

COMMISSION OF FINE ARTS
BUDGET JUSTIFICATIONS, FY 2017

COMMISSION OF FINE ARTS

**Budget Justifications
Fiscal Year 2017**

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COMMISSION OF FINE ARTS

General Statement

The Commission of Fine Arts was established in 1910 (40 U.S.C. 104) to fill the need for a permanent agency whose members would be qualified to make available to the Government expert opinion on questions of art and architecture. The Commission's mission is to safeguard and improve the appearance and symbolic significance of Washington, D.C., as the national capital city, for the benefit of the citizens of the United States, and foreign visitors. Specifically, the Commission provides knowledgeable advice, as design proposals are brought before it, on matters pertaining to architecture, landscape architecture, sculpture, painting, and the decorative arts to all branches and departments of the Federal and District of Columbia governments when such matters affect the National Capital. The Commission also must approve of the site and design of all commemorative works and memorials erected in the District of Columbia.

In addition, the Commission advises on the design of circulating and commemorative coinage and must approve the siting and design for national memorials, both in the United States and on foreign soil, in accordance with the Commemorative Works Act and the American Battle Monuments Act.

The Commission is composed of seven members appointed by the President. They serve without compensation, receiving only actual travel expenses relative to attending meetings. Since the Commission's inception, many distinguished architects, landscape architects, painters, sculptors, planners, and others in the field of fine arts have given freely of their time, experience, and professional skills in advising the President, the Congress, and government agencies, both local and national, on matters involving the fine arts.

Specific functions as mandated by law require the Commission to:

- Advise executive departments of the Federal Government on any matters of an aesthetic nature, especially those pertaining to architecture and landscape programs that affect the appearance of the national capital city.
- Advise on any matters of an aesthetic nature that may be put forward by committees of the Congress.
- Advise the President and members of the administration on aesthetic matters upon their request.
- Advise on the design of medals, seals, insignia, and circulating and commemorative coinage.
- Approve submissions by the American Battle Monuments Commission on matters pertaining to the location and design of memorials both foreign and domestic.
- Approve submissions under the Commemorative Works Act on matters pertaining to the location and design of memorials in and around the national capital city.

- Advise the Secretary of the Army on matters pertaining to the location and design of memorials and monuments in Arlington National Cemetery.
- Advise the District of Columbia Government on all public construction, as well as private construction and the display of advertising in certain areas of the city as designated by Congress under the Shipstead-Luce and Old Georgetown Acts.
- Advise the Department of State through Section 206 of the Foreign Missions Act on foreign chanceries in all areas under the jurisdiction of the Commission, including the International Center and the Foreign Missions Center.
- Advise the National Capital Planning Commission in the selection of lands suitable for the development of the park, parkway, and playground system of the national capital city.

The Commission has administered the National Capital Arts and Cultural Affairs program since 1988, which was created by the Congress to support local nonprofit cultural institutions whose primary purpose is the presentation, exhibition, or performance of the arts at a professional level of quality in the national capital city.

In addition to those functions mandated by law, the Commission of Fine Arts is required to approve acquisitions as proposed by the Freer Gallery of Art for its permanent collection in accordance with a codicil to the will of Charles Lang Freer.

Program Summary by Budget Activity
(dollar amounts in thousands)

Appropriation	FY 2015 Actual	FY 2016 Budget	FY 2017 Request	FY 2017 Change from FY 2016 Budget
Salaries and Expenses	2,524	2,653	2,762	+109
FTE	12	12	13	+1
National Capital Arts and Cultural Affairs	2,000	2,000	1,400	-600
FTE	--	--	--	--

Highlights of the FY 2017 Request

The Commission of Fine Arts requests a FY 2017 Salaries and Expenses appropriation of \$2,762,000 for the expenses of the Commission members and the salaries and related costs necessary to support a small staff and maintain an efficient level of operations. This appropriation request represents an increase of \$109,000 above the FY 2016 Budget.

For FY 2017, changes to the Agency's uncontrollable costs total to a net reduction of \$5,000 due to reductions in rental payments to the General Services Administration and security payments to the Department of Homeland Security. These reductions include: \$77,000 less in rental payments to General Services Administration and \$13,000 less in security payments to the Department of Homeland Security. These reductions are due to a renegotiated lease agreement with GSA and DHS.

