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MUSEUM ASSOCIATION
OF NEW YORK

Prepared Testimony
Thursday, December 12, 2019

ASSEMBLY STANDING COMMITTEE ON TOURISM, PARKS, ARTS, AND SPORTS ASSEMBLY SUBCOMMITTEE ON MUSEUMS & CULTURAL INSTITUTIONS

SUBJECT: Capital Funding for Arts and Cultural Organizations

PURPOSE: To examine capital funding for New York's arts and cultural institutions as provided in the 2019/2020 state budget.

The Museum Association of New York (MANY) is honored to be asked to deliver testimony on this subject.

We are the only statewide association speaking with one powerful voice serving New York's museums, historic sites, botanic gardens, wildlife centers, and cultural institutions. MANY's 650 members represent industry partners, museum professionals, and museums of all disciplines, budget sizes, and geographic locations.

MANY helps our members and colleagues amplify their message and share best practices. Our vision is to ensure that New York State museums operate at their full potential as economic drivers and essential elements of their communities.

Funding for capital projects has created significant and positive change for some of our state's largest and most prominent institutions. However, the high threshold for minimum funding, contract execution delays, significant human resource allocation, and difficulties in the application process limits the numbers, locations, and types of museums funded.

I would like to thank Assembly Member Daniel J. O'Donnell, Chair, Committee of Tourism, Arts and Sports Development and Robert C. Carroll, Chair, Subcommittee on Museums & Cultural Institutions for their support of New York State museums and the opportunity to present this testimony.

Sincerely,

Erika Sanger
Executive Director

Committee Chair Assembly Member O'Donnell and Members of the Assembly Standing Committee on Tourism, Parks, Arts, and Sports, thank you for allowing me to speak before you today.

In an interview with CBS News, Baltimore last week, Cathy Helm, the Smithsonian's Inspector General shared that the National Research Council is recommending that the Smithsonian's museums allocate 2 - 4% of their annual budget for facility maintenance. "Deferring maintenance can reduce the overall life of facilities and may lead to higher costs in the long term" said Helm. "Eventually, deferred maintenance requires a major capital investment." Facing budget shortfalls and declining revenues with increased demand for collections access and program delivery, New York's Museums have also been known to put facility maintenance on a back burner.

Capital investments in museums across our state in the past decade has allowed many to address long postponed upgrades and expansions to better serve their communities and tourists. The majority of museums in our state have not been able to access these capital funds, leaving collections at risk and landmarked structures in danger.

Earlier this year, MANY conducted a survey of the field. 206 (15% of our state's museums) shared data about staff, visitors, governance, management, and facilities. This survey of the field paints a new picture of our state's museum community.

Although this hearing is dedicated to a discussion of capital funding, I would like to call attention to a dilemma revealed by the data. With 20 years of flat or reduced state funding for operating support for New York's Museums, the number of staff at museums has declined. Without trained staff who can dedicate significant amounts of time to write proposals, the current state grant process is an arduous process that becomes a barrier to funding for capital needs. We estimate that only 9% of our state's museums have received capital funding in the past 3 years.

By segregating capital funds and facility improvements from operating expenses, museums in New York are in the same position as the Smithsonian's museums; decades of deferred maintenance have accelerated the need for capital investment. The sustainability and existence of important cultural sites in our state is in danger.

Museum Buildings and Facilities

Of the 206 museums that responded to our survey

- 15% are located in buildings built as museums
- 20% are located in buildings that were repurposed for museum use.
- 42% are located in historic structures, most of which have landmark status

It is challenging to maintain historic and repurposed buildings. These structures require significant capital funds for maintenance, restoration, and preservation work that needs to be done by experts familiar with the challenges these building present. With such a high percentage of our museums in historic structures, access to capital funds is a critical issue.

As you may know, state capital funding eligibility is contingent upon ownership or long-term lease. 49% of respondents own the building(s) they occupy, 18% operate under a lease, 8% occupy a donated space, and 5% have a combined leased/donated agreement. New York's Museums are also housed in buildings owned by the State, County, City, School District, or a University/College.

