

# Report Highlights

**Department of Culture,  
Recreation and Tourism  
Percent for Art Program**

**October 2006**

**Louisiana Legislative Auditor**



The Percent for Art program is managed by the Louisiana Division of the Arts within the Office of Cultural Development of the Department of Culture, Recreation and Tourism (DCRT). The program's enabling legislation requires that when construction or renovation of a state building exceeds \$2 million, one percent (1%) of the expenditure shall be for works of art for the building and its grounds.

The Office of Facility Planning and Control (OFPC) within the Division of Administration allocates Percent for Art funds from capital outlay funds for the construction/renovation of a state building. Of these funds, 90% is used to purchase artwork and the remaining 10% is transferred to DCRT for administration of the program's projects.

The artwork selection process begins when the director of the program meets with the construction/renovation project architect to tour the building site, determine an appropriate location for the artwork, and set the scope of the project. There are two basic options of artwork selection--the direct purchase of existing artwork or the commission of an artist to create an original work of art. A committee selects an artist for a commission or a work of art for direct purchase and makes a recommendation to the Assistant Secretary of the Office of Cultural Development for final approval.

The artwork budget is determined by the Percent for Art allocations for each project. We were unable to make any determinations regarding the value of the various artworks compared to their costs because of the subjective nature of art and thus, a lack of criteria.

## Audit Results



**DCRT is not efficiently and effectively managing the Percent for Art program. Our findings are as follows:**

- Rules, regulations, and formal policies and procedures would help DCRT manage the Percent for Art program.
- DCRT should coordinate with OFPC to ensure it has the information necessary to effectively manage the Percent for Art program.
- DCRT has spent most of the money allocated from capital outlay projects for administration but has purchased little art for those projects.
- DCRT should re-evaluate its current method of funding administration for the Percent for Art program.
- In addition to capital outlay projects, the Percent for Art program also purchases artwork for Office Facilities Corporation (OFC) buildings.
- There is no process to ensure care or maintenance of artwork.

**Steve J. Theriot,  
CPA**

**Legislative  
Auditor**

## Is DCRT Efficiently and Effectively Managing the Percent for Art Program?



*Cypress*, Claiborne Collection  
Ed Smith

Source: Percent for Art Web site.

### Rules, Regulations, and Formal Policies and Procedures Would Help DCRT Manage the Percent for Art Program.

- ➔ Although the Percent for Art program has been active since the end of fiscal year 2001, DCRT has not promulgated any rules and regulations for the program nor have program staff developed any policies and procedures. As a result, there is no specific guidance for the program’s major functions, such as project eligibility and exemptions, administration of artwork funds, artwork selection, and artwork maintenance.

#### RECOMMENDATIONS

- ✓ DCRT should set clear goals and objectives for the Percent for Art program. From these goals and objectives, it can develop performance measures for the program.
- ✓ Based on the goals that it sets, DCRT should promulgate rules and regulations for the Percent for Art program in accordance with the Administrative Procedure Act (R.S. 49:950 et seq.). The rules and regulations should address essential operations, such as determination of exemptions, eligibility for the program, and the administrative funding of the program. DCRT can refer to such rules and regulations in any Interagency Agreements with other agencies.
- ✓ DCRT should develop, implement, and regularly update policies and/or procedures for the Percent for Art

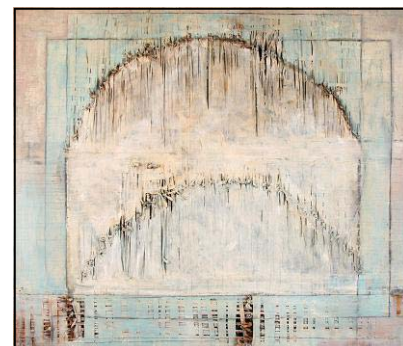
program that support the program’s overall goals to help ensure effective program operations. Policies and procedures should address major program functions such as administration of artwork funds, artwork selection, and artwork maintenance. DCRT should consider best practices in public art programs when developing policies and procedures.

### DCRT Should Coordinate With OFPC to Ensure It Has the Information Necessary to Effectively Manage the Percent for Art Program.

- ➔ DCRT relies on OFPC for critical information necessary to effectively manage the Percent for Art program. However, we found that DCRT has used inaccurate and incomplete information regarding eligible construction/renovation projects and funding for the program. As a result, DCRT cannot proactively identify and efficiently address programmatic and funding-related issues that could impact the program.

#### RECOMMENDATION

- ✓ DCRT should coordinate with OFPC to ensure that it has current and accurate information to effectively manage the program. To accomplish this, DCRT should enter into an Interagency Agreement with OFPC each year to ensure that the information needed to manage the program is readily available. The agreement should provide that critical information such as the eligible construction/renovation projects for that year and the Percent for Art allocations be provided to DCRT on a regular basis. It should also include provisions for DCRT to regularly receive updated and accurate funding information from OFPC and methods for resolving any differences between the two agencies.

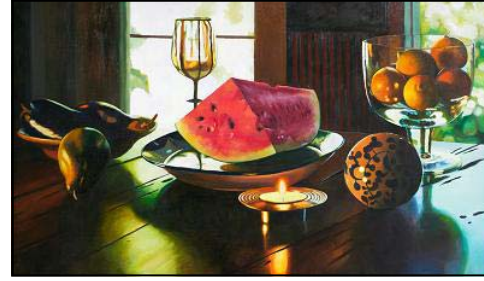


*Doon*, Claiborne Collection  
Hasmig Vartanian

Source: Percent for Art Web site.

## DCRT Has Spent Most of the Money Allocated From Capital Outlay Projects for Administration but Has Purchased Little Art for Those Projects.

- ➔ As of June 30, 2005, DCRT has received \$293,898 in administrative money from 43 projects but has only acquired \$480,245 in artwork for seven (16%) of the projects. DCRT still has to select over \$2.4 million in artwork for the remaining 36 (84%) projects.



*July*, Claiborne Collection  
Libby Johnson

**Source:** Percent for Art Web site.

## RECOMMENDATIONS

- ✓ DCRT should devise a plan to address the current backlog of construction/renovation projects from which it has already received administrative money.
- ✓ DCRT should plan the administration of projects based on clearly established goals and objectives that consider the amount of administrative funds available for the program as allowed in state law. This planning would prevent a further backlog of projects for which DCRT has received administrative money but has not purchased art.

## DCRT Should Re-evaluate Its Current Method of Funding Administration for the Percent for Art Program.

- ➔ While most (84%) of DCRT's \$132,000 administrative budget is expended on fixed costs (i.e., approximately \$110,000 in salaries), the program is funded from a fluctuating amount of revenue. In years whenever the available revenue for program administration is insufficient due to fewer new construction/renovation projects, DCRT cannot cover the salaries of program staff.

