

2. 28 3/25 (Amend (SSB)) + H. Res 4/10/91

FILED FEB 28 1991

SENATE FILE 268  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 104)

Passed Senate, Date 3/14/91 (p. 655) Passed House, Date 4/15/91 (p. 1235)  
Vote: Ayes 39 Nays 0 Vote: Ayes 92 Nays 0

Approved May 10, 1991 (p. 1843)

*Motion to Rescind 3/18 w/ 3/19*

*Proposed Senate for S. 3437 4/22/91 (p. 1339)*

*aye 49 Nay 0* **A BILL FOR**

*Motion to Rescind (p. 1404)*  
*" 2/10 4/29 (p. 1524)*

1 An Act establishing and allocating moneys to the arts and  
2 cultural enhancement and endowment program.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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*SF 2108*

1 Section 1. INTENT. The general assembly finds the  
2 following:

3 1. The purpose of the programs supported by the department  
4 of cultural affairs and the state's arts and cultural  
5 organizations is to encourage and broaden public appreciation  
6 of and education and involvement in cultural activities.

7 2. The mechanisms to provide state funding for cultural  
8 activities in Iowa already exist; what is needed is increased  
9 financial support of arts and cultural programs.

10 3. The arts division of the department of cultural affairs  
11 utilizes public input in the formulation and review of state  
12 arts policies and programs.

13 4. The number and variety of private and public sector  
14 efforts now committed to further strengthening the artistic  
15 and cultural life of Iowa both attest to the health of the  
16 state's artistic and cultural life and at the same time  
17 increase the responsibility of the department of cultural  
18 affairs to ensure that the efforts are coordinated, cost-  
19 efficient, and not duplicative.

20 SUBCHAPTER I

21 DEFINITIONS AND FINANCING

22 Sec. 2. NEW SECTION. 303C.1 DEFINITIONS.

23 For the purposes of this chapter, the following definitions  
24 apply:

25 1. "Arts" means music, dance, theater, opera and music  
26 theater, visual arts, literature, design arts, media arts, and  
27 folk and traditional arts.

28 2. "Culture" or "cultural" means programs and activities  
29 which explore past and present human experience.

30 3. "Department" means the department of cultural affairs.

31 4. "Endowment account" means the arts and cultural  
32 endowment account established in section 303C.2.

33 5. "Endowment program" means the arts and cultural  
34 endowment program established in section 303C.7.

35 6. "Enhancement account" means the arts and cultural

1 enhancement account established in section 303C.2.

2 7. "Enhancement program" means the arts and cultural  
3 enhancement program created in section 303C.3.

4 8. "Foundation" means the arts and cultural endowment  
5 foundation established in section 303C.7.

6 Sec. 3. NEW SECTION. 303C.2 IOWA ARTS AND CULTURAL  
7 ENHANCEMENT AND ENDOWMENT ACCOUNTS ESTABLISHED.

8 The Iowa arts and cultural enhancement account and the Iowa  
9 arts and cultural endowment account are established in the  
10 office of the treasurer of state. The moneys deposited in  
11 each account shall be invested by the treasurer of state in  
12 investments authorized for the Iowa public employees'  
13 retirement fund in section 97B.7. Interest earned on each  
14 account shall be transferred to the credit of that account.  
15 The provisions of section 8.33 do not apply to the accounts.

16 1. ENHANCEMENT ACCOUNT. The enhancement account shall be  
17 administered by the arts division of the department for  
18 purposes of the enhancement program described in section  
19 303C.3.

20 Moneys appropriated by the general assembly for deposit in  
21 the enhancement account shall be used as follows: seventy-  
22 five percent shall be made available for distribution on a  
23 matching basis for purposes of section 303C.4; fifteen percent  
24 shall be made available for purposes of section 303C.5; five  
25 percent shall be made available for purposes of section  
26 303C.6; and five percent shall be made available to the arts  
27 division for administration of the enhancement program.

28 2. ENDOWMENT ACCOUNT. The endowment account shall be ad-  
29 ministered by the endowment foundation established in section  
30 303C.7, subsection 2, for purposes of the endowment program  
31 established in section 303C.7, subsection 1.

32 Beginning in 1992, the endowment foundation shall,  
33 annually, on December 15, certify to the department of manager-  
34 ment and the legislative fiscal bureau, the amount of funds  
35 pledged by private sources for the next fiscal year for use in

1 the endowment program, and on July 1 of that next year,  
2 certify the amount of funds actually received from private  
3 sources. It is the intent of the general assembly that the  
4 general assembly appropriate annually from the general fund of  
5 the state to the endowment account an amount equal to the  
6 amount certified by the endowment foundation on July 1, not to  
7 exceed one million dollars, to carry out the purposes of  
8 section 303C.7. However, only the interest on the funds in  
9 the endowment account are available for use for purposes of  
10 section 303C.7, and shall be allocated as follows: ninety-  
11 five percent for grants, fellowships, and scholarships to  
12 amateur, professional, and student artists; and five percent  
13 to the endowment foundation for the administrative expenses of  
14 the program.

15 SUBCHAPTER II

16 ENHANCEMENT PROGRAM

17 Sec. 4. NEW SECTION. 303C.3 ARTS AND CULTURAL ENHANCE-  
18 MENT PROGRAM CREATED.

19 The arts and cultural enhancement program is created within  
20 the department and administered by the arts division. Funds  
21 in the enhancement account established in section 303C.2,  
22 subsection 1, are available for the purposes of this  
23 subchapter. The enhancement program consists of the  
24 following:

- 25 1. Matching funds provided to nonprofit organizations.
- 26 2. Block grants provided to qualified organizations.
- 27 3. Regional conferences and statewide caucus held on arts  
28 and cultural enhancement.

