

South Carolina Arts Commission
Testimony before the State Agency Restructuring Committee
October 20, 2010

Good morning. I'm Ken May, Executive Director of the South Carolina Arts Commission. Thank you for this opportunity to speak with you today.

Since the end of Fiscal Year 2008, the Arts Commission has absorbed cumulative reductions in state base and one-time appropriations totaling 47%. In response to these reductions, we've made cuts in every area of our agency's activity, including substantial reductions in personnel. At the beginning of FY2009, we had a total of 35 filled positions; we now have 22. A total of eight positions were dedicated to accounting, human resources, information technology, procurement, and property management. We now have three dedicated positions among these areas. The remaining duties have been absorbed by existing staff, with one important exception. In the critical area of accounting, we have entered into a memorandum of agreement with the Department of Archives and History to share a finance director position. The South Carolina Enterprise Information System (SCEIS)—the common platform for state accounting, human resources, payroll, and procurement—makes this process fairly simple and seamless, and, as a result, both we and Archives have been able to reduce our cost for a highly skilled position necessary to maintain appropriate controls and accountability.

The combination of staff reductions and creative collaboration has already produced more efficient and streamlined operations at the Arts Commission, and we continue to look for other such opportunities. We believe that finding ways to share functions among agencies is good, cost effective management, whether the partnership be administrative, such as our arrangement with Archives, or programmatic, as with the Literary Arts Partnership position we have shared with the State Library and the Humanities Council SC for over a decade. These partnerships are managed without any additional administrative layers and result in cost savings for all parties, including the taxpayers.

However, we have concerns about the Office of Cultural Affairs concept, for two important reasons. First, merging multiple agencies with distinctly different missions, programmatic functions, and constituencies will require the creation of some sort of administrative superstructure to mediate among the different components. This would put more decision time and administrative layers between constituents and services, rather than streamlining processes. Second, the new administrative layer or layers will add to cost, rather than reduce it, and because all of the cultural agencies have already made deep administrative cuts at the agency level, there isn't enough saving through consolidation left to offset the additional cost.

It is also important to note that in order to qualify for its ongoing federal funding (over \$900,000 this year), the Arts Commission is required to maintain a citizen governance structure (board, council, commission, etc.) that is specific to the arts. This would have

to be accommodated in any consolidation.

All of that said, there is one realignment we would like to explore. As the agency most directly concerned with our state's creative industries, the Arts Commission would be interested in hosting the state's film office as part of our operation. Media and film are important parts of our creative economy, but the Arts Commission does not currently have professional staff in this area. The film office, currently housed at PRT, would provide such staff, without any net increase in personnel cost to the state. In addition, the film office's work to train in-state professionals for jobs in the film industry dovetails nicely with our Artists' Ventures program, which provides business training for artists across disciplines. A better-trained community of professionals will be more attractive to film productions from out-of-state *and* is critical to the development of our own home-grown industry.

So, to summarize, we are all for collaborations, shared functions, and appropriate realignments, but we do not believe that wholesale consolidation of agencies will actually produce the increased effectiveness and efficiency we are all looking for.

Thanks again for the opportunity to share these thoughts. I'll be happy to answer any questions.