## RECOMMENDATIONS

- ✓ Annually, DCRT should base the program's administrative budget on the goals and objectives it sets for the program that year (i.e., the specific projects it plans to work on and the amount of administrative money associated with those projects).
- ✓ DCRT should review best practices for public art programs and provide recommendations for administrative funding to the commissioner of administration and the legislature for consideration of amendments to existing law. This review should include the best way to fund the fixed costs (i.e., salaries) of the program and how to ensure that OFPC does not have to take money from future projects to fund DCRT's annual administrative costs.



*Snowy Egret*, Claiborne Collection  
Leslie Staub

**Source:** Percent for Art Web site.

**In Addition to Capital Outlay Projects, the Percent for Art Program Also Purchases Artwork for Office Facility Corporation (OFC) Buildings.**

➤ As of June 30, 2005, OFC has paid DCRT approximately \$392,343 to acquire artwork for two of the eight Capitol Park buildings and has committed approximately an additional \$1.5 million to the program. DCRT includes the Capitol Park buildings in the Percent for Art program because of a directive from the former commissioner of administration.



*Large Bowl and Large Platter,  
Claiborne Collection  
Craig McMillin*

**Source:** Percent for Art Web site.



**There Is No Process to Ensure Care or Maintenance of Artwork.**

➤ Currently, no agency accepts responsibility for the maintenance or care of Percent for Art program artwork. If the artwork is not maintained, it may begin to deteriorate, possibly resulting in replacement or repairs, which may be more costly than routine maintenance and care.

**RECOMMENDATIONS**

- ✓ DCRT should collaborate with the commissioner of administration to determine the entity responsible for the maintenance and care of installed artwork. Once determined, DCRT should incorporate a collection management plan into the policies and procedures it develops for the Percent for Art program.
- ✓ If an entity other than DCRT is responsible for the maintenance and care of installed artwork, DCRT should consider entering into an Interagency Agreement with that entity to ensure a clear understanding of its role and responsibilities.

**Louisiana  
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DEPARTMENT OF CULTURE,  
RECREATION AND TOURISM  
PERCENT FOR ART PROGRAM



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PERFORMANCE AUDIT

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ISSUED OCTOBER 18, 2006

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October 18, 2006

The Honorable Donald E. Hines,  
President of the Senate  
The Honorable Joe R. Salter,  
Speaker of the House of Representatives

Dear Senator Hines and Representative Salter:

This report provides the results of our performance audit of the Department of Culture, Recreation and Tourism's management of the Percent for Art program. This audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

Our audit work began in April 2005 and ended in October 2005. Issuance of our report was delayed because of hurricanes Katrina and Rita.

This report contains our findings, conclusions, and recommendations. Appendix G contains the agency's response. I hope this report will benefit you in your legislative decision-making process.

Sincerely,

Steve J. Theriot, CPA  
Legislative Auditor

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[CRT06]

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	Page
<b>Executive Summary .....</b>	<b>3</b>
<b>Introduction.....</b>	<b>5</b>
Audit Initiation and Objectives.....	5
Overview of the Percent for Art Program.....	5
<b>Is DCRT Efficiently and Effectively Managing the Percent for Art Program? .....</b>	<b>11</b>
Rules, Regulations, and Formal Policies and Procedures Would Help DCRT Manage the Percent for Art Program .....	12
DCRT Should Coordinate With Office of Facility Planning and Control to Ensure It Has the Information Necessary to Effectively Manage the Percent for Art Program.....	14
DCRT Has Spent Most of the Money Allocated From Capital Outlay Projects for Administration but Has Purchased Little Art for Those Projects .....	15
DCRT Should Re-evaluate Its Current Method of Funding Administration for the Percent for Art Program .....	17
In Addition to Capital Outlay Projects, the Percent for Art Program Also Purchases Artwork for Office Facilities Corporation (OFC) Buildings .....	19
There Is No Process to Ensure Care or Maintenance of Artwork .....	21
<hr/>	
<b>EXHIBITS</b>	
Exhibit 1: Organizational Structure of DCRT .....	6
Exhibit 2: Funding for the Percent for Art Program .....	7
Exhibit 3: Breakdown of the Administrative Budget, Percent for Art Program, Fiscal Year 2005.....	8
Exhibit 4: Percent for Art Program, Purchased/Contracted Artworks for State Buildings, as of June 30, 2005.....	16

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**EXHIBITS (CONT.)**

Exhibit 5: Office Facilities Corporation, Percent for Art Payments  
for the Claiborne Building and Galvez Building Parking Garage,  
as of June 30, 2005 ..... 20

Exhibit 6: Office Facilities Corporation, Percent for Art Program  
Commitments and Payments, Capitol Park Buildings,  
as of June 30, 2005 ..... 21

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**APPENDIXES**

Appendix A: Scope and Methodology..... 23

Appendix B: Percent for Art Program Enabling Legislation..... 25

Appendix C: Percent for Art Program Allocations From  
Capital Outlay Projects, as of June 30, 2005 ..... 27

Appendix D: Percent for Art Program, Purchased Artwork  
for OFC Buildings, as of June 30, 2005 ..... 29

Appendix E: Minnesota State Arts Board Interagency Agreement ..... 31

Appendix F: Louisiana Percent for Art Program Guidelines, 2001-2003 ..... 37

Appendix G: Management’s Response ..... 43

**EXECUTIVE SUMMARY**

We found that the Louisiana Department of Culture, Recreation and Tourism (DCRT) is not efficiently and effectively managing the Percent for Art program. The following findings describe the problems we identified regarding DCRT's management of the program.

**Performance Audit Findings**

- **Rules, Regulations, and Formal Policies and Procedures Would Help DCRT Manage the Percent for Art Program.** Although the program has been active since the end of fiscal year 2001, DCRT has not promulgated any rules and regulations for the program nor have program staff developed any policies and procedures. As a result, there is no specific guidance for the program's major functions, such as project eligibility and exemptions, administration of artwork funds, artwork selection, and artwork maintenance. *(See pages 12-13.)*
- **DCRT Should Coordinate With OFPC to Ensure It Has the Information Necessary to Effectively Manage the Percent for Art Program.** DCRT relies on OFPC for critical information necessary to manage the Percent for Art program. However, we found that DCRT has used inaccurate and incomplete information regarding eligible construction/renovation projects and funding for the program. As a result, DCRT cannot proactively identify and efficiently address programmatic and funding-related issues that could impact the program. *(See pages 14-15.)*
- **DCRT Has Spent Most of the Money Allocated From Capital Outlay Projects for Administration but Has Purchased Little Art for Those Projects.** As of June 30, 2005, DCRT has received \$293,898 in administrative money from 43 projects but has only acquired \$480,245 in artwork for seven (16%) of the projects. DCRT still has to select over \$2.4 million in artwork for the remaining 36 (84%) projects. *(See pages 15-17.)*
- **DCRT Should Re-evaluate Its Current Method of Funding Administration for the Percent for Art Program.** While most (84%) of DCRT's \$132,000 administrative budget is expended on fixed costs (i.e., approximately \$110,000 in salaries), the program is funded from a fluctuating amount of revenue. In years whenever the available revenue for program administration is insufficient due to fewer new construction/renovation projects, DCRT cannot cover the salaries of program staff. *(See pages 17-19.)*