29 Sec. 5. NEW SECTION. 303C.4 MATCHING FUNDS PROVIDED TO  
30 NONPROFIT ORGANIZATIONS.

31 Enhancement account funds shall be available, upon  
32 certification by the department of the availability of  
33 matching funds from private sources, to nonprofit  
34 organizations for the purposes of education, outreach, and  
35 enhancement. An organization proposing a program must have

1 available funds from private sources in order to receive an  
2 equal amount of public funds contained in the enhancement  
3 account. The department shall consider the recommendations of  
4 the caucus on arts and cultural enhancement made pursuant to  
5 section 303C.6, and the recommendations of the advisory  
6 council created in section 303C.5, and shall adopt rules  
7 pursuant to chapter 17A governing the distribution of funds to  
8 organizations. Proposed programs shall do at least one of the  
9 following:

10 1. EDUCATION. Provide for the development or expansion of  
11 essential nonrevenue producing arts or cultural educational  
12 programs which would supplement an existing curriculum.

13 2. OUTREACH. Provide for one or more of the following:

14 a. RURAL ACCESS. Allow cultural resources to be available  
15 to small communities which lack arts resources.

16 b. SOCIAL AWARENESS. Assist in programs enabling arts  
17 organizations to participate in and encourage a healthy  
18 community environment.

19 c. CULTURAL DIVERSITY. Increase the awareness and  
20 acceptance of cultural diversity through arts and culture.

21 d. SERVING SPECIAL POPULATIONS. Provide programs and  
22 innovative projects for the following, including but not  
23 limited to: at-risk youth, talented and gifted persons,  
24 underserved persons, disabled persons, or other special needs  
25 persons.

26 3. ENHANCEMENT. Provide for one or more of the following:

27 a. PROGRAM ENHANCEMENT. Allow arts and cultural  
28 organizations to improve or enhance the quality of programs  
29 currently offered.

30 b. ARTIST AND ARTS EDUCATORS ENHANCEMENT. Fund projects  
31 which would increase and support professional and student  
32 artists, and arts educators.

33 Sec. 6. NEW SECTION. 303C.5 BLOCK GRANTS PROVIDED TO  
34 QUALIFIED ORGANIZATIONS.

35 1. Enhancement account funds shall be available for

1 distribution to qualified organizations for the purposes of  
2 enhancing the quality of local arts and cultural programs. In  
3 order to qualify for a block grant, an organization must  
4 represent at least seventy percent of its defined membership.  
5 The department shall adopt rules pursuant to chapter 17A  
6 governing the distribution of block grants.

7 2. An advisory council consisting of organizations funded  
8 by the department pursuant to this section, and representa-  
9 tives of the Iowa assembly for local arts agencies, Iowa  
10 alliance for arts education, Iowa arts coalition, the Iowa  
11 museum association, and the Iowa humanities board is  
12 established. The advisory council shall review and advise the  
13 department regarding the awarding of funds pursuant to section  
14 303C.4.

15 Sec. 7. NEW SECTION. 303C.6 REGIONAL CONFERENCES AND  
16 STATEWIDE CAUCUS ON ARTS AND CULTURAL ENHANCEMENT.

17 1. The department shall administer the regional  
18 conferences and statewide caucus on arts and cultural  
19 enhancement. The purpose of the conferences and caucus is to  
20 guide the development of the arts and cultural enhancement  
21 program by identifying opportunities for programs regarding  
22 education, outreach, and enhancement, by reviewing any  
23 recommended changes in enhancement program policies, programs,  
24 and funding, and by making recommendations to the department  
25 regarding distribution of matching funds to nonprofit  
26 organizations pursuant to section 303C.4.

27 2. Biennially, during odd-numbered years, the department  
28 shall convene a statewide caucus on arts and cultural  
29 enhancement. The caucus shall be held for one day during the  
30 month of June in the capitol complex, Des Moines.

31 a. Prior to a caucus, the department shall make  
32 arrangements to hold a conference in each of six regions of  
33 the state as defined by the Iowa arts council. The department  
34 shall promote attendance of interested persons at each  
35 conference. A designee of the department shall call each

1 conference to order and serve as temporary chairperson until  
2 persons attending elect a chairperson. The department shall  
3 provide persons attending with current information regarding  
4 cultural enhancement programs and expenditures. Persons  
5 attending shall identify opportunities for programs in the  
6 areas of education, outreach, and enhancement and review  
7 recommended changes in enhancement account policies, programs,  
8 and funding, and make recommendations in the form of a  
9 resolution. The persons attending each conference shall elect  
10 ten persons to serve as delegates to the caucus, and one  
11 person to serve as chairperson of the region.

12 b. A designee of the department shall call the caucus to  
13 order and serve as temporary chairperson until persons  
14 attending the caucus elect a chairperson. Persons attending  
15 the caucus shall discuss the recommendations of the regional  
16 conferences and decide upon recommendations to be made to the  
17 department. Elected chairpersons of the regional conferences  
18 shall meet with representatives of the department and present  
19 the recommendations of the caucus.

20 3. The expenses of the department in making the  
21 arrangements for and the conducting of the conferences and the  
22 caucus, and the expenses of the delegates at the caucus shall  
23 be paid from funds in the enhancement account designated for  
24 purposes of the regional conferences and caucus.

25 SUBCHAPTER III

26 ENDOWMENT PROGRAM

27 Sec. 8. NEW SECTION. 303C.7 ARTS AND CULTURAL ENDOWMENT  
28 PROGRAM ESTABLISHED, ARTS AND CULTURAL ENDOWMENT FOUNDATION  
29 ESTABLISHED.

30 1. The arts and cultural endowment program is established.  
31 The arts and cultural endowment foundation established in this  
32 section shall administer the endowment program and shall adopt  
33 rules pursuant to chapter 17A to fulfill the purposes of this  
34 section. Interest on the funds in the endowment account  
35 established in section 303C.2, subsection 2, are available for

1 the purposes of this section. The endowment foundation shall  
2 establish criteria for the awarding of grants, fellowships,  
3 and scholarships to amateur, professional, and student artists  
4 to develop, encourage, and enhance the arts and cultural  
5 programs in the state, upon submission of a proposal by the  
6 artist. The artist shall request no more than twenty-five  
7 thousand dollars in the proposal.