The above reductions offset the uncontrollable cost increases that include: a \$43,000 increase for personnel compensation and benefits due to the cost-of-living pay raises; a \$5,000 increase in travel costs for Commission members that do not live locally; and a \$37,000 net increase in charges for goods and services, communications, utilities, and miscellaneous charges, and equipment (including internet web hosting services). The reductions also help offset a request of \$114,000 for one additional full-time employee position for its professional staff to meet the requirements for processing the projects submitted to the Commission for review.

This budget submission also includes a request for the authority to use one-tenth of one percent of the funds provided for Salaries and Expenses for official reception and representation expenses associated with hosting meetings with international visitors, affiliated professionals, and volunteer supporters engaged in the design, planning, development, preservation, and/or study of the history of the Nation's Capital city.

For FY 2017, \$1,400,000 is requested for the National Capital Arts and Cultural Affairs (NCACA) Program, which is \$600,000 less than the FY 2016 Budget. The request includes a change to the requirements for eligibility for a grant to set an upper limit on an organization's annual income, exclusive of Federal funds, to \$50,000,000 for each of the three years prior to receipt of a grant.

Appropriation Language Sheet

COMMISSION OF FINE ARTS
Salaries and Expenses

For expenses of the Commission of Fine Arts under Chapter 91 of title 40, United States Code, \$2,762,000 [2,653,000]: *Provided*, That the Commission is authorized to charge fees to cover the full costs of its publications, and such fees shall be credited to this account as an offsetting collection, to remain available until expended without further appropriation. *Provided further*, That the Commission is authorized to accept gifts, including objects, papers, artwork, drawings and artifacts that pertain to the history and design of the Nation's Capital or the history and activities of the Commission of Fine Arts, for the purpose of artistic display, study or education. *Provided further*, That one-tenth of one percent of the funds provided under this heading may be used for official reception and representation expenses.

(Department of the Interior, Environment, and Related Agencies Appropriations Act, 2016.)

COMMISSION OF FINE ARTS
Salaries and Expenses
Uncontrollable and Related Cost Changes
(dollar amounts in thousands)

Additional cost in FY 2016:

	<u>2016</u>	<u>2017</u>
	<u>Budget</u>	<u>Change</u>
Includes a 1.3 percent pay increase in FY 2016 and 1.6 percent pay increase in FY 2017.....	1,801	+ \$43

The amount displayed represents the additional costs of funding estimated pay increases for GS-series employees and the net increases of pay rate changes made in other pay series.

	<u>2016</u>	<u>2017</u>
	<u>Budget</u>	<u>Change</u>
Rental Payments to GSA.....	260	- \$77

The adjustment is for estimated changes in the costs payable to the General Services Administration resulting from changes in rates for office and non-office space as provided by GSA.

	<u>2016</u>	<u>2017</u>
	<u>Budget</u>	<u>Change</u>
Security Payments to DHS.....	44	- \$13

The adjustment is for estimated changes in the costs payable to the Department of Homeland Security resulting from changes in rates for office space and basic building security.

	<u>2016</u>	<u>2017</u>
	<u>Budget</u>	<u>Change</u>
Purchases of Goods and Services, Communications and Utilities, and Supplies and Materials.....	377	+ \$37

The change reflects expected increases in the costs of purchases of goods and services, and supplies and materials in FY 2017

	<u>2016</u>	<u>2017</u>
	<u>Budget</u>	<u>Change</u>
Travel Costs.....	50	+ \$5

The change reflects expected increase in the charges for travel.

TOTAL UNCONTROLLABLE COST REDUCTIONS	- \$5
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Justification of Program and Performance

Activity: Salaries and Expenses

	FY 2015 Actual	FY 2016 Budget	Uncontrollable Changes	Program Changes	FY 2017 Request	Change From FY 2016 Budget
(\$000)	2,524	2,653	-5	+114	2,762	+109
FTE	12	12	0	+1	13	+1

Authorization: 40 U.S.C. 104.