- **In Addition to Capital Outlay Projects, the Percent for Art Program Also Purchases Artwork for Office Facilities Corporation (OFC) Buildings.** As of June 30, 2005, OFC has paid DCRT approximately \$392,343 to acquire artwork for two of the eight Capitol Park buildings and has committed approximately an additional \$1.5 million to the program. DCRT includes the Capitol Park buildings in the Percent for Art program because of a directive from the former commissioner of administration. *(See pages 19-21.)*
- **There Is No Process to Ensure Care or Maintenance of Artwork.** Currently, no agency accepts responsibility for the maintenance or care of Percent for Art program artwork. If the artwork is not maintained, it may begin to deteriorate, and replacement or repairs may be more costly than routine maintenance and care. *(See pages 21-22.)*

## INTRODUCTION

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### Audit Initiation and Objectives

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. Louisiana Revised Statute (R.S.) 24:522 requires, in part, that the legislative auditor establish a schedule of performance audits to ensure that at least one performance audit is completed and published for each executive department agency within a seven-year period beginning with the 1997-98 fiscal year. In accordance with this requirement, the Office of Legislative Auditor developed a plan scheduling a performance audit of the Department of Culture, Recreation and Tourism (DCRT) for the 2005-2006 fiscal year. The scheduling of this audit was approved by the Legislative Audit Advisory Council in July 2003.

We limited our work to the Percent for Art program, within the Office of Cultural Development. Our objective was to answer the following question:

*Is DCRT efficiently and effectively managing the Percent for Art program?*

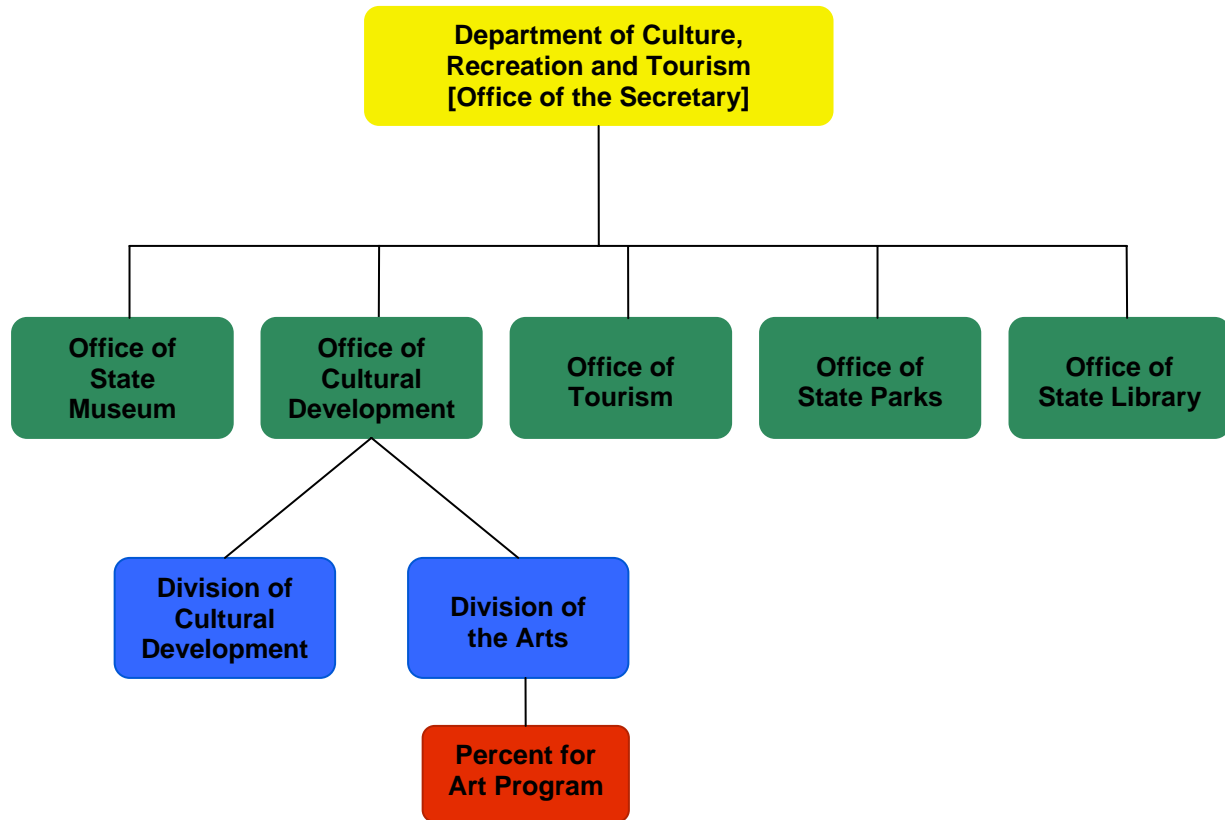
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### Overview of the Percent for Art Program

**Statutory Authority:** The Percent for Art program was established through Act 1280 of the 1999 legislative session. The program's enabling legislation, R.S. 25:900.1, requires that when construction or renovation of a state building exceeds \$2 million, one percent (1%) of the expenditure shall be for works of art (e.g., paintings, sculptures, stained glass, photographs) by artists and craftsmen for the building and its grounds. The law also provides for exemptions to the program under certain circumstances (e.g., art would be inappropriate for the project, little opportunity for public appreciation). See Appendix B for a copy of R.S. 25:900.1.

**Organization/Staffing:** The Percent for Art program is managed by the Louisiana Division of the Arts within the Office of Cultural Development (see Exhibit 1). Staffing for the program consists of two full-time employees, a program director, and a program manager.