8 2. The arts and cultural endowment foundation is estab-  
9 lished. The exercise of the powers granted to the endowment  
10 foundation in this chapter is an essential governmental  
11 function. The administrative functions of the endowment  
12 foundation shall be performed by persons appointed in equal  
13 number by the department and the Iowa humanities board. The  
14 persons appointed shall elect the officers of the endowment  
15 foundation. The endowment foundation shall be located in the  
16 department's offices. The endowment foundation may solicit  
17 and accept gifts, grants, donations, bequests, and in-kind  
18 contributions for deposit in the endowment account. The  
19 endowment foundation shall, to the extent possible, use gifts,  
20 donations, and bequests in accordance with the expressed  
21 desires of the person making the gift, donation, or bequest.

22 Sec. 9. Section 303.1, subsection 2, paragraph i, Code  
23 1991, is amended by striking the paragraph.

24 Sec. 10. Section 303.2, subsection 4, paragraph d, Code  
25 1991, is amended by striking the paragraph.

26 Sec. 11. Section 303.87, subsection 3, Code 1991, is  
27 amended by striking the subsection.

28 Sec. 12. TRANSFER OF FUNDS. Notwithstanding the  
29 nonreversion provision in section 99E.32, subsection 7, and  
30 the reversion provision in 1990 Iowa Acts, chapter 1255,  
31 section 37, subsection 2, moneys appropriated to the  
32 department of cultural affairs and allocated for the artists  
33 endowment program which are not used by or on the effective  
34 date of this Act shall be deposited by the department in equal  
35 amounts in the enhancement account and the endowment account



1 created in this Act.

2 Sec. 13. Sections 303.89 and 303.90, Code 1991, are  
3 repealed.

4 EXPLANATION

5 This bill establishes the arts and cultural enhancement and  
6 endowment program.

7 Section 1 of the bill is intent language.

8 Section 2 of the bill is the definition section.

9 Section 3 of the bill establishes the enhancement account  
10 and the endowment account in the office of the treasurer of  
11 state. The enhancement account is to be administered by the  
12 arts division of the department of cultural affairs, and the  
13 endowment account is to be administered by the endowment  
14 foundation created in the bill. The use of the funds in the  
15 accounts is specified.

16 Sections 4 through 7 establish and describe the enhancement  
17 program to be administered by the department of cultural  
18 affairs. The program consists of the following: provision of  
19 matching funds to nonprofit organizations; provision of block  
20 grants to qualified organizations; and convening of regional  
21 conferences and a statewide caucus on arts and cultural  
22 enhancement. Details regarding these programs are provided in  
23 the sections.

24 Section 8 of the bill establishes the endowment program,  
25 and the endowment foundation which will administer the  
26 program.

27 Sections 9 through 11, and section 13 strike Code sections  
28 establishing the Iowa arts and culture challenge grant  
29 foundation and its fund as enacted by the 73rd General  
30 Assembly.

31 Section 12 provides that moneys allocated for the artists  
32 endowment program by the department of cultural affairs which  
33 are not used by or on the effective date of the bill will be  
34 allocated by the department to the programs created in this  
35 bill in equal amounts.

SENATE FILE 268

E-3563

1 Amend Senate File 268, as passed by the Senate, as  
2 follows:

3 1. Page 1, line 32, by inserting after the figure  
4 "303C.2" the following: ", which consists of funds  
5 received from private sources, and which may include  
6 funds appropriated by the general assembly".

7 2. Page 2, line 1, by inserting after the figure  
8 "303C.2" the following: ", which consists, upon the  
9 making of an appropriation by the general assembly, of  
10 public funds".

11 3. By striking page 2, line 16, through page 3,  
12 line 14, and inserting the following:

13 "1. ENHANCEMENT ACCOUNT. The enhancement account  
14 shall be administered by the arts division of the  
15 department for purposes of the enhancement program  
16 described in section 303C.3.

17 Upon the making of an appropriation by the general  
18 assembly for deposit in the enhancement account, funds  
19 in the enhancement account shall be used as follows:  
20 eighty percent shall be available for distribution on  
21 a matching basis to nonprofit organizations pursuant  
22 to section 303C.4; fifteen percent shall be available  
23 for distribution as block grants to qualified  
24 organizations pursuant to section 303C.5; and five  
25 percent shall be available to the arts division for  
26 the administration of the regional conferences and the  
27 statewide caucus on arts and cultural enhancement  
28 pursuant to section 303C.6 and for the administration  
29 of the enhancement program.

30 2. ENDOWMENT ACCOUNT. The endowment account shall  
31 be administered by the endowment foundation  
32 established in section 303C.7, subsection 2, for  
33 purposes of the endowment program established in  
34 section 303C.7, subsection 1.

35 Beginning in 1993, the endowment foundation shall,  
36 annually, on July 1, certify to the department of  
37 management and the legislative fiscal bureau, the  
38 amount of funds received from private sources for use  
39 in the endowment program. The general assembly may  
40 appropriate funds to the endowment account. However,  
41 the use of funds in the endowment account described in  
42 this subsection is not contingent upon the making of  
43 an appropriation by the general assembly.

44 Only the interest on the funds in the endowment  
45 account are available for use for the endowment  
46 program, and shall be allocated as follows: ninety-  
47 five percent for distribution for grants, fellowships,  
48 and scholarships to nonprofessional, professional, and  
49 student artists pursuant to section 303C.7, subsection  
x 50 1; and five percent to the endowment foundation

H-3563

Page 2

- 1 established in section 303C.7, subsection 2, for the
- 2 administration of the endowment program."
- 3 4. Page 3, line 20, by striking the word "Funds"
- 4 and inserting the following: "Upon the making of an
- 5 appropriation by the general assembly, funds".
- 6 5. Page 4, line 15, by inserting after the word
- 7 "arts" the following: "and cultural".
- 8 6. Page 4, line 24, by inserting after the word
- 9 "persons," the following: "senior citizens,".
- 10 7. Page 5, line 11, by inserting after the word
- 11 "association," the following: "the chairperson of the
- 12 statewide caucus, the department of education,".
- 13 8. Page 6, by striking lines 9 through 11 and
- 14 inserting the following: "resolution. The persons
- 15 attending each conference shall elect six persons to
- 16 serve as delegates to the caucus, and one person to
- 17 serve as chairperson of the region. The selection of
- 18 persons at each conference to serve as delegates to
- 19 the caucus shall conform to the gender balance
- 20 requirements of section 69.16A."
- 21 9. Page 7, line 3, by striking the word "amateur"
- 22 and inserting the following: "nonprofessional".
- 23 10. Title page, line 1, by striking the words
- 24 "and allocating moneys to".