Program change from FY 2016 Budget: The Commission of Fine Arts is requesting a FY 2017 Salaries and Expenses appropriation of \$2,762,000 for the expenses of the members of the Commission and the salaries and related costs necessary to support a small staff and maintain an efficient level of operations. This appropriation request represents an increase of \$109,000 above the FY 2016 Budget.

For FY 2017, changes to the Agency's uncontrollable costs total to a net reduction of \$5,000 due to reductions in rental payments to the General Services Administration, and security payments to the Department of Homeland Security. These reductions are due to a renegotiated lease agreement with GSA and DHS.

The reductions include:

- -\$77,000 in rental payments to General Services Administration;
- -\$13,000 in security payments to the Department of Homeland Security;

The above reductions offset the uncontrollable cost increases that include:

- +\$43,000 increase for personnel compensation and benefits for the cost-of-living pay raise;
- +\$5,000 in travel costs for Commission members that do not live locally;
- and;
- +\$37,000 net increase in charges for goods and services; communications, utilities, and miscellaneous charges (including internet web hosting services).

Most significantly for FY 2017, the Commission is requesting an additional full-time employee position for its professional staff with landscape design expertise to meet the requirements for processing the projects submitted to the Commission for review. Establishing the new position at roughly \$114,000 including benefits, will provide the increased level of support and expertise needed to continue critical agency programs and missions.

Justification: There are several important reasons for this request for one additional professional FTE position, including increasing caseload and complexity, standards for agency communication, and a need for a broader range of specialized professional expertise represented within the staff.

Most significantly, the Commission is requesting an additional full-time employee position for its professional staff with landscape design expertise to meet the requirements for processing the projects submitted to the Commission for review. In recent years, an increasing number of submissions are landscape projects or projects that contain a major component of landscape architecture and environmental design. This new position will help address this lack of technical capability and improve proficiency in the review of landscape design projects, and will help address the overall increase in the cases submitted to the Commission for review.

The total number of cases submitted annually to the Commission has increased substantially over the past years and continues to grow, increasing almost 10 percent over the past three years. To summarize, of the 731 cases reviewed by the Commission in FY 2015:

- More than half of these cases were submitted under the Federal **Old Georgetown Act**, a total of 362 cases in FY 2015. From 2010 to 2015, the average monthly caseload submitted under the Old Georgetown Act grew from 25 individual cases to more than 33 per month, with some months exceeding 70 cases. In FY 2015, a total of 362 Old Georgetown cases were submitted—13 more cases than FY 2014 levels. This represents approximately a four percent increase in the monthly caseload generated by the Old Georgetown Act in the last two years alone.
- For the period between FY 2013 and FY 2015, the caseload generated by the **Shipstead-Luce Act** for the design review of properties in specific areas of Federal interest, has increased more than 32.5 percent, from 129 cases in FY 2013 to 171 in FY 2015.
- In FY 2015, 198 cases of the total 731, or 27 percent, were submitted as **Federal or District of Columbia review projects**, an increase of 16 percent from the year before. Of these public-sector submissions in FY 2015, almost eight percent were submissions to review designs related to overseas military cemeteries, military insignia, coins, and medals—i.e. not related to building proposals in Washington, D.C.

The Commission's professional staff of five architects and an architectural historian have been challenged by this increasing review case load, complexity of the submissions, and lack of expertise in landscape architectural design. The current staff is working at capacity and beyond. Each submission requires many hours of staff time as the cases are received, processed, analyzed, and presented—in addition to consultation with applicants, and coordination with the District of Columbia Historic Preservation Office, and management of the architectural review board agendas and meetings. The total number of cases submitted annually to the Commission of Fine Arts for review, including those with a landscape component, are projected to continue to increase at similar rates as described above in the coming years.