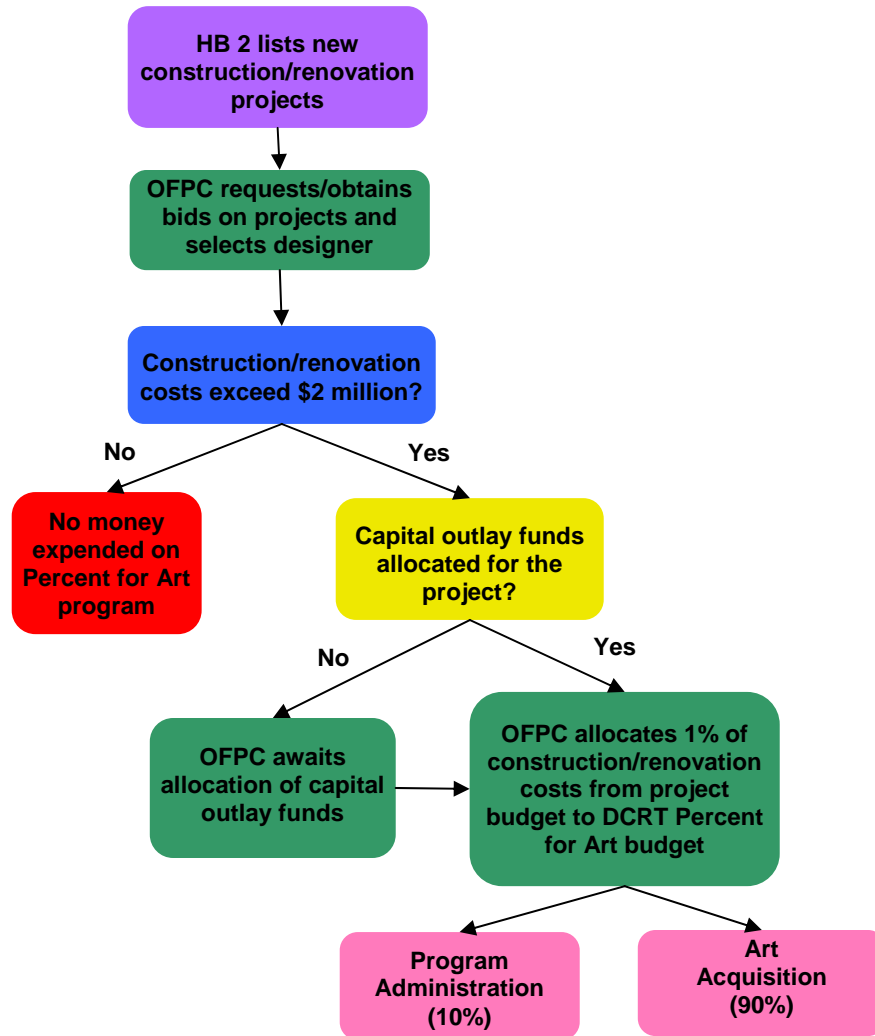
**Exhibit 1  
Organizational Structure of DCRT**



**Source:** Prepared by legislative auditor’s staff using information from DCRT and the Division of Administration.

**Funding:** Funding for the Percent for Art program is derived from capital outlay money. Once the Office of Facility Planning and Control (OFPC) allocates capital outlay funds to a state building construction/renovation project, it allocates an amount equal to 1% of the actual construction/renovation costs from the project’s budget to the Percent for Art program. According to OFPC, 10% of the 1% is provided to DCRT through an interagency transfer for administration of the Percent for Art program. The remaining 90% of the 1% is left in the various capital outlay construction/renovation project budgets until DCRT is ready to purchase the artwork. As of June 30, 2005, OFPC has allocated approximately \$3.3 million to the Percent for Art program for both artwork and administration. Appendix C lists the capital outlay projects from which OFPC has allocated 1% of construction/renovation costs to the program. It also includes a breakdown of the administrative and artwork allocations. Exhibit 2 describes the Percent for Art program’s funding process.

**Exhibit 2  
Funding for the Percent for Art Program**



**Source:** Prepared by legislative auditor’s staff using information from DCRT and OFPC.

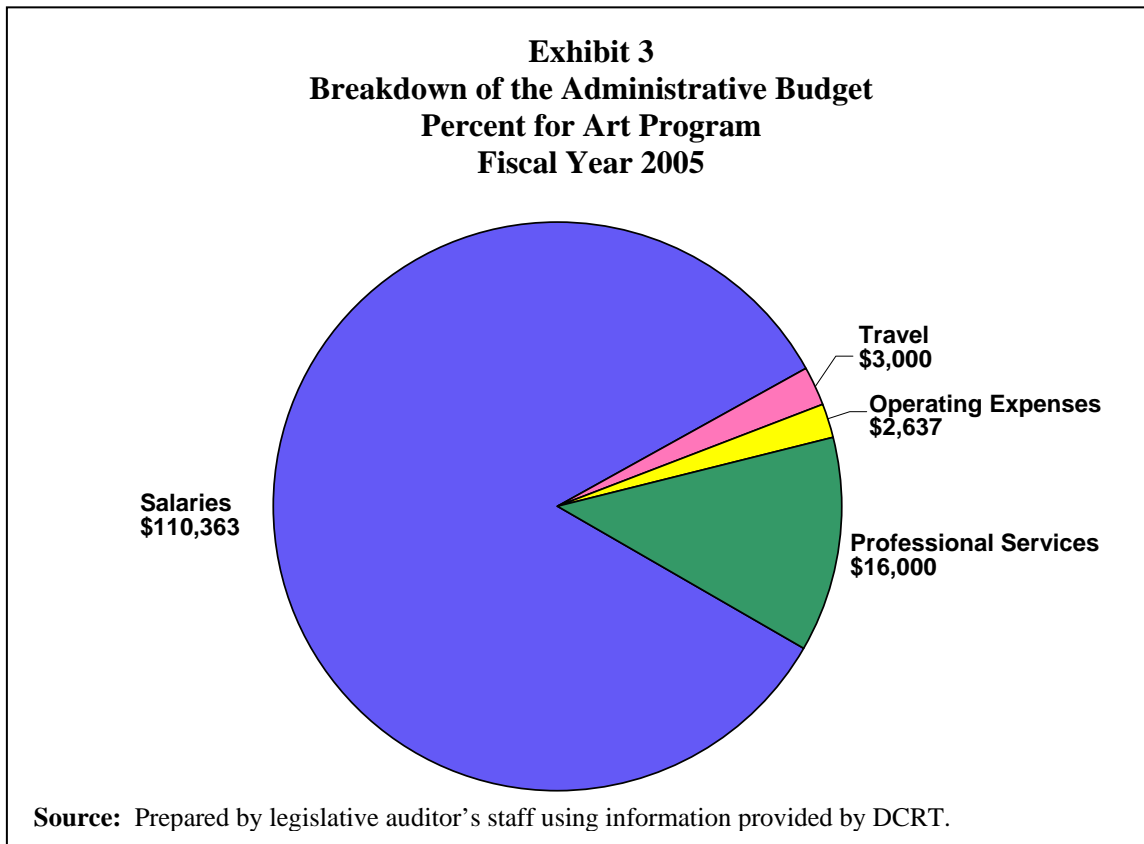
Although the legislation establishing the Percent for Art program was enacted in 1999, the program did not begin until the end of fiscal year 2001 because of uncertainty about how to fund the administration of the program.<sup>1</sup> DCRT and OFPC verbally agreed that \$132,000 would be allocated for program administration. This amount was established in 2001 based on an estimate of the average annual amount of capital outlay money expected to be allocated for new

