

# Civic Amenities and Economic Prosperity Sacramento, California

## *The SCFD History, Structure, Policy and Politics*

Presentation by

**Floyd Ciruli**

Sacramento, California

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Ciruli Associates • 1490 Lafayette St., Ste 208 • PH: 303.399.3173 • FAX: 303.399.3147 • www.ciruli.com

## Goals

*The Scientific & Cultural Facilities District was renewed by voters for 12 years beginning in 2006. The goal is to:*

- Maintain investment in the metro area's scientific and cultural treasures
- Continue to provide high-quality programs to children, families and residents
- Enhance access to culture and education for all residents, especially underserved audiences
- Strengthen tourism, economic impact and employment benefits derived from cultural programming and exhibits

## History

- SCFD created in 1988 by voters to help fund financially struggling regional and local scientific and cultural organizations
- About \$40 million per year distributed to more than 300 organizations, from Denver Zoo, Museum of Nature & Science and Denver Center for the Performing Arts to local organizations in all metro counties
- One-tenth of a cent (penny on \$10) sales tax collected in the seven-county Denver metro area
- SCFD passed Colorado Legislature and among metro voters in 1988. Legislators again approved the statute in 1994; voters renewed it for 10 years.
- In 2004, the legislature reviewed the statute, made adjustments and placed it on the ballot for a vote in November 2004
- Sunsets again in 2018



2

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## Public Impact

*A few of the many SCFD benefits:*

- More than 9 million people visit SCFD-funded organizations a year (2004)
- Educational experience for 2 million/year school children (most attend free)
- Outreach to over one million/year underserved residents (disabled, elderly, families in poverty)
- More than 1 million people enrolled in paid and free cultural courses; and 1 million became members or subscribers
- Volunteers provide critical expertise to cultural organizations. More than 28,800 people volunteered 1 million hours.
- More than 100 free days provided by largest regional organizations



3

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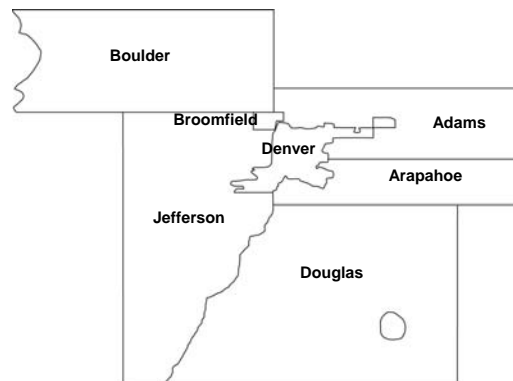
## Economic Impact

*Cultural organizations and programming have major impact on the regional economy:*

- Metro Denver culture generated more than \$1 billion in economic impact in 2001 — \$648 million in organization spending and \$435 million in event-related spending by cultural audiences
- Cultural organizations employed nearly 7,700 people in 2001. Together, cultural institutions are the 6<sup>th</sup> largest non-government employer in the Denver area
- More than 860,000 out-of-town tourist generate \$139 million. The Museum of Nature & Science, Zoo and Art Museum are among top 10 paid attractions in metro area

## Size and Scope

*The District includes nearly all of the seven-county metro area: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson:*



Eleven larger organizations and approximately 160 local organizations in 1989. Today, 24 larger organizations and nearly 300 smaller local organizations.

## Regional Elections

*SCFD has won four metro sales tax elections:*

### Sales Tax Elections: Denver Metro Region

<u>Date</u>	<u>Issue</u>	<u>Percentage</u>	
		<u>Yes</u>	<u>No</u>
1988	SCFD	75	25
1990	Baseball stadium	54	46
1994	SCFD extension	57	43
1995	SCFD TABOR override	58	42
1997	RTD light rail	42	58
1998	Football stadium	57	43
1999	RTD TABOR override	66	34
2004	RTD light rail	58	42
2004	SCFD extension	66	34



## Fair, Frugal, Accountable

- Funding provided to organizations in three tiers:
  - **Large regional: (Tier I)** Zoo, Museum of Nature and Science, Denver Art Museum, Botanic Gardens and Denver Center for Performing Arts (moved). Receive a fixed percentage of funds.
  - **Performing Arts & other organizations with budgets above \$900,000: (Tier II)** Colorado Symphony, Arvada Center, Children Museum, Butterfly Pavilion, Colorado Ballet, Colorado Chautauqua, Hudson Gardens, Lakewood Heritage Culture and more (currently 20 qualify). Receive funds based on attendance and budget.
  - **Smaller, local organizations: (Tier III)** Nearly 300 funded through local county councils.
- The District has a 10-person governing board representing seven counties, plus three appointed by governor. Seven local county cultural councils appointed by county commissioners distribute grants to local organizations.
- Less than 1% of funds used for administration.