By COMMITTEE ON EDUCATION  
OLLIE of Clinton, Chairperson

H-3563 FILED APRIL 10, 1991

*Adopted as amended by 3578 4/15/91 (p.1235)*

SENATE FILE 268

H-3578

- 1 Amend amendment, H-3563, to Senate File 268, as
- 2 passed by the Senate, as follows:
- 3 1. Page 1, line 45, by striking the word "are"
- 4 and inserting the following: "is".
- 5 2. Page 1, line 50, by striking the word
- 6 "endowment" and inserting the following:
- 7 "endowment".
- 8 3. Page 2, by inserting after line 20 the
- 9 following:
- 10 "\_\_\_\_". Page 6, line 35, by striking the word "are"
- 11 and inserting the following: "is"."

By SHEARER of Louisa

H-3578 FILED APRIL 10, 1991

*Adopted 4/15/91 (p.1235)*

HOUSE AMENDMENT TO  
SENATE FILE 268

S-3437

1 Amend Senate File 268, as passed by the Senate, as  
2 follows:

3 1. Page 1, line 32, by inserting after the figure  
4 "303C.2" the following: ", which consists of funds  
5 received from private sources, and which may include  
6 funds appropriated by the general assembly".

7 2. Page 2, line 1, by inserting after the figure  
8 "303C.2" the following: ", which consists, upon the  
9 making of an appropriation by the general assembly, of  
10 public funds".

11 3. By striking page 2, line 16, through page 3,  
12 line 14, and inserting the following:

13 "1. ENHANCEMENT ACCOUNT. The enhancement account  
14 shall be administered by the arts division of the  
15 department for purposes of the enhancement program  
16 described in section 303C.3.

17 Upon the making of an appropriation by the general  
18 assembly for deposit in the enhancement account, funds  
19 in the enhancement account shall be used as follows:  
20 eighty percent shall be available for distribution on  
21 a matching basis to nonprofit organizations pursuant  
22 to section 303C.4; fifteen percent shall be available  
23 for distribution as block grants to qualified  
24 organizations pursuant to section 303C.5; and five  
25 percent shall be available to the arts division for  
26 the administration of the regional conferences and the  
27 statewide caucus on arts and cultural enhancement  
28 pursuant to section 303C.6 and for the administration  
29 of the enhancement program.

30 2. ENDOWMENT ACCOUNT. The endowment account shall  
31 be administered by the endowment foundation  
32 established in section 303C.7, subsection 2, for  
33 purposes of the endowment program established in  
34 section 303C.7, subsection 1.

35 Beginning in 1993, the endowment foundation shall,  
36 annually, on July 1, certify to the department of  
37 management and the legislative fiscal bureau, the  
38 amount of funds received from private sources for use  
39 in the endowment program. The general assembly may  
40 appropriate funds to the endowment account. However,  
41 the use of funds in the endowment account described in  
42 this subsection is not contingent upon the making of  
43 an appropriation by the general assembly.

44 Only the interest on the funds in the endowment  
45 account is available for use for the endowment  
46 program, and shall be allocated as follows: ninety-  
47 five percent for distribution for grants, fellowships,  
48 and scholarships to nonprofessional, professional, and  
49 student artists pursuant to section 303C.7, subsection  
50 1; and five percent to the endowment foundation

- 1 established in section 303C.7, subsection 2, for the
- 2 administration of the endowment program."
- 3 4. Page 3, line 20, by striking the word "Funds"
- 4 and inserting the following: "Upon the making of an
- 5 appropriation by the general assembly, funds".
- 6 5. Page 4, line 15, by inserting after the word
- 7 "arts" the following: "and cultural".
- 8 6. Page 4, line 24, by inserting after the word
- 9 "persons," the following: "senior citizens,".
- 10 7. Page 5, line 11, by inserting after the word
- 11 "association," the following: "the chairperson of the
- 12 statewide caucus, the department of education,".
- 13 8. Page 6, by striking lines 9 through 11 and
- 14 inserting the following: "resolution. The persons
- 15 attending each conference shall elect six persons to
- 16 serve as delegates to the caucus, and one person to
- 17 serve as chairperson of the region. The selection of
- 18 persons at each conference to serve as delegates to
- 19 the caucus shall conform to the gender balance
- 20 requirements of section 69.16A."
- 21 9. Page 6, line 35, by striking the word "are"
- 22 and inserting the following: "is".
- 23 10. Page 7, line 3, by striking the word
- 24 "amateur" and inserting the following:
- 25 "nonprofessional".
- 26 11. Title page, line 1, by striking the words
- 27 "and allocating moneys to".

RECEIVED FROM THE HOUSE

S-3437 FILED APRIL 16, 1991

*Amateur concerned 4/22/91 (p 1389)*  
*Motion to reconsider 4/23*

CONNOLLY, CH.  
VARN  
LINS

SSB 104  
EDUCATION

SENATE FILE 268  
BY (PROPOSED COMMITTEE ON  
EDUCATION BILL BY  
CHAIRPERSON CONNOLLY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act establishing the arts and cultural enhancement and  
2 endowment program.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. INTENT. The general assembly finds the  
2 following:

3 1. The purpose of the programs supported by the department  
4 of cultural affairs and the state's arts and cultural  
5 organizations is to encourage and broaden public appreciation  
6 of and education and involvement in cultural activities.

7 2. The mechanisms to provide state funding for cultural  
8 activities in Iowa already exist; what is needed is increased  
9 financial support of arts and cultural programs.

10 3. The arts division of the department of cultural affairs  
11 utilizes public input in the formulation and review of state  
12 arts policies and programs.