<sup>1</sup> According to DCRT officials, the department contracted out the program’s start-up activities for approximately \$49,000. Funding of the program with capital outlay money did not begin until fiscal year 2003.



construction/renovation projects. Annually, the OFPC fiscal manager reviews the capital outlay bill for construction/renovation projects that may qualify for the Percent for Art program and takes 10% from individual projects to fund the program’s \$132,000 administrative budget.

Exhibit 3 shows a breakdown of the Percent for Art program’s administrative budget for fiscal year 2005.



As illustrated in Exhibit 3, salaries for the two staff members comprise \$110,363 (84%) of the program’s \$132,000 administrative budget, leaving \$21,637 (16%) for the costs associated with artwork selection, acquisition, conservation, restoration, and installation. These costs include travel, supplies, operating services, and professional services (i.e., funding for brochures, posters and other promotional material, honorariums for artists).

**Artwork Selection:** The artwork selection process begins when the director of the program meets with the construction/renovation project architect to tour the building site, determine an appropriate location for the artwork, and set the scope of the project. There are two basic options of artwork selection--direct purchase of existing artwork or the commission of an artist to create an original work of art. For both methods, Percent for Art staff develop and distribute a Call for Artists document. Program staff choose a selection committee, which meets to review the artists’ applications, selects finalists and, at a later date, evaluates and chooses among the finalists’ concept proposals (or submissions of actual work for direct purchase) for the

project. The committee then selects an artist for a commission or a work of art for direct purchase and makes a recommendation to the Assistant Secretary of the Office of Cultural Development for final approval. Because the Percent for Art program provides travel expenses and an honorarium for finalists during the commission process, the direct purchase method is less costly.

**Purchased Artwork:** The artwork budget is determined by the Percent for Art allocations for each project and is listed on the Call for Artists document mentioned earlier. In addition to the final product, artwork costs include artist expenses such as materials, studio overhead, transportation to site, and site preparation. Our audit objectives did not compare the value versus actual cost of the purchased artworks because of the various costs involved, the subjective nature of art and thus, a lack of criteria. For example, while the Percent for Art program paid \$42,300 for the sculpture located outside the Claiborne building, we could not make any determinations as to its actual value. Subsequently, we cannot determine whether the artwork purchased by the Percent for Art program is an efficient use of state dollars. Appendix D and Exhibit 6 within this report list all of the artwork DCRT has purchased for the Percent for Art program, as of June 30, 2005.

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## IS DCRT EFFICIENTLY AND EFFECTIVELY MANAGING THE PERCENT FOR ART PROGRAM?

DCRT is not efficiently and effectively managing the Percent for Art Program. For example, although the program has been active since the end of fiscal year 2001, DCRT has not promulgated any rules and regulations nor have program staff developed any policies and procedures. Therefore, there is no specific guidance for the program's major functions such as project eligibility and exemptions, administration of artwork funds, artwork selection, and artwork maintenance. In addition, Percent for Art program staff and OFPC, the agency that provides funding information for the program, do not coordinate or communicate effectively with each other to ensure the data used for program decisions are current, accurate, and complete.

As of June 30, 2005, DCRT has spent most of the money allocated from capital outlay projects for administration but has purchased little art for those projects. Specifically, DCRT has received \$293,893 in administrative money from 43 projects but has only acquired \$480,245 in artwork for seven (16%) of the projects.



*One Plant, Many Flowers,*  
Howard Kalish

**Source:** Photo courtesy of DCRT.

DCRT should re-evaluate its current method of funding administration for the Percent for Art program because of the difficulties it causes in managing the program. While approximately 84% of DCRT's administrative budget is expended on fixed costs (i.e., approximately \$110,000 in salaries), the program's operating revenue fluctuates each year. In years whenever the available revenue for program administration is insufficient due to fewer new construction/renovation projects, DCRT cannot cover the salaries of program staff unless OFPC takes administrative money from future projects. Future projects are projects for which funding has not yet been secured. As of June 30, 2005, OFPC has taken administrative money from 12 future projects.

In addition to purchasing art for capital outlay projects, the Percent for Art program also purchases art for OFC buildings. As of June 30, 2005, OFC has committed approximately \$1.9 million to the program to purchase artwork for the eight Capitol Park buildings. DCRT included the Capitol Park buildings in the Percent for Art program because of a directive from the former commissioner of administration.

Finally, no agency accepts responsibility for the maintenance or care of the artwork provided by the Percent for Art program. Though the artists submit recommendations for artwork maintenance, no plan or process is in place to ensure care of the artwork.

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## Rules, Regulations, and Formal Policies and Procedures Would Help DCRT Manage the Percent for Art Program.

Although the Percent for Art program has been active since the end of fiscal year 2001, DCRT has not implemented the management practices necessary for effective and efficient program operations. For example, there is a lack of clear goals and objectives for the program. In addition, DCRT has not promulgated any rules or regulations for the program nor have program staff developed policies and procedures.<sup>2</sup> The only program requirements are those set forth in the program's enabling legislation that provides for the purpose, certain definitions, exemptions, artwork selection authority, and preference for Louisiana artists. As a result, there is no clear or specific guidance for essential operations of the program such as:



[A portion of] *Silhouette*, Jacqueline Bishop  
Claiborne Collection

**Source:** Percent for Art Web site.

- How and when to determine which construction/renovation projects are eligible for the Percent for Art program
- What portion of the Percent for Art budget should be allocated for administration
- When the administrative portion of the project budget should be paid to DCRT (e.g., when the construction/renovation contract is finalized, during the design phase)
- What agency (e.g., DCRT or OFPC) is responsible for determining exemptions
- How and when to determine program exemptions
- Deadlines or time frames for the different steps in art selection
- Artwork maintenance

Developing clear and specific guidance will help clarify the roles of the various agencies (DCRT and OFPC) involved in the Percent for Art program. This guidance will also assist these entities to coordinate efforts and effectively fulfill their roles within the complex capital outlay process.

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<sup>2</sup> See Appendix F, *Louisiana Percent for Art Program Guidelines 2001-2003*, for guidelines that DCRT management provided us after reading a draft of this audit report. The program's director was not aware of the guidelines.

