

Amend SB-016 to Benefit SCFD District

Good government is responsive, transparent, equitable and inclusive, accountable and participatory. The SCFD reauthorization bill, SB-016, falls short of those ideals.

Lack of Accountability

SB-016 proposes a tax that lasts until 2030, without interim performance or needs analysis and corresponding adjustments.

The funding designated for Tier I (Denver Art Museum, Denver Botanic Gardens, Denver Center for Performing Arts, Denver Museum of Nature & Science, Denver Zoo) is automatic with no legislative or citizen oversight, and no policy objectives. These five large organizations receive funding regardless of need or performance. What other tax payer funding has so little scrutiny?

By contrast, Tier III, the smallest organizations and smallest portion of the funding, must apply through county cultural councils which use local criteria for evaluation.

Lack of Inclusivity

Much has been written about how traditional arts funding overlooks those in poverty, the disabled, people of color, and young people. When those communities are engaged and able to explore and express their own cultural and artistic voices, we bridge cultural divides and build healthy communities. The community-based organizations (Tier III) are nimble, relevant, and have a good track record for performing this vital function. The funding formula in SB-016 fails to properly support this effort.

Lack of Equity and Responsiveness

The funding formula was developed by a task force whose members were grant recipients or their advocates, not everyday citizens. The task force was led by the chair of the lobbying committee representing the largest organizations. The task force had a mandate that funding changes could only be incremental and that Tier I funding must exceed the projected inflation rate. Thus, those powerful organizations will continue to benefit disproportionately under SB-016 provisions.

The region has grown dramatically in the last 25 years and the task force failed to evaluate those changes, failed to evaluate future growth projections and, therefore, failed to account for current and future service delivery needs across the district. The magnitude of this oversight is seen in the shift in attendance patterns since 1990: Tier I attendance has grown by 65%, while Tier III attendance has increased a whopping 736%!

Bill sponsor Pat Steadman stated that saving the Zoo is the reason SCFD was launched. "Tier III was created in this whole thing as a sort of afterthought." Saving the zoo may have justified the tax 25 years ago, but failing to honestly evaluate current needs and citizen input 25 years later is irresponsible and does not earn public trust.

By measures of good government, SB-016 should include greater funding for Tier III:

- Tier III organizations serve 33% of all SCFD attendance, yet will receive only 15.4% of the funding.
- Tier III organizations are the most cost effective, spending \$1.42 per attendee compared to \$5.56 for each Tier I attendee.
- The Tier III organizations provide over 50% of all free admissions and 36% of all school programs.
- The Tier III grants average 13 % of grantee's budgets, Tier I's average support is 20%.
- The bill increases eligibility criteria for Tier III organizations to 5 years existence as a non-profit, (currently 3), favoring existing organizations and making it harder for new groups to become established.

SB-016 is Denver-centric

Denver contributes 29% of the revenue and receives 82.2% of the total SCFD funding. Counties outside of Denver are donating their tax dollars to Denver. The six outlying counties average a 23% return on their tax dollars, while Denver reaps a whopping 290%! These dollars bring economic and quality of life value to our district and taxpayers deserve a more equitable distribution of this revenue.

Solutions

There are several possible solutions: build more accountability and equity into the funding, create measures of success, shorten the authorization period, and provide more transparent and capable oversight. The public should be demanding this. We encourage the legislature to work to make SCFD a model for good government.

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Sources:

Pat Steadman quote, Colorado Independent, December 28, 2015
SCFD task force information, grant distribution and attendance numbers are from SCFD website and annual reports

Author:

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Signatures are from citizen / taxpayers across the entire district.
No individual is representing any particular group.

Good afternoon Chairman Neville and members of the Finance Committee. Thank you for the opportunity to make these remarks.

Susan Honstein, Louisville, citizen and I have been working to ensure that my town and other towns in the SCFD District have a voice in the next round of authorization for the SCFD tax. For the record, my town contributes over \$350K annually to SCFD and receives \$15-\$20K in grant funding for local activities. I think we can do better.

SCFD is a regional tax. This tax is collected across the entire district on every purchase citizens make in their daily lives. In order for regional districts to be effective, they must deliver benefits to taxpayers across the entire district.

We know that many citizens across the district travel to Denver to enjoy the major institutions. But what about those citizens who don't? How are they served? The tax was originally intended to lend support to the big Denver institutions, but it was also intended to support local science and cultural activities so that citizens can enjoy these amenities in their own communities without needing to travel to Denver.

It is these very activities that have grown in numbers and in diversity and in reach since the district was established 25 years ago. In fact, attendance at programs offered by these community based organizations has grown by 736% since 1990 and now constitutes one third of all SCFD attendance numbers. Yet the funding formula in the bill you are considering increases funding for these community based organizations by less than 2% and continues to divert over 80% of the funding to Denver.

There is no rationale, no justification for ignoring that growth in the new funding formula. The formula that is proposed supports institutional dependency on taxpayers on the part of the large Denver institutions. This tax needs to serve the citizens who are paying it, not the large institutions that feel an entitlement simply because this is what they have enjoyed in the past.

I am here today to ask you to thoughtfully represent the interests of all of the citizens in the district and to amend the funding formula to shift some of the return back to the communities that are paying the tax. 20% for Tier III is reasonable. 20% for Tier III is do-able. 20% for Tier III is the responsible choice. Please let those of us who live in the outlying cities share in the economic vitality and in the quality of life amenities this tax can deliver.

In addition, I would like to submit a letter into the record signed by 43 citizens from 23 of the cities and towns in the district. This letter was intended as an Op Ed piece for the Denver Post, but not surprisingly the Post refused to run it as they have taken a strong stance against any change in the formula that lessens the contributions to the large Denver institutions.

Thank you for your time and for your thoughtful deliberation on this matter.

Susan Honstein, 727 Pine St, Louisville