13 4. The number and variety of private and public sector  
14 efforts now committed to further strengthening the artistic  
15 and cultural life of Iowa both attest to the health of the  
16 state's artistic and cultural life and at the same time  
17 increase the responsibility of the department of cultural  
18 affairs to ensure that the efforts are coordinated, cost-  
19 efficient, and not duplicative.

20 Sec. 2. NEW SECTION. 303C.1 IOWA ARTS AND CULTURAL  
21 ENHANCEMENT AND ENDOWMENT FUND AND ACCOUNTS ESTABLISHED.

22 1. The Iowa arts and cultural enhancement and endowment  
23 fund is established in the office of the treasurer of state.  
24 The moneys deposited in the fund shall be invested by the  
25 treasurer of state in investments authorized for the Iowa  
26 public employees' retirement fund in section 97B.7. Interest  
27 earned on the fund shall be transferred to the credit of the  
28 fund. The provisions of section 8.33 do not apply to the  
29 fund. Moneys in the fund shall be available for deposit in  
30 equal amounts into the arts and cultural enhancement account  
31 and the arts and cultural endowment account established in  
32 this section for the purposes of sections 303C.2 and 303C.6.

33 2. The arts and cultural enhancement account is  
34 established in the office of the treasurer of state. The  
35 enhancement account shall be administered by the department of

1 cultural affairs for the purposes of section 303C.2. Moneys  
2 from the Iowa arts and cultural enhancement and endowment fund  
3 shall be deposited into the enhancement account.

4 3. The arts and cultural endowment account is established  
5 in the office of the treasurer of state. The endowment  
6 account shall be administered by the arts and cultural  
7 endowment foundation as established in section 303C.5 for the  
8 purposes of section 303C.6. Moneys from the arts and cultural  
9 enhancement and endowment fund shall be deposited each month  
10 into the endowment account in an amount equal to the amount of  
11 private funds deposited in the account in that month. Only  
12 the interest on the moneys in the endowment account may be  
13 used by the foundation for the purposes of section 303C.6.

14 Sec. 3. NEW SECTION. 303C.2 ARTS AND CULTURAL  
15 ENHANCEMENT PROGRAM CREATED.

16 1. The arts and cultural enhancement program is created  
17 within and administered by the department of cultural affairs.  
18 Funds in the arts and cultural enhancement account established  
19 in section 303C.1, subsection 2, are available for the  
20 purposes of this section. Funds in the account shall be  
21 allocated for purposes of this section as follows: seventy-  
22 five percent for programs proposed pursuant to subsection 3;  
23 fifteen percent for block grants made pursuant to subsection  
24 4; five percent for expenses related to convening of the  
25 regional conferences and statewide caucus pursuant to  
26 subsection 2; and five percent to the department of cultural  
27 affairs for administration of the arts and cultural  
28 enhancement program.

29 2. The department of cultural affairs shall administer the  
30 Iowa caucus on arts and cultural enhancement organized  
31 pursuant to section 303C.3. The purpose of the caucus is to  
32 guide the development of the arts and cultural enhancement  
33 program by identifying opportunities for programs regarding  
34 education, outreach, and enhancement and by reviewing any  
35 recommended changes in enhancement program policies, programs,



1 and funding. Regional delegates to the caucus shall present  
2 their recommendations in the form of a resolution prepared at  
3 the regional conferences.

4 3. Program funds shall be available, upon certification by  
5 the department of cultural affairs of the availability of  
6 matching funds from private sources, to nonprofit  
7 organizations for the purposes of education, outreach, and  
8 enhancement. An organization proposing a program must have  
9 available funds from private sources in order to receive an  
10 equal amount of public funds contained in the enhancement  
11 account. The department of cultural affairs shall adopt rules  
12 pursuant to chapter 17A governing the distribution of funds to  
13 organizations. Proposed programs shall do at least one of the  
14 following:

15 a. Education. Provide for the development or expansion of  
16 essential nonrevenue producing arts or cultural educational  
17 programs which would supplement an existing curriculum.

18 b. Outreach. Provide for one or more of the following:

19 (1) Rural access. Allow cultural resources to be  
20 available to small communities which lack arts resources.

21 (2) Social and economic disadvantage. Assist in programs  
22 enabling arts organizations to participate in and encourage a  
23 healthy community environment. Programs may address, but are  
24 not limited to, issues such as family and child abuse, single  
25 parent families, drug abuse, and literacy.

26 (3) Cultural diversity. Increase the awareness and  
27 acceptance of cultural diversity through arts and culture.

28 (4) Underserved and special needs persons. Provide  
29 programs and innovative projects for at-risk youth, talented  
30 and gifted persons, underserved persons, disabled persons, or  
31 other special needs persons.

32 c. Enhancement. Provide for one or more of the following:

33 (1) Program enhancement. Allow arts and cultural  
34 organizations to improve or enhance the quality of programs  
35 currently offered.

1 (2) Artist and arts educators enhancement. Fund projects  
2 which would increase and support professional and student  
3 artists, and arts educators.

4 4. Block grant funds shall be available for distribution  
5 to qualified organizations for the purposes of enhancing the  
6 quality of local arts and cultural programs. In order to  
7 qualify, an organization must be a statewide,  
8 multidisciplinary arts and cultural membership organization  
9 with paid staff, and must deliver programs and services. The  
10 department of cultural affairs shall adopt rules pursuant to  
11 chapter 17A governing the distribution of block grants.

12 Sec. 4. NEW SECTION. 303C.3 IOWA CAUCUS ON ARTS AND  
13 CULTURAL ENHANCEMENT -- ORGANIZATION.

14 Biennially, during odd-numbered years, the director of the  
15 department of cultural affairs shall convene an Iowa caucus on  
16 arts and cultural enhancement. The caucus shall be held for  
17 one day during the month of June in the statehouse, Des  
18 Moines.