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According to *Going Public: A Field Guide to Developments in Art in Public Places*, a highly regarded reference for public art programs, standard operating policies and procedures should be developed before beginning such a program. If policies and procedures are not clearly defined, the program will be problematic because of inconsistencies, lack of communication, uncertainty, and inefficiencies. In addition, policies and procedures should clearly establish the program's mission, goals, and objectives.

Other state public art programs, such as the Minnesota State Arts Board and Washington State Arts Commission, use Interagency Agreements among all the agencies involved in the public art process to help improve interagency communication and coordination. See Appendix E for an example of an Interagency Agreement from the Minnesota State Arts Board. *Going Public* also recommends that agencies develop ongoing working relationships and educate one another about their own intentions, needs, concerns, and processes. The Percent for Art program's current guidance--its legislation--does not provide for such critical operating information or interagency coordination.

**Recommendation 1:** DCRT should set clear goals and objectives for the Percent for Art program. From these goals and objectives, it can develop performance measures for the program.

**Management's Response:** DCRT agrees with this recommendation. The Percent for Art program is a relatively new program and has been in continued development.

**Recommendation 2:** Based on the goals that it sets, DCRT should promulgate rules and regulations for the Percent for Art program in accordance with the Administrative Procedure Act (R.S. 49:950 et seq.). The rules and regulations should address essential operations such as determination of exemptions, eligibility for the program, and administrative funding of the program. DCRT can refer to such rules and regulations in any Interagency Agreements with other agencies.

**Management's Response:** DCRT agrees with this recommendation.

**Recommendation 3:** DCRT should develop, implement, and regularly update policies and/or procedures for the Percent for Art program that support the program's overall goals to help ensure effective program operations. Policies and procedures should address major program functions such as administration of artwork funds, artwork selection, and artwork maintenance. DCRT should consider best practices in public art programs when developing policies and procedures.

**Management's Response:** DCRT agrees with this recommendation. The Percent for Art program has been reviewing national models and "best practices" in an effort to design Louisiana's public art program. DCRT is ready to implement more formalized policies and procedures that are tailored to the program's operations.



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**DCRT Should Coordinate With OFPC to Ensure It Has the Information Necessary to Effectively Manage the Percent for Art Program.**

DCRT relies on OFPC for the critical information necessary to effectively manage the Percent for Art program. This information includes the number of eligible construction/renovation projects each year, the costs of these projects, and the amount of money allocated to the Percent for Art program. The OFPC fiscal manager manually tracks and maintains this information on an Excel spreadsheet. As of June 2005, the spreadsheet DCRT was using to manage the program had not been updated by OFPC since September 2004. We determined that this information was incomplete, inaccurate, and insufficient for effective program management. For example, DCRT's spreadsheet was missing at least three completed construction/renovation projects and five projects currently under construction. In addition, it contained two duplicate projects and inaccurate information regarding the Percent for Art allocation amounts for 11 projects, nine of which were understated.



*Sculptures on the Ridge*, Gene Koss  
Claiborne Collection  
**Source:** Percent for Art Web site.

Because there is currently no formal agreement between DCRT and OFPC nor any policies or procedures to guide the interaction between the two agencies, DCRT does not receive regular updates from OFPC on the information it needs to efficiently and effectively manage the program. Without current information and clear communication on the funding status of the program, DCRT cannot ensure that OFPC is allocating the required funding to the Percent for Art program. In addition, it cannot proactively identify and efficiently address programmatic and funding-related issues that could impact the program (e.g., which projects DCRT has received administrative funding for or the amount of administrative money remaining for a project).

**Recommendation 4:** DCRT should coordinate with OFPC to ensure that it has current and accurate information to effectively manage the program. To accomplish this, DCRT should enter into an Interagency Agreement with OFPC each year to ensure that the information needed to manage the program is readily available. The agreement should provide that critical information such as the eligible construction/renovation projects for that year and the Percent for Art allocations be provided to DCRT on a regular basis. It should also include provisions for DCRT to regularly receive updated and accurate funding information from OFPC and methods for resolving any differences between the two agencies.

**Management's Response:** DCRT agrees that an Interagency Agreement is an appropriate instrument to outline provisions regarding project status and timelines, project and corresponding administrative allocated/budgeted funds, and further, the transmitting of regular updates and other pertinent and relevant information, such as compliance and bond dates, needed to effectively manage the Percent for Art program.

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**DCRT Has Spent Most of the Money Allocated From Capital Outlay Projects for Administration but Has Purchased Little Art for Those Projects.**

DCRT receives 10% of the 1% OFPC sets aside from qualifying capital outlay projects to administer the program. While DCRT has spent 89% of the money allocated for administration, it has only purchased artwork for 16% of the buildings. An agency official stated DCRT will use general fund money to fund the administration of the remaining projects.

As of June 30, 2005, OFPC had allocated approximately \$3.3 million to the Percent for Art program from 43 capital outlay projects (see Appendix C for a breakdown of the money allocated from each project). As mentioned earlier, 90% of the \$3.3 million (i.e., approximately \$3.0 million) is for the purchase of artwork and 10% (i.e., approximately \$330,000) is for administering the program. However, DCRT has spent the administrative money for most of the projects but has purchased little of the artwork. For example, as of June 30, 2005, DCRT spent or contracted \$480,245 to purchase artwork for seven (16%) of the 43 projects. DCRT still has to select over \$2.4 million in artwork for the remaining 36 (84%) projects.



*The Levee, Alan Gerson*  
BRCC Louisiana Building  
**Source:** Percent for Art Web site.

While DCRT has only selected approximately \$480,245 in artwork for 16% of the projects, it has spent approximately \$293,893 or 89% of the \$330,000 in administrative money allocated for these projects. Purchasing the remaining artwork with the remaining administrative funds will be difficult. In addition, the current backlog of 36 projects awaiting artwork will increase by the number of construction/renovation projects added during fiscal year 2006.<sup>3</sup>

Exhibit 4 lists the artwork DCRT purchased for state buildings as of June 30, 2005, including location, title, type, installation date, and cost.

