions may include historic artifacts, artistic treasures, or wildlife, the missions of these institutions are linked by an unfailing commitment to education, economic development, and community service; and

WHEREAS, during the two years of its study, the committee has also explored potential criteria for eligibility for receipt of public funds as well as guidelines for state appropriations for nonstate institutions; and

WHEREAS, the joint subcommittee has determined that continued access to and excellence in the arts and education are contingent upon the availability of adequate and stable funding for nonstate educational and cultural museums; and

WHEREAS, the committee supports the development of a system of consistent, equitable funding for those nonstate educational museums demonstrating a commitment to the continuation and fulfillment of their missions of service, education, and development, and finds that further study is needed to implement an effective funding mechanism for these institutions that will carefully balance financial need and consistency with fiscal responsibility, fairness, and flexibility; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Subcommittee Studying Educational Museums and the Appropriate Level of Public Support to be Provided to Such Institutions be continued to monitor the implementation of its recommendations and to develop additional recommendations regarding funding mechanisms for nonstate educational and cultural entities and other related issues as it deems appropriate.

The current membership of the joint subcommittee shall continue to serve as appointed pursuant to HJR 453 (1993); any vacancies shall be filled in the manner consistent with the original resolution.

The direct costs of this study shall not exceed \$ 4,200.

The Division of Legislative Services shall provide staff support for the study. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall be continued for one year only and shall submit any final findings and recommendations to the Governor and the 1996 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

960861468

HOUSE BILL NO. 642

Offered January 19, 1996

A *BILL to amend and reenact § 2.1-394.1 of the Code of Virginia and to amend the Code of Virginia by adding in Title 2.1 a chapter numbered 27.1, consisting of sections numbered 2.1-406.1 and 2.1-406.2, relating to funding for certain educational and cultural entities.*

Patrons—Thomas, Bennett, Cranwell, Guest, Heilig, Melvin, Moss, Shuler, Van Landingham, Van Yahres and Woodrum; Senators: Edwards and Trumbo

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 2.1-394.1 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Title 2.1 a chapter numbered 27.1, consisting of sections numbered 2.1-406.1 and 2.1-406.2, as follows:

§ 2.1-394.1. Estimates by nonstate agencies of amounts needed.

A. Except as provided in §§ 2.1-406.1, 2.1-406.2 and 10.1-812 through 10.1-814, no state funds shall be appropriated or expended for, or to, nonstate agencies unless:

1. A request for state aid is filed by the organization with the Department of Planning and Budget, as required by § 2.1-394.

2. Such nonstate agency shall certify to the satisfaction of the Department that matching funds are available in cash from local or private sources in an amount at least equal to the amount of the request. These matching funds must be concurrent with the purpose for which state funds are requested. Contributions received and spent prior to the state grant shall not be considered in satisfying the requirements of this subdivision.

3. Such nonstate agency shall provide documentation of its tax exempt status under applicable provisions of the United States Internal Revenue Code.

B. Except as provided in §§ 23-38.11 through 23-38.18, no state funds shall be appropriated to, or expended for, a private institution of higher education or religious organization.

C. Requests for the appropriation of funds for nonstate agencies shall be considered by the Governor and the General Assembly only in even-numbered years.

D. For the purposes of this section, a "nonstate agency" shall mean any public or private foundation, authority, institute, museum, corporation or similar organization which is not a unit of state government or a political subdivision of the Commonwealth as established by general law or special act. It shall not mean any such entity which receives state funds as a subgrantee of a state agency or through a state grant-in-aid program authorized by law.

CHAPTER 27.1.

FUNDING FOR CERTAIN EDUCATIONAL AND CULTURAL ENTITIES.

§ 2.1-406.1. *Virginia Educational and Cultural Entities Fund established.*

From such funds as may be appropriated for this purpose and from such gifts, donations, grants, bequests, and other funds as may be received, there is hereby established a special fund in the state treasury to be known as the Virginia Educational and Cultural Entities Fund, hereinafter referred to as the Fund, to be administered by the Department of Planning and Budget at the direction of the General Assembly. There shall be deposited annually in the Fund ten percent of the Commonwealth's annual interest income earnings credited to the general fund, as determined by the State Comptroller. The Fund shall be established on the books of the State Comptroller. Interest earned on the Fund shall be credited to the Fund. Any money remaining in the Fund at the end of the biennium shall not revert to the general fund but shall remain in the Fund. Disbursement of moneys from the Fund shall be made by the State Comptroller at the written request of the Director of the Department of Planning and Budget.

§ 2.1-406.2. *Disbursement of funds for certain nonstate educational and cultural entities.*

A. *At the direction of the Director, the Comptroller of the Commonwealth shall draw annual warrants upon the State Treasurer from the Fund any sums that may be provided in the general appropriation act, in favor of the treasurers of the educational and cultural entities as provided in*

960861468

HB642

1/19/96 15:30

1 subsections B and C of this section. Such sums shall be expended by these entities for general
 2 operating expenses, special projects, and reserve funds. All such educational and cultural entities,
 3 through their proper officers, shall after July 1 of each year submit to the Director a certified
 4 statement that the sums appropriated from the Fund to the association or organization in the
 5 preceding fiscal year were or will be expended for general operating expenses, special projects, and
 6 reserve funds. Any educational or cultural entity failing to comply with any of the requirements of
 7 this section shall be prohibited from receiving moneys allocated under this section for all subsequent
 8 fiscal years until such entity fully complies with the requirements.

9 B. Allocation of appropriations made pursuant to this section shall be based on sums designated
 10 in the appropriation act to the following entities:

- 11 1. The Chrysler Museum.
- 12 2. Western Virginia Foundation of Art and Sciences (The Center in the Square).
- 13 3. Arts Museum of Western Virginia.
- 14 4. Science Museum of Western Virginia.
- 15 5. Blue Ridge Zoological Society of Virginia.
- 16 6. William King Regional Fine Arts Center
- 17 7. Peninsula Fine Arts Center.
- 18 8 Virginia Living Museum.
- 19 9. Virginia Marine Science Museum.
- 20 10. Virginia Zoological Park.

21 C. In addition to funds that may be provided pursuant to subsection B of this section, sums from
 22 the Fund may be allocated to such other educational and cultural entities and in such amounts as
 23 may be designated in the appropriation act.

24 For the purposes of this article, "nonstate educational or cultural entity" means any nonstate
 25 museum, foundation, zoo, performing arts organization, authority, institute, alliance, or similar
 26 organization essentially educational or aesthetic in purpose which (i) has professional staff; (ii) owns,
 27 utilizes, and cares for tangible objects and exhibits such objects to the public on some regular
 28 schedule or, in the case of foundations, whose principal and exclusive mission is the support of
 29 nonprofit exhibiting museums or cultural organizations; and (iii) is not a unit of state government or
 30 a political subdivision of the Commonwealth as established by general law or special act.

31 D. Local matching funds shall not be required for grants made pursuant to this section.

Official Use By Clerks			
Passed By		Passed By The Senate	
The House of Delegates			
without amendment	<input type="checkbox"/>	without amendment	<input type="checkbox"/>
with amendment	<input type="checkbox"/>	with amendment	<input type="checkbox"/>
substitute	<input type="checkbox"/>	substitute	<input type="checkbox"/>
substitute w/amrdt	<input type="checkbox"/>	substitute w/amrdt	<input type="checkbox"/>
Date: _____		Date: _____	
_____ Clerk of the House of Delegates		_____ Clerk of the Senate	