19 1. Prior to a caucus, the director shall make arrangements  
20 to hold a conference in each of six regions of the state as  
21 defined by the Iowa arts council. The department shall  
22 promote attendance of interested persons at each conference.  
23 The director or a designee shall call each conference and  
24 serve as temporary chairperson until persons attending elect a  
25 chairperson. The department shall provide persons attending  
26 with current information regarding cultural enhancement  
27 programs and expenditures. Persons attending shall identify  
28 opportunities for programs in the areas of education,  
29 outreach, and enhancement and review recommended changes in  
30 enhancement account policies, programs, and funding, and make  
31 recommendations in the form of a resolution. The persons  
32 attending each conference shall elect ten persons to serve as  
33 delegates to the caucus, including the elected chairperson of  
34 the region.

35 2. The director of the department of cultural affairs or a

1 designee shall call the caucus and serve as temporary  
2 chairperson until persons attending the caucus elect a  
3 chairperson. Persons attending the caucus shall discuss the  
4 recommendations of the regional conferences and decide upon  
5 recommendations to be made to the department. Elected  
6 chairpersons of the regional conferences shall meet with  
7 representatives of the department of cultural affairs and  
8 present the recommendations of the caucus.

9 3. The expenses of the department in making the  
10 arrangements for and the conducting of the conferences and the  
11 caucus, and the per diem and expenses of the delegates at the  
12 caucus shall be paid from funds in the enhancement account  
13 designated for purposes of the regional conferences and caucus  
14 pursuant to section 303C.2, subsection 1.

15 Sec. 5. NEW SECTION. 303C.4 ADVISORY BOARD CREATED.

16 An advisory board consisting of organizations funded by the  
17 department pursuant to section 303C.2, subsection 4, and  
18 representatives of the Iowa assembly for local arts agencies,  
19 Iowa alliance for arts education, Iowa arts coalition, the  
20 Iowa museum association, and the Iowa humanities board is  
21 established. The advisory board shall review and advise the  
22 department regarding the awarding of funds pursuant to section  
23 303C.2, subsection 3.

24 Sec. 6. NEW SECTION. 303C.5 IOWA ARTS AND CULTURAL  
25 ENDOWMENT FOUNDATION -- ESTABLISHED.

26 1. The Iowa arts and cultural endowment foundation is  
27 established. The foundation is a quasi-public instrumentality  
28 and the exercise of the powers granted to the endowment  
29 foundation in this chapter is an essential governmental  
30 function.

31 2. The administrative functions of the endowment  
32 foundation shall be performed by the arts division of the  
33 department of cultural affairs and members of the Iowa  
34 humanities board. The endowment foundation shall be located  
35 in the department's offices.

1 3. The endowment foundation may solicit and accept gifts,  
2 grants, donations, bequests, and in-kind contributions for  
3 deposit in the endowment account established in section  
4 303C.1. The endowment foundation shall, to the extent  
5 possible, use gifts, donations, and bequests in accordance  
6 with the expressed desires of the person making the gift,  
7 donation, or bequest.

8 4. The endowment foundation shall award grants,  
9 fellowships, and scholarships to amateur, professional, and  
10 student artists to develop, encourage, and enhance the arts  
11 and cultural programs in the state.

12 5. Moneys appropriated from the general fund of the state  
13 for deposit in the arts and cultural enhancement and endowment  
14 fund shall not be deposited in the endowment account until  
15 matching funds have been received from other sources and  
16 deposited in the endowment account.

17 Sec. 7. NEW SECTION. 303C.6 ARTS AND CULTURAL ENDOWMENT  
18 PROGRAM ESTABLISHED.

19 1. The arts and cultural endowment program is established.  
20 The arts and cultural endowment foundation established in  
21 section 303C.5 shall administer the endowment program and  
22 shall adopt rules pursuant to chapter 17A to fulfill the  
23 purposes of this section. Interest on the funds in the arts  
24 and cultural endowment account established in section 303C.1,  
25 subsection 3, are available for the purposes of this section  
26 and shall be allocated as follows: ninety-five percent for  
27 grants, fellowships, and scholarships to amateur,  
28 professional, and student artists and five percent to the  
29 endowment foundation for administration of the program.

30 2. The endowment foundation shall establish criteria for  
31 the awarding of grants, fellowships, and scholarships to  
32 amateur, professional, and student artists upon submission of  
33 a proposal by the artist. The artist shall request no more  
34 than twenty-five thousand dollars in the proposal.

35 Sec. 8. Section 303.1, subsection 2, paragraph i, Code

1 1991, is amended by striking the paragraph.

2 Sec. 9. Section 303.2, subsection 4, paragraph d, Code  
3 1991, is amended by striking the paragraph.

4 Sec. 10. Section 303.87, subsection 3, Code 1991, is  
5 amended by striking the subsection.

6 Sec. 11. Sections 303.89 and 303.90, Code 1991, are  
7 repealed.

8 EXPLANATION

9 This bill establishes the arts and cultural enhancement and  
10 endowment program.

11 Section 1 of the bill is intent language.

12 Section 2 of the bill establishes the Iowa arts and  
13 cultural enhancement and endowment fund in the office of the  
14 treasurer of state. The section also establishes the  
15 enhancement account and the endowment account for purposes of  
16 the enhancement and endowment programs.

17 Section 3 creates the arts and cultural enhancement program  
18 administered by the department of cultural affairs. The funds  
19 in the account can be used for the following: programs  
20 regarding education, outreach, and enhancement of arts and  
21 culture offered by nonprofit organizations in an amount equal  
22 to available matching funds from private sources; block grants  
23 to qualified organizations for purposes of enhancing the  
24 quality of local arts and cultural programs; organization of  
25 regional conferences and a statewide caucus on arts and  
26 culture; and for the administration of the enhancement  
27 program.

28 Section 4 details the organization of the regional  
29 conferences and statewide caucus on arts and cultural  
30 enhancement.

31 Section 5 creates an advisory board to advise the  
32 department of cultural affairs regarding the awarding of funds  
33 to nonprofit organizations for programs offered regarding  
34 education, outreach, and enhancement.

35 Section 6 establishes the arts and cultural endowment

1 foundation as a quasi-public instrumentality whose exercise of  
2 powers is considered an essential governmental function. The  
3 endowment foundation's administrative functions will be  
4 performed by the arts division of the department of cultural  
5 affairs and members of the Iowa humanities board. The  
6 foundation has the authority to accept and deposit into the  
7 endowment account gifts, grants, donations, bequests, and in-  
8 kind contributions from private sources. The foundation may  
9 use only the interest on the funds in the account for purposes  
10 of the endowment programs.