**Exhibit 4**  
**Percent for Art Program**  
**Purchased/Contracted Artworks for State Buildings**  
**As of June 30, 2005**

Location	Title/Type of Artwork	Installation Date	Cost
<b>Student Center, Baton Rouge Community College (BRCC)</b>	<i>Reach</i> , Sculptural Project	October 2004	\$43,000
<b>Louisiana Building, BRCC<sup>4</sup></b>	<i>Louisiana, A Bit of History</i> , Mural	August 2003	\$27,000
	<i>The Levee</i> , Mural	August 2003	\$20,000
<b>Teacher Education Center, Southeastern Louisiana University (SLU)</b>	Sculptural Project	Summer 2006 (anticipated)	\$45,891
<b>Fire Marshall Building</b>	Sculptural Project	May 2006 <sup>5</sup> (anticipated)	\$42,850
<b>Lake D'Arbonne State Park</b>	Sculptural Project	July 2006 <sup>6</sup> (anticipated)	\$49,504
<b>Energy, Coast and Environment Building, Louisiana State University (LSU)</b>	Sculptural Project	Spring 2007 (anticipated)	\$161,000
<b>Capitol Park Museum</b>	Sculptural Project	January 2006 <sup>7</sup> (anticipated)	\$91,000
<b>Total</b>			<b>\$480,245</b>
<b>Source:</b> Prepared by legislative auditor's staff using information provided by DCRT.			

<sup>3</sup> At the time audit fieldwork ended, the OFPC fiscal manager had not yet determined which construction/renovation projects in the 2006 capital outlay bill qualified for the Percent for Art program. In addition, he had not determined which projects he was going to take administrative money from to fund the Percent for Art program's fiscal year 2006 administrative budget.

<sup>4</sup> DCRT broke down this construction project into two art commissions.

<sup>5</sup> DCRT officials informed us in June 2006 that this project was installed in May 2006.

<sup>6</sup> DCRT officials informed us in June 2006 that this project was installed in February 2006.

<sup>7</sup> DCRT officials informed us in June 2006 that this project was installed in February 2006.

**Recommendation 5:** DCRT should devise a plan to address the current backlog of construction/renovation projects from which it has already received administrative money.

**Management's Response:** DCRT agrees that administrative funds have been paid out by OFPC for projects that have not yet been completed, but the administrative funds were never intended by DCRT to be spent project by project.

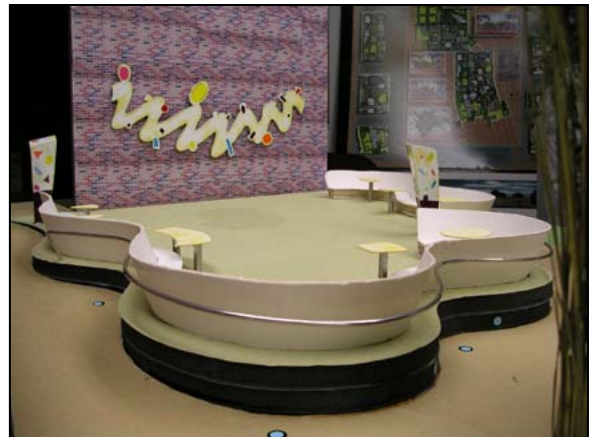
**Recommendation 6:** DCRT should plan the administration of projects based on clearly established goals and objectives that consider the amount of administrative funds available for the program as allowed in state law. This planning would prevent a further backlog of projects for which DCRT has received administrative money but has not purchased art.

**Management's Response:** DCRT partially agrees with this recommendation.

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### **DCRT Should Re-evaluate Its Current Method of Funding Administration for the Percent for Art Program.**

Regardless of the actual costs of projects, DCRT receives a fixed annual administrative budget of \$132,000. As stated previously in the background section of this report, this amount was established in 2001 based on an estimate of the average annual amount of capital outlay money expected to be allocated for new construction/renovation projects. The number of projects ready for artwork or the costs of the specific projects DCRT plans to work on during a given year are not factors in the budget amount. In addition, most administrative money is expended on fixed costs (i.e., approximately \$110,000 in salaries) but is funded from a fluctuating amount of revenue (i.e., capital outlay money allocated from eligible projects). This combination of fixed costs and a fluctuating amount of revenue make it difficult for DCRT to effectively manage the Percent for Art program.



Steve Kline  
Teacher Education Center - SLU  
**Source:** DCRT Web site.

**Fixed Annual Administrative Budget:** As mentioned previously, DCRT receives \$132,000 a year to administer the Percent for Art program. This money comes from the 10% of the 1% OFPC sets aside from eligible construction/renovation projects during a given year. DCRT and OFPC have already encountered years when the amount of administrative money available to the program from eligible projects was less than the budgeted amount of \$132,000. To compensate for the shortfall of administrative funds, OFPC took administrative money from future projects. OFPC took this money despite the fact it has not secured the funding for these projects and there is a chance they may never be funded or DCRT may exempt them from the program.

As of June 30, 2005, OFPC has taken administrative money from 12 future projects (see Appendix C) to compensate for years when the amount of money available to the program from eligible projects was less than \$132,000. According to the OFPC fiscal manager, this practice results in accounting inefficiencies because the administrative money taken from an unfunded project must then be transferred from an eligible project back to the unfunded project.

**Fluctuating Amount of Revenue:** If OFPC had not used funds from future projects, DCRT would not have been able to pay for the program's administrative expenses, which include approximately \$110,000 annually in salaries for the two staff members responsible for administering the program. This situation occurred because approximately 84% of DCRT's administrative expenses (i.e., salaries) are fixed yet the program is funded with a fluctuating amount of revenue, making it dependent on both the state's ability to fund construction/renovation projects<sup>8</sup> and the actual costs of those projects. In years whenever the available revenue for program administration is insufficient due to fewer new construction/renovation projects, DCRT cannot cover its fixed costs for the salaries of those employees responsible for administering the program.

**Recommendation 7:** Annually, DCRT should base the program's administrative budget on the goals and objectives it sets for the program that year (i.e., the specific projects it plans to work on and the amount of administrative money associated with those projects).

**Management's Response:** DCRT disagrees with this recommendation because the administrative budget is not linked to any project. The administrative fee is for the operation of the overall program.

**Legislative Auditor's Additional Comments:** According to House Bill 2 of the 2005 Regular Session, "For all Percent for Art program projects in this or any previous capital outlay, up to ten percent (10%) of the aforementioned one percent (1%) may be used for the costs of administering the projects."

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<sup>8</sup> According to the OFPC fiscal manager, as of October 2005, some eligible capital outlay projects are now on hold because of the financial impacts of hurricanes Katrina and Rita.



**Recommendation 8:** DCRT should review best practices for public art programs and provide recommendations for administrative funding to the commissioner of administration and the legislature for consideration of amendments to existing state law. This review should include the best way to fund the fixed costs (i.e., salaries) of the program and how to ensure that OFPC does not have to take money from future projects to fund DCRT's annual administrative costs.