Current best practices in case review indicates that similar administrative staffs of other agencies in the metropolitan area are able to process roughly 60 cases per year per FTE professional staff member. For comparison, here is a sample of case load information from similar review agencies in the metropolitan area:

Review Agency	Cases/ Year	Case Review Staff (FTE)	Cases/ Staff/Year
DC Historic Preservation Review Board, 2010	112	3	37.3
City of Alexandria, Board of Arch. Review, 2012	377	4	94.3
MNCPPC-Montgomery County HPRB, 2013	150	2.5	60.0
NCPC (includes zoning cases), FY 2014	184	7	26.3
U.S. Commission of Fine Arts, FY 2015	751	5.5	136.6

Sources: 1) D.C. Historic Preservation Office Annual Report, 2010 and David Maloney, DC State Historic Preservation Officer; 2) Michelle Oaks, Board of Architectural Review staff, City of Alexandria Office of Planning & Zoning; 3) Scott Whipple, Supervisor, MNCPPC-Montgomery Historic Preservation Office; 4) National Capital Planning Commission Annual Report, 2011. Figures refer to cases reviewed as agenda items or on consent and do not include supervisory time.

The data indicates that the number of cases reviewed by these agencies, except the Commission of Fine Arts, ranged from about 30 to 90 per FTE professional staff per year, for an average of about 60 cases. In contrast, the Commission of Fine Arts staff is reviewing far more—more than 136 cases per FTE staff per year, on average 2.27 times the caseload of comparable review agencies. As a result, we are concerned that the agency staff has no capacity for further increases in caseload, much less any staffing issues that would prevent any single individual from performing his or her assignments without serious impact on the other agency staff responsibilities and workload.

An additional professional FTE position will address the agency’s great increase in caseload; we note that even one additional position on the professional design review staff would mean that the Commission of Fine Arts’s ratio of cases/FTE/year would still be almost twice as high as the average for similar review agencies.

This request also would allow the use of one-tenth of one percent of the funds provided for Salaries and Expenses for official reception and representation expenses associated with hosting meetings with international visitors, affiliated professionals, and volunteer supporters engaged in the design, planning, development, preservation, and/or study of the history of the Nation’s Capital city.

The objectives of the Commission of Fine Arts staff are:

- To support the Commission which provides expert advice on architecture and art to the President, Congress, and various agencies of the Federal and District governments on proposed projects and existing conditions in the National Capital so as to safeguard and enhance the appearance and symbolic significance of Washington, D.C. This expertise is provided by seven Presidentially appointed, well-qualified judges of the arts who are supported by the small professional staff that oversees its continued operation.

- To assist the Commission and provide a professional level of artistic advice through review and liaison with the District of Columbia and Federal governments; to provide the administrative services that are required to support the Commission and communicate the advice of the Commission; and to keep accurate records of the Commission's actions.
- To provide professional support to the Commission in the administration of its approval authority over the design and location of battle monuments and commemorative works as required by the specific statutes authorizing them.
- To produce research on buildings, historic precincts, and general plans of the city of Washington. To make historical and architectural information generally available to the public, to other government agencies, and to the Commission. To identify buildings and areas of lasting merit so as to avoid destruction or impairment of those resources as plans evolve for the city. The specially trained staff of architects and historians performing this documentation and planning work is also available to the Commission on a case-by-case basis to provide supporting material on proposed projects, sometimes on very short notice.

Program Activities:

- The Commission of Fine Arts, an independent agency, reviews proposals affecting the appearance of Washington, D.C., and advises the President, the Congress, and the agencies of the Federal and District of Columbia governments on architectural designs and other matters of art. It also conducts liaison, research, and publication activities to further support the enhancement and preservation of the city. The Commission's approval on design and location of monuments and memorials is required as specified under the Commemorative Works Act and the American Battle Monuments Act.
- The Commission provides advice on the development of Washington through study, inspection, research, and expert consultation. The Commission maintains continual involvement in ongoing projects such as the International Center, the Foreign Missions Center, the Federal Triangle, and other special areas of the City, and publishes studies on the historical development of Washington. Some of the material assembled is published so as to be permanently available to government agencies as well as the general public.
- The Commission provides advice on design, planning, and historic preservation to the Federal and District of Columbia governments as well as to committees of Congress, which may have questions on matters specific to Washington or relating to their members' respective home states.
- The Commission, in its advisory and approval capacities, does not originate design projects; it is the recipient of project proposals. As the recipient, the Commission's activities are subject to the needs of other agencies, Federal and local, as well as those of private entities. Government construction projects materialize in response to the individual sponsors' needs and their schedules cannot be anticipated by the Commission. The initiation of private construction projects is even less predictable. The Commission must therefore be flexible by necessity. Its effectiveness and efficiency remain constant despite having no control over

the number of proposals brought before it nor the relative size and importance of each item submitted. The Commission reviews 100 percent of all proposals submitted for review within 45 days of receipt.