11 Section 7 establishes the arts and cultural endowment  
12 program which provides grants, fellowships, and scholarships  
13 to amateur, professional, and student artists upon submission  
14 of a proposal by the artist to the endowment foundation. The  
15 artist may request no more than \$25,000 in the proposal.

16 Sections 8 through 12 strike the Code sections establishing  
17 the Iowa arts and culture challenge grant foundation and  
18 foundation fund as enacted by the 73rd General Assembly.

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SENATE FILE 268

AN ACT

ESTABLISHING THE ARTS AND CULTURAL ENHANCEMENT AND ENDOWMENT PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. INTENT. The general assembly finds the following:

1. The purpose of the programs supported by the department of cultural affairs and the state's arts and cultural organizations is to encourage and broaden public appreciation of and education and involvement in cultural activities.
2. The mechanisms to provide state funding for cultural activities in Iowa already exist; what is needed is increased financial support of arts and cultural programs.
3. The arts division of the department of cultural affairs utilizes public input in the formulation and review of state arts policies and programs.

4. The number and variety of private and public sector efforts now committed to further strengthening the artistic and cultural life of Iowa both attest to the health of the state's artistic and cultural life and at the same time increase the responsibility of the department of cultural affairs to ensure that the efforts are coordinated, cost-efficient, and not duplicative.

SUBCHAPTER 1

DEFINITIONS AND FINANCING

Sec. 2. NEW SECTION. 303C.1 DEFINITIONS.

For the purposes of this chapter, the following definitions apply:

1. "Arts" means music, dance, theater, opera and music theater, visual arts, literature, design arts, media arts, and folk and traditional arts.
2. "Culture" or "cultural" means programs and activities which explore past and present human experience.
3. "Department" means the department of cultural affairs.
4. "Endowment account" means the arts and cultural endowment account established in section 303C.2, which consists of funds received from private sources, and which may include funds appropriated by the general assembly.
5. "Endowment program" means the arts and cultural endowment program established in section 303C.7.
6. "Enhancement account" means the arts and cultural enhancement account established in section 303C.2, which consists, upon the making of an appropriation by the general assembly, of public funds.
7. "Enhancement program" means the arts and cultural enhancement program created in section 303C.3.
8. "Foundation" means the arts and cultural endowment foundation established in section 303C.7.

Sec. 3. NEW SECTION. 303C.2 IOWA ARTS AND CULTURAL ENHANCEMENT AND ENDOWMENT ACCOUNTS ESTABLISHED.

The Iowa arts and cultural enhancement account and the Iowa arts and cultural endowment account are established in the office of the treasurer of state. The moneys deposited in each account shall be invested by the treasurer of state in investments authorized for the Iowa public employees' retirement fund in section 978.7. Interest earned on each account shall be transferred to the credit of that account. The provisions of section 8.33 do not apply to the accounts.

1. ENHANCEMENT ACCOUNT. The enhancement account shall be administered by the arts division of the department for purposes of the enhancement program described in section 303C.3.

Upon the making of an appropriation by the general assembly for deposit in the enhancement account, funds in the enhancement account shall be used as follows: eighty percent shall be available for distribution on a matching basis to nonprofit organizations pursuant to section 303C.4; fifteen percent shall be available for distribution as block grants to qualified organizations pursuant to section 303C.5; and five percent shall be available to the arts division for the administration of the regional conferences and the statewide caucus on arts and cultural enhancement pursuant to section 303C.6 and for the administration of the enhancement program.

2. ENDOWMENT ACCOUNT. The endowment account shall be administered by the endowment foundation established in section 303C.7, subsection 2, for purposes of the endowment program established in section 303C.7, subsection 1.

Beginning in 1993, the endowment foundation shall, annually, on July 1, certify to the department of management and the legislative fiscal bureau, the amount of funds received from private sources for use in the endowment program. The general assembly may appropriate funds to the endowment account. However, the use of funds in the endowment account described in this subsection is not contingent upon the making of an appropriation by the general assembly.

Only the interest on the funds in the endowment account is available for use for the endowment program, and shall be allocated as follows: ninety-five percent for distribution for grants, fellowships, and scholarships to nonprofessional, professional, and student artists pursuant to section 303C.7, subsection 1; and five percent to the endowment foundation established in section 303C.7, subsection 2, for the administration of the endowment program.

SUBCHAPTER II

ENHANCEMENT PROGRAM

Sec. 4. NEW SECTION. 303C.3 ARTS AND CULTURAL ENHANCEMENT PROGRAM CREATED.

The arts and cultural enhancement program is created within the department and administered by the arts division. Upon the making of an appropriation by the general assembly, funds in the enhancement account established in section 303C.2, subsection 1, are available for the purposes of this subchapter. The enhancement program consists of the following:

1. Matching funds provided to nonprofit organizations.
2. Block grants provided to qualified organizations.
3. Regional conferences and statewide caucus held on arts and cultural enhancement.

Sec. 5. NEW SECTION. 303C.4 MATCHING FUNDS PROVIDED TO NONPROFIT ORGANIZATIONS.

Enhancement account funds shall be available, upon certification by the department of the availability of matching funds from private sources, to nonprofit organizations for the purposes of education, outreach, and enhancement. An organization proposing a program must have available funds from private sources in order to receive an equal amount of public funds contained in the enhancement account. The department shall consider the recommendations of the caucus on arts and cultural enhancement made pursuant to section 303C.6, and the recommendations of the advisory



council created in section 303C.5, and shall adopt rules pursuant to chapter 17A governing the distribution of funds to organizations. Proposed programs shall do at least one of the following:

1. **EDUCATION.** Provide for the development or expansion of essential nonrevenue producing arts or cultural educational programs which would supplement an existing curriculum.

