

- SUBJECT:** Continuing the Texas Commission on the Arts
- COMMITTEE:** Culture, Recreation, and Tourism — favorable, without amendment
- VOTE:** 6 ayes — Hilderbran, Kuempel, Homer, D. Howard, O’Day, Phillips  
0 nays  
1 absent — Dukes
- WITNESSES:** For — Karin Newell, ARTSNET; (*Registered, but did not testify:* David Teel, Texas Travel Industry Association)  
  
Against — None  
  
On — Ricardo Hernandez, Texas Commission on the Arts; Ginny McKay, Sunset Advisory Commission
- BACKGROUND:** The Texas Commission on the Arts (TCA) helps develop a receptive climate for the arts through the support and development of arts and cultural industries in Texas. The Legislature created the agency in 1965 to receive federal arts funding and encourage an interest in the fine arts in Texas. Today, to accomplish its mission, TCA administers grants to arts, educational, and civic organizations; promotes arts and cultural events to increase attendance and attract tourists; and markets and raises private funds for agency programs. The TCA is governed by 17 commissioners who represent all fields of the arts and are appointed by the governor. The Commission has an annual budget of about \$5 million, with a staff of 19 in fiscal 2007-08.  
  
The commission underwent Sunset review in 1995 and was continued by the 74th Legislature. If not continued by the 80th Legislature, the commission will be abolished September 1, 2007.
- DIGEST:** HB 2460 would continue the Texas Commission on the Arts (TCA) until September 1, 2009.  
  
This bill would require TCA to adopt rules to govern the review, approval, and oversight of its special initiative grants; to evaluate gifts, grants, or

donations to ensure that they support the commission's priorities as established by statute and appropriations; and to provide travel reimbursements for commissioners attending training programs. The bill would require a follow-up Sunset review by the 81st Legislature, with a focus on the commission's expenditures, including the percentage of funding spent on overhead and administration.

This bill would add standard Sunset provisions for an update and modification of restrictions on becoming a member or employee of the commission and would specify the grounds for removing a member of the commission due to conflicts of interest, lack of credentials, or poor attendance. It would require information to be maintained about complaints to the commission and would update the required training program for commissioners. The bill would require the TCA to use technology to increase public access. It also would require the development and use of negotiated rulemaking procedures and appropriate alternative dispute resolution procedures.

The rules and policies required by the bill would have to be adopted by the TCA by March 1, 2008.

The bill would take effect September 1, 2007.

**SUPPORTERS  
SAY:**

HB 2460 would continue TCA as an independent agency for two years to allow time for the agency to conform to the recommendations outlined by the Sunset Commission, including how to address the Cultural Endowment Fund. By the 81st Legislature, Sunset Commission would perform a follow-up review focusing on how the agency spent its funds, and in particular, the percentage of funds it spends on administrative costs and overhead.

The bill would require TCA to focus on its primary mission of arts promotion and grants, rather than creating and directly administering additional programs to satisfy the requirements of private donations. While TCA would like to support education programs and other initiatives, it should do so through its grants program and arts promotions efforts. The commission would have to develop and adopt rules to guide the acceptance and use of private donations given to TCA to ensure that the funds support the agency's primary functions. The bill also would ensure greater accountability of TCA's regular and special initiative grants

by requiring the commission to develop rules governing the review, approval, oversight, and staff reporting of these grants.

**OPPONENTS  
SAY:**

This bill should follow the Sunset Commission recommendations and continue TCA for 12 years, rather than submit the commission to another sunset review for the 81st Legislature. In addition, this bill should authorize TCA to expend the annual interest income earned on the Cultural Endowment Fund for providing additional grants.

This bill would require TCA to change its administration based on a conflicting view of its mission. TCA believes it should continue to have a role in administering specific arts education programs.

**NOTES:**

The companion bill, SB 901 by Deuell, has been referred to the Senate Government Organization Committee.

HB 2460 was withdrawn from the Local, Consent, and Resolutions Calendar and transferred to the Calendars Committee.