- The total number of all cases submitted to the Commission for review in FY 2015 was 731. Compared to the 628 cases submitted in FY 2010, this represented an increase in the last five years of *more than 19.5 percent*. The number of Shipstead-Luce Act cases submitted was 171 in FY 2015 an increase of *approximately 32.5 percent* above the 129 submissions in FY 2013; and for the Old Georgetown Act, the 362 submissions in FY 2015 represent an increase of almost *four percent* above the 349 submissions received in FY 2014.

**COMMISSION OF FINE ARTS
SALARIES AND EXPENSES**

Program and Financing (in millions of dollars)

Identification code 95-2600-0-1-451	2015 Actual	2016 Budget	2017 Request
Obligations by program activity:			
10.00	2	3	3
Budgetary resources available for obligation:			
22.00	3	3	3
23.95	-2	-3	-3
New budget authority (gross), detail:			
40.00	3	3	3
Change in unpaid obligations:			
73.10	2	3	3
73.20	-2	-3	-3
Outlays (gross), detail:			
86.90	2	3	3
Net budget authority and outlays:			
89.00	3	3	3
90.00	2	3	3

**COMMISSION OF FINE ARTS
SALARIES AND EXPENSES**

Object Classification (in thousands of dollars)

Identification code 95-2600-0-1-451	2015 Actual	2016 Budget	2017 Request
Personnel compensation:			
11.1 Full-time permanent	1,334	1,347	1,414
11.3 Full-time temporary	0	0	0
11.5 Other personnel compensation	10	22	25
11.9 Total personnel compensation.....	1,344	1,369	1,439
12.0 Personnel benefits: Civilian	422	432	455
12.1 Workers Compensation Payments.....	60	62	62
21.0 Travel and transportation of persons	45	50	55
22.0 Transportation of things.	4	5	6
23.1 Rental payments to GSA	255	260	183
23.1 Security charges to DHS	41	44	31
23.3 Communications, utilities, and miscellaneous charges	60	62	65
24.0 Printing and reproduction.....	28	28	26
25.0 Purchases of goods and services	237	315	413
26.0 Supplies and materials.....	23	20	17
31.0 Equipment	5	6	10
99.9 Total obligations.....	2,524	2,653	2,762

**COMMISSION OF FINE ARTS
SALARIES AND EXPENSES**

Personnel Summary

Identification code 95-2600-0-1-451	2015 Actual	2016 Budget	2017 Request
Total compensable work-years:			
Full-time equivalent employment	12	12	13
Full-time equivalent overtime and holiday hours	0	0	0
TOTAL:	12	12	13

Appropriation Language Sheet

COMMISSION OF FINE ARTS
National Capital Arts and Cultural Affairs

For necessary expenses as authorized by Public Law 99–190 (20 U.S.C. 956a), \$1,400,000: *Provided*, That, notwithstanding section 956a of title 20, United States Code, eligibility for grants shall be limited to not-for-profit, non-academic institutions of demonstrated national repute and is further limited to organizations having annual income, exclusive of Federal funds, that is in excess of \$1,000,000 and less than \$50,000,000 for each of the three years prior to receipt of a grant.

(Department of the Interior, Environment, and Related Agencies Appropriations Act, 2016.)