Access to Funding

The survey asked museums to address how they were accessing funds from federal and state sources. 26% of respondents received federal funding for capital and program expenses from agencies such as the Institute of Museum Library Services, the National Endowment for the Arts, the National Endowment for the Humanities, and the National Science Foundation.

Of those respondents that received state funding

- 44% were awarded NYSCA general operating and program grants
- 13% were awarded grants through the NYSCA REDC Art Workforce Development Arts Projects, and Capital Programs
- 18% received funding through Market NY, Canal Corporation, NYS Parks, and legislative appropriations

Other sources of funds include Towns, Villages, Cities and Counties

A follow up question about capital funds was sent to the 164 museums who indicated they received state funding. Of the 50 that responded 19 (9% of total respondents), said they received capital funds from New York State in the last 10 years.

Contract Delays

52% indicated that their projects are not yet complete. Although there can be multiple reasons why a project may not be complete even 10 years after a grant award letter was received, museums replied to our question about delays with "contract still in progress," "still awaiting contracts," and "still awaiting funding."

We recently learned that the Shaker Heritage Society took out a loan 4 times the size of its annual operating budget to complete a capital project while waiting for reimbursement. This is not a unique circumstance. MiSci in Schenectady was awarded a capital grant of \$250,000 for their Challenger Learning Center. They also took loans to complete the project, submitted final reimbursement documents in 2014, and are just beginning to receive awarded funds.

Museums must spend funds in advance and submit documentation before they receive capital grant funds. The data shows us that many need to take loans to complete projects. The interest on these loans quickly accumulates and is not considered a grant expense.

New York's museums are spending general operating money to complete capital projects funded by New York State.

Application Process Challenges

We asked the 71 museums that did not apply for capital funding to articulate the reasons for not applying. Limited staff and projects that did not qualify for funding were the most frequently cited reasons. Other reasons included

We are preparing for a major expansion - did not have the project specs finalized enough at the once-a-year timing of grant deadline.

Our computer system and "high speed" internet could not handle the application process.

We have applied (and received) REDC CFA funding in the past, but have not applied again due to reporting requirements and difficulty receiving reimbursements.

Although each museum is unique and the projects for which they applied might not have been eligible or well-articulated, in an effort to identify capital needs we asked museums what types of projects they applied for but did not receive funding. These projects included:

- Building a classroom for school groups
- Restoration and preservation of a landmarked building
- Constructing a rock garden and waterway system to naturally irrigate a public garden
- Adding public amenities to a Museum
- Creating a collections care facility
- Relocation of a Museum from a suburban to an urban space

Striking examples of need that were sent to me in the past two weeks include the Oneida Community Mansion House (OCMH). Preservation New York identified over \$6.5M worth of exterior capital needs for this National Historic Landmarked structure. As that amount far exceeds potential grant funds available, OCMH identified a \$1.373M project to mitigate further damage to the interior; launched a "Save the Roof" campaign; and has applied for REDC funding.

Capital Project Success

In an effort to grow awareness in the field of capital funds available, and provide examples that serve as models for best practice, MANY's newsletter features articles about museums whose capital projects required and will require millions of dollars in capital funds.

In the past 18 months we have published 10 articles about capital projects at

- Shaker Heritage Society
- Mid-Hudson Children's Museum
- Corning Museum of Glass
- Studio Museum in Harlem
- Seneca Park Zoo
- Brooklyn Historical Society
- Equal Rights Heritage Center, Auburn
- New York Aquarium
- Darwin Martin House
- George Eastman Museum

MANY works to strengthen and improve professional practice in museums across the state. We will continue to share information about capital and program funds made available by New York State and promote successful projects. If NYSCA Workforce Development grants are available in 2020, MANY will apply for funding a staff person to lead grant-writing workshops across the state. Our goal is to help build capacity and strongly position museums to apply for capital funding that will allow them to steward their collections, serve their communities, and attract tourists.

Thank you for listening.