



SF 331 – Art in State Buildings (LSB1282SV)

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Fiscal Note Version – New

Description

Senate File 331 increases the percentage of the total estimated costs of building projects designated for fine arts elements from 0.5% to 1.0%. The Bill requires 10.0% of the moneys designated for fine arts elements to be transferred to a new Maintenance and Conservation Fund that would be under the administration of the Department of Cultural Affairs (DCA) and would be used for maintenance and conservation of the fine arts acquired. The Bill specifies that 1.0% of the total estimated fine arts moneys will be transferred to the DCA for administrative costs. The Bill allows funds to be accumulated over more than one appropriation or fiscal year in order to complete significant fine arts projects with prior approval of the Iowa Arts Council.

Background

Under current law the 0.5% designated for arts projects is paid directly from the construction budget of a particular project and does not go into a separate fund related to fine arts maintenance. Fine arts acquired through the Arts in State Buildings Program are often maintained by the respective State agency that is the principal user of the facility because a separate conservation fund does not exist. For example, the Department of Administrative Services submitted a 5-year plan, reflecting \$250,000 annually, in order to maintain fine arts in the Capitol as well as monuments on the Complex as part of its FY 2010 budget request.

Section 304A, Code of Iowa, requires the 0.5% designated for arts projects to be included in the plan and specifications for a State building, and the DCA is to be informed at the time of engaging an architect to prepare plans. In practice, buildings are multi-year projects that may have several changes to the plans and specifications before construction is underway and construction funding is often provided over multi-years. The statute is not clear how changes in estimates to projects are handled or whether the Bill would affect projects that are already in the planning stages or early construction stages, when specifications and designs may still be altered.

Assumptions

- Projects that have received appropriations and may have had plans and specifications, but are in the early stages of construction as of February 2009 are included.
- State-funded projects are dependent on State appropriations in FY 2010 and future years.
- Construction projects that had appropriations previously enacted for FY 2010 or future years, will be funded without changes in funding levels.
- All State funding for construction projects comes from infrastructure funds such as the Rebuild Iowa Infrastructure Fund (RIIF) or prospective bond-related funds. Construction projects will not be funded by the General Fund.

Fiscal Impact

A fiscal impact for a specific fiscal year is difficult to estimate because the projects are multi-year and the impact is on total estimated construction costs. If the Bill applies to current construction and improvement projects that are in the early stages, Senate File 331 will potentially increase funding for fine arts elements by \$516,200 from State funding for those projects and by \$1.5 million from other non-State funding sources for current construction projects.

Of the total combined amount from all funding sources, \$201,700 would be deposited in the new Maintenance and Conservation Fund. This amount includes approximately \$51,600 from State funding for construction projects. The DCA would receive \$20,200 for administrative costs, reflecting approximately \$5,200 from State funds.

The LSA expects future construction project estimates to factor in the additional 0.5%, thereby increasing those estimates. If the proposed law applies to current construction projects at stages when plans and specifications may change, the LSA estimates the additional 0.5% requirement will affect the principal State agency by requiring the agency to modify the design to accommodate the extra expenditure in fine art elements or to find additional funding to handle the increase, whether through available State infrastructure funds, a project's other funding source if available, or within the project's existing budget.

	Est. State Costs	Current	Proposed	
	Multi-Year	Law	Law	
Multi-Year Projects - State Funding	Const. Projects	0.5%	1.0%	Difference
Biorenewables Building - ISU	\$ 32,000,000	\$ 160,000	\$ 320,000	\$ 160,000
Institute for Biomedical Discovery - SUI	30,000,000	150,000	300,000	150,000
Iowa Veterans Home	20,555,329	102,777	205,553	102,777
State Fair Agriculture Exhibition Center	11,000,000	55,000	110,000	55,000
Gold Star Military Museum	4,000,000	20,000	40,000	20,000
Honey Creek Resort Cabins	5,675,000	28,375	56,750	28,375
Total	\$ 103,230,329	\$ 516,152	\$ 1,032,303	\$ 516,152
	Est. Other Funding	Current	Proposed	
	Multi-Year	Law	Law	
Multi-Year Projects - Other (Non-State) Funding	Const. Projects	0.5%	1.0%	Difference
Regents Construction Projects (Other funding)	\$ 176,300,000	\$ 881,500	\$ 1,763,000	\$ 881,500
Iowa Veterans Home Master Plan (minus State approps.)	79,351,344	396,757	793,513	396,757
State Fair Ag. Exhibition Center (minus State approps.)	13,000,000	65,000	130,000	65,000
Honey Creek Resort Lodge (minus State approps.)	21,640,000	108,200	216,400	108,200
Iowa Utilities Board/Consumer Advocate Building	9,930,000	49,650	99,300	49,650
Total	\$ 300,221,344	\$ 1,501,107	\$ 3,002,213	\$ 1,501,107

Sources

Department of Administrative Services
Department of Cultural Affairs
Department of Natural Resources
Iowa Utilities Board
Iowa Veterans Home
Board of Regents

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56](#), Code of Iowa. Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.