Justification of Program and Performance

Activity: Grants

	FY 2015 Actual	FY 2016 Budget	Uncontrollable Changes	Program Changes	FY 2017 Request
(\$000)	2,000	2,000	0	-600	1,400
FTE	--	--	--	--	--

Authorization: 99 Stat. 1261; 20 U.S.C. 956a

Objectives: The FY 1988 Department of the Interior and Related Agencies Appropriations Act transferred administrative responsibility for the National Capital Arts and Cultural Affairs program from the National Endowment for the Humanities to the Commission of Fine Arts. This program provides formula based grants for general operating support to District of Columbia non-profit arts and other cultural organizations. Eligible organizations must have an annual income, exclusive of Federal or pass-through Federal funds, in excess of \$1 million for each of the three years prior to their application for the grant. Grant awards are based on a formula in which 70 percent of the total funds appropriated for the fiscal year are distributed equally among all eligible organizations submitting applications, and the remaining 30 percent are distributed based on the amount of the organization's total annual income, exclusive of Federal funds, in proportion to the combined total of the annual income, exclusive of Federal funds, of all eligible organizations submitting applications. No organization will receive a grant larger than \$650,000.

Program change from 2016 Budget: In FY 2017, \$1,400,000 is requested for the National Capital Arts and Cultural Affairs Programs as authorized by the Congress. This request, by the Commission of Fine Arts, for the FY 2017 National Capital Arts and Cultural Affairs Program represents a decrease of \$600,000 from the FY 2016 Budget.

In the Budget Request for FY 2017, a change to the grantee eligibility requirements is proposed to set an upper limit on an organization's annual income, exclusive of Federal funds, to \$50,000,000 for each of the three years prior to receipt of a grant. An upper limit on annual income will help to proportionally redistribute the amount available to organizations that have smaller annual budgets, and for which these funds make up a larger percentage of their operating funds and will have a greater impact on enhancing their programming and operations. The proposed upper limit will eliminate from the program organizations that have annual operating incomes of more than \$50,000,000 and that have the capability to raise the funds from other sources.

Activities: In FY 2015, this program helped support 22 nationally renowned organizations in the National Capital, providing funding for operating expenses, staff, exhibits, and performances.

In FY 2015, \$2,000,000 in grants was awarded to the following 22 organizations.

FY 2015 NCACA Grant Recipients	GRANT	Grant as % of Operating Income*
Kennedy Center for the Performing Arts	\$286,782.67	0.22%
Hillwood Estate, Museum & Gardens	\$125,933.72	0.34%
Arena Stage	\$109,976.49	0.40%
Shakespeare Theatre	\$93,990.71	0.52%
National Symphony Orchestra	\$93,418.07	0.53%
Washington National Opera	\$93,123.95	0.53%
Folger Shakespeare Library	\$90,672.22	0.56%
Phillips Collection	\$89,559.12	0.58%
Ford's Theatre	\$82,873.32	0.72%
Washington Ballet	\$80,594.90	0.80%
National Building Museum	\$77,856.47	0.92%
National Museum of Women in the Arts	\$77,063.43	0.96%
Washington Performing Arts Society	\$75,483.41	1.07%
Studio Theatre	\$75,472.92	1.07%
Atlas Performing Arts Center **	\$72,522.87	1.37%
Woolly Mammoth Theatre Co.	\$69,926.14	1.87%
Dance Place (DC Wheel Productions)	\$69,249.79	2.07%
Choral Arts Society	\$68,634.76	2.31%
The Textile Museum	\$68,069.08	2.58%
The Washington Chorus	\$66,962.42	3.38%
Gala Hispanic Theatre	\$66,266.08	4.23%
Cathedral Choral Society	\$65,567.46	5.70%
TOTAL GRANTS	\$2,000,000.00	

* Operating income exclusive of other Federal or pass-through Federal funds.

** New applicant for FY2015

**COMMISSION OF FINE ARTS
SALARIES AND EXPENSES**

Program and Financing (in millions of dollars)

Identification code 95-2602-0-1-503	2015 Actual	2016 Budget	2017 Request
Obligations by program activity:			
10.00	2	2	1.4
Budgetary resources available for obligation:			
22.00	2	2	1.4
23.95	-2	-2	-1.4
New budget authority (gross), detail:			
40.00	2	2	1.4
Change in unpaid obligations:			
73.10	2	2	1.4
73.20	-2	-2	-1.4
Outlays (gross), detail:			
86.90	2	2	1.4
Net budget authority and outlays:			
89.00	2	2	1.4
90.00	2	2	1.4