## The Major Cultural Institutions

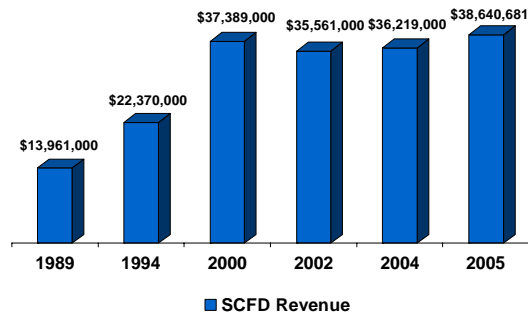
*The annual budget and attendance of six major institutions (2005) and SCFD funding (2005):*

<u>Institution</u>	<u>Attendance (000)</u>	<u>Budget (millions)</u>	<u>SCFD Funds 2005 (millions)</u>
Denver Zoo	1.711	\$20.6	\$5.8
Museum of Nature & Science	0.809	32.7	7.4
Performing Arts Center (DCPA)	0.570	48.0	3.4
Denver Art Museum	0.234	22.0	5.8
Denver Botanic Gardens	0.306	9.0	3.4
Arvada Center	0.278	9.5	1.0
Colorado Symphony	0.162	11.8	0.8
Colorado Ballet	0.060	6.3	0.4
Opera Colorado	0.045	5.2	0.3

## SCFD Revenue

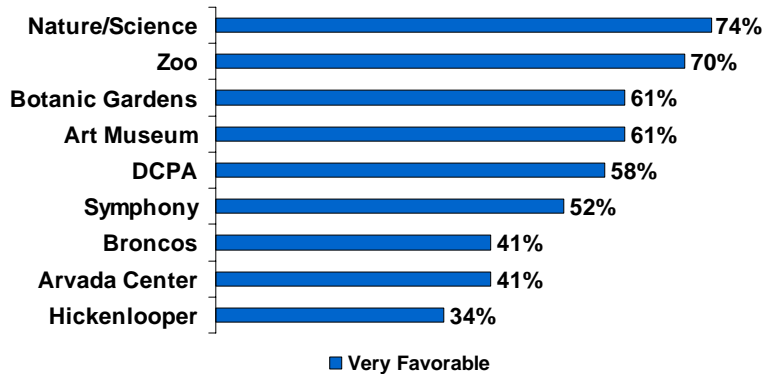
*Funding began in 1988 at \$14 million and grew to a high of \$37.4 million in 2000. After three years of decline, revenue up 6% in 2004 and in 2005:*

SCFD Revenues 1989-2005



## Favorability Rating

*Voters' highest rating of favorability for culture, sports and politicians:*



*Ciruli Associates, N600, 2004*

## Reasons for Support-Opposition

### Support

- Culture is important
- They need it
- Education of children/adults
- I like the zoo
- It has worked

### Opposition

- No more taxes
- They waste money
- Be self-supporting
- Sales taxes too high
- I don't go/few benefits

*Ciruli Associates, N600, 2004*



## Design Challenges – 1985-87

*The SCFD had to unite the cultural community, then gain support of regional local governments and finally identify top legislative sponsors. Among the challenging issues were:*

1. Metro vs. rural
2. Central city vs. suburban
3. Large vs. small institutions
4. Elite vs. popular/avant-garde vs. traditional
5. Higher priorities for tax dollars
6. Partners/sports/recreation, etc.
7. Election history
8. Municipal sales tax monopoly/tax tolerance
9. Public responsibility for funding culture
10. Mayors, legislators, business partnerships
11. Accountability, transparency, fairness, frugality

## Good Policy Makes Good Politics

- Address financial accountability
- Formulas (fair/adaptable)
- What percent of budget should be public dollars
- Capital/operating
- Geography (housing/tax patterns)
- Incorporate market mechanism (not subsidy)
- Eligibility (can say no)
- Admission costs/free days
- Governing board selection and responsibilities
- Local granting boards
- Administrative overhead
- Tax level – use least burdensome amount
- Sunset provisions

## Political Fatal Flaws

- Sufficient campaign funding (\$1.5 million)
- Unified cultural community
- Hierarchy of institutions
- Evidence of need
- Support of business/media/major leaders
- Social justice issues
  - Underserved
  - Unions
- No scandals in cultural community
  - Controversial shows
  - Financial/accounting problems
- Adversarial political culture
  - Media (talk radio/blogs)
  - Gadflies
  - Think tanks

## Citizens for Arts to Zoo