2. **OUTREACH.** Provide for one or more of the following:

a. **RURAL ACCESS.** Allow cultural resources to be available to small communities which lack arts and cultural resources.

b. **SOCIAL AWARENESS.** Assist in programs enabling arts organizations to participate in and encourage a healthy community environment.

c. **CULTURAL DIVERSITY.** Increase the awareness and acceptance of cultural diversity through arts and culture.

d. **SERVING SPECIAL POPULATIONS.** Provide programs and innovative projects for the following, including but not limited to: at-risk youth, talented and gifted persons, underserved persons, disabled persons, senior citizens, or other special needs persons.

3. **ENHANCEMENT.** Provide for one or more of the following:

a. **PROGRAM ENHANCEMENT.** Allow arts and cultural organizations to improve or enhance the quality of programs currently offered.

b. **ARTIST AND ARTS EDUCATORS ENHANCEMENT.** Fund projects which would increase and support professional and student artists, and arts educators.

**Sec. 6. NEW SECTION. 303C.5 BLOCK GRANTS PROVIDED TO QUALIFIED ORGANIZATIONS.**

1. Enhancement account funds shall be available for distribution to qualified organizations for the purposes of enhancing the quality of local arts and cultural programs. In order to qualify for a block grant, an organization must represent at least seventy percent of its defined membership. The department shall adopt rules pursuant to chapter 17A governing the distribution of block grants.

2. An advisory council consisting of organizations funded by the department pursuant to this section, and representatives of the Iowa assembly for local arts agencies, Iowa alliance for arts education, Iowa arts coalition, the Iowa museum association, the chairperson of the statewide caucus, the department of education, and the Iowa humanities board is established. The advisory council shall review and advise the department regarding the awarding of funds pursuant to section 303C.4.

**Sec. 7. NEW SECTION. 303C.6 REGIONAL CONFERENCES AND STATEWIDE CAUCUS ON ARTS AND CULTURAL ENHANCEMENT.**

1. The department shall administer the regional conferences and statewide caucus on arts and cultural enhancement. The purpose of the conferences and caucus is to guide the development of the arts and cultural enhancement program by identifying opportunities for programs regarding education, outreach, and enhancement, by reviewing any recommended changes in enhancement program policies, programs, and funding, and by making recommendations to the department regarding distribution of matching funds to nonprofit organizations pursuant to section 303C.4.

2. Biennially, during odd-numbered years, the department shall convene a statewide caucus on arts and cultural enhancement. The caucus shall be held for one day during the month of June in the capitol complex, Des Moines.

a. Prior to a caucus, the department shall make arrangements to hold a conference in each of six regions of the state as defined by the Iowa arts council. The department shall promote attendance of interested persons at each conference. A designee of the department shall call each conference to order and serve as temporary chairperson until persons attending elect a chairperson. The department shall provide persons attending with current information regarding cultural enhancement programs and expenditures. Persons attending shall identify opportunities for programs in the

areas of education, outreach, and enhancement and review recommended changes in enhancement account policies, programs, and funding, and make recommendations in the form of a resolution. The persons attending each conference shall elect six persons to serve as delegates to the caucus, and one person to serve as chairperson of the region. The selection of persons at each conference to serve as delegates to the caucus shall conform to the gender balance requirements of section 69.16A.

b. A designee of the department shall call the caucus to order and serve as temporary chairperson until persons attending the caucus elect a chairperson. Persons attending the caucus shall discuss the recommendations of the regional conferences and decide upon recommendations to be made to the department. Elected chairpersons of the regional conferences shall meet with representatives of the department and present the recommendations of the caucus.

3. The expenses of the department in making the arrangements for and the conducting of the conferences and the caucus, and the expenses of the delegates at the caucus shall be paid from funds in the enhancement account designated for purposes of the regional conferences and caucus.

SUBCHAPTER III  
ENDOWMENT PROGRAM

Sec. 8. NEW SECTION. 303C.7 ARTS AND CULTURAL ENDOWMENT PROGRAM ESTABLISHED, ARTS AND CULTURAL ENDOWMENT FOUNDATION ESTABLISHED.

1. The arts and cultural endowment program is established. The arts and cultural endowment foundation established in this section shall administer the endowment program and shall adopt rules pursuant to chapter 17A to fulfill the purposes of this section. Interest on the funds in the endowment account established in section 303C.2, subsection 2, is available for the purposes of this section. The endowment foundation shall establish criteria for the awarding of grants, fellowships,

and scholarships to nonprofessional, professional, and student artists to develop, encourage, and enhance the arts and cultural programs in the state, upon submission of a proposal by the artist. The artist shall request no more than twenty-five thousand dollars in the proposal.

2. The arts and cultural endowment foundation is established. The exercise of the powers granted to the endowment foundation in this chapter is an essential governmental function. The administrative functions of the endowment foundation shall be performed by persons appointed in equal number by the department and the Iowa humanities board. The persons appointed shall elect the officers of the endowment foundation. The endowment foundation shall be located in the department's offices. The endowment foundation may solicit and accept gifts, grants, donations, bequests, and in-kind contributions for deposit in the endowment account. The endowment foundation shall, to the extent possible, use gifts, donations, and bequests in accordance with the expressed desires of the person making the gift, donation, or bequest.

Sec. 9. Section 303.1, subsection 2, paragraph i, Code 1991, is amended by striking the paragraph.

Sec. 10. Section 303.2, subsection 4, paragraph d, Code 1991, is amended by striking the paragraph.

Sec. 11. Section 303.87, subsection 3, Code 1991, is amended by striking the subsection.

Sec. 12. TRANSFER OF FUNDS. Notwithstanding the nonreversion provision in section 99B.32, subsection 7, and the reversion provision in 1990 Iowa Acts, chapter 1255, section 37, subsection 2, moneys appropriated to the department of cultural affairs and allocated for the artists endowment program which are not used by or on the effective date of this Act shall be deposited by the department in equal amounts in the enhancement account and the endowment account created in this Act.

Sec. 13. Sections 303.89 and 303.90, Code 1991, are repealed.

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JOE J. WELSH  
President of the Senate

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ROBERT C. ARNOULD  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 268, Seventy-fourth General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved May 10<sup>th</sup>, 1991

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TERRY E. BRANSTAD  
Governor

**SF 268**