**Management's Response:** DCRT agrees with this recommendation.

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**In Addition to Capital Outlay Projects, the Percent for Art Program Also Purchases Artwork for Office Facilities Corporation (OFC) Buildings.**

As of June 30, 2005, OFC<sup>9</sup> has committed approximately \$1.9 million to the Percent for Art program to purchase artwork for the eight Capitol Park buildings. The program's enabling legislation says that only state buildings are eligible for this program. DCRT includes the Capitol Park buildings in the Percent for Art program because of a directive from the former commissioner of administration.



*[A portion of] Mississippi River, Sam Corso  
Claiborne Building*

**Source:** Percent for Art Web site.

As stated previously, DCRT receives its program funding for capital outlay projects from OFPC. For the Capitol Park buildings, DCRT receives its program funding from OFC directly. As of June 30, 2005, OFC has paid DCRT approximately \$392,343 to acquire artwork for two of the eight Capitol Park buildings. This amount includes approximately \$362,610 in administrative fees and artwork acquisition for the Claiborne Building and approximately \$29,733 for a sign for the Galvez Building parking garage. Exhibit 5 on the following page shows the breakdown of these payments. See Appendix D for the specific artworks, including location, title, type, and cost.

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<sup>9</sup> OFC is a nonprofit corporation, created under state law, for the purpose of financing and acquiring, purchasing, constructing, renovating, improving, or expanding public facilities for lease to the state of Louisiana.



**Exhibit 5**  
**Office Facilities Corporation**  
**Percent for Art Payments for the Claiborne Building**  
**and Galvez Building Parking Garage**  
**As of June 30, 2005**

Capitol Park Building	Payment Type	Amount
<b>Claiborne</b>	Administrative Fees <sup>10</sup>	\$40,000
	Various Artworks (e.g., paintings, photographs, sculptures)	\$150,310
	Stained Glass	\$100,000
	Wall Mural	\$30,000
	Outdoor Sculpture	\$42,300
<b>Galvez Parking Garage</b>	Exterior Sign <sup>11</sup>	\$29,733
<b>Total</b>		<b>\$392,343</b>
<b>Source:</b> Prepared by legislative auditor's staff using information provided by Office of Financial and Support Services (OFSS).		

In addition to the \$392,343 the program has already received, OFC has committed approximately an additional \$1.5 million for future administrative fees and artwork purchases for the Capitol Park buildings. Exhibit 6 lists all the Capitol Park buildings and their Percent for Art commitments and payments.

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<sup>10</sup> According to DCRT, the cost of administering Percent for Art projects in the OFC buildings is not included in the \$132,000 administrative budget. Instead, OFC pays DCRT \$5,000 per artwork commission based on an agreement worked out between OFPC and DCRT.

<sup>11</sup> DCRT officials informed us, after reading a draft of this report, that OFC purchased this sign without the knowledge or approval of Percent for Art program staff.

**Exhibit 6  
Office Facilities Corporation  
Percent for Art Program Commitments and Payments  
Capitol Park Buildings  
As of June 30, 2005**

Capitol Park Building	Percent for Art Commitment	Percent for Art Payments	Remaining Commitment
Claiborne	\$350,000	\$362,610 <sup>12</sup>	\$0.00
Bienville	\$305,520	\$0.00	\$305,520
Galvez	\$356,590	\$0.00	\$356,590
Galvez Garage	\$155,920	\$29,733	\$113,577 <sup>12</sup>
Iberville	\$283,820	\$0.00	\$283,820
LaSalle	\$100,000	\$0.00	\$100,000
LaSalle Garage	\$157,460	\$0.00	\$157,460
Livingston	\$158,160	\$0.00	\$158,160
<b>Total</b>	<b>\$1,867,470</b>	<b>\$392,343</b>	<b>\$1,475,127</b>

**Source:** Prepared by legislative auditor's staff using information provided by OFSS.

**There Is No Process to Ensure Care or Maintenance of Artwork.**

Though DCRT requires artists to submit maintenance instructions (e.g., frequent light dusting, application of a gloss coat, prohibition of chemicals and harsh detergents) for their artworks, it does not have a formal process to ensure that this maintenance is performed properly or at all. No agency currently accepts formal responsibility for the maintenance or care of the artwork. According to Percent for Art program staff, the most prominent agency in the building is responsible since DCRT does not have a funding mechanism in place for maintenance. Or, if the building owner is not easily identifiable, the Office of State Buildings (OSB) is responsible. However, according to the director of Buildings and Grounds, DCRT has not consulted OSB about its role in the maintenance of Percent for Art program artwork.



*The Gates of Dawn*, Michael Crespo  
Claiborne Collection  
**Source:** Percent for Art Web site.

<sup>12</sup> DCRT overspent for art in the Claiborne building by \$12,610. Instead of reimbursing OFC, the program director of the Percent for Art program directed Office of Financial Supports and Services (OFSS) to reduce the Percent for Art budget for the Galvez garage by the same amount. OFSS provides accounting services and financial management reporting for OFC.

According to *Going Public*, an agency should have a collection management plan that addresses such issues as:

- Goals of the collection
- Requirements for the documentation of public artworks
- Responsibilities and methods for care of the collection (including both maintenance and conservation)
- Proposed methods for deciding on relocation or removal

In addition, the maintenance plan should state who/what entity is responsible for the maintenance of the artwork. For example, most of the states we spoke to about common public art practices stated that the agency housed within the building where the artwork is installed is responsible for the maintenance of that artwork.

Because of the absence of an overall collection management plan, we could not identify the agency or agencies responsible for care of the artwork. As a result, DCRT cannot ensure the artwork is maintained or cared for properly. Without such care, the artwork may begin to deteriorate or be destroyed from improper cleaning/handling, possibly resulting in replacement or repairs, which may be more costly than routine maintenance and care.

**Recommendation 9:** DCRT should collaborate with the commissioner of administration to determine the entity responsible for the maintenance and care of installed artwork. Once determined, DCRT should incorporate a collection management plan into the policies and procedures it develops for the Percent for Art program.

**Management's Response:** DCRT agrees with this recommendation. DCRT is the logical party to handle all maintenance responsibilities if appropriate funding is identified.

**Recommendation 10:** If an entity other than DCRT is responsible for the maintenance and care of installed artwork, DCRT should consider entering into an Interagency Agreement with that entity to ensure a clear understanding of its role and responsibilities.

**Management's Response:** DCRT agrees with this recommendation.

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## SCOPE AND METHODOLOGY

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. We followed the applicable generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Fieldwork for this audit began in April 2005 and ended in August 2005. Issuance of our report was delayed because of hurricanes Katrina and Rita.

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### Audit Scope

We limited our performance audit of the Department of Culture, Recreation and Tourism (DCRT) to the Percent for Art program. This program is administered by the Louisiana Division of the Arts (LDOA) within the Office of Cultural Development. The audit covered program activities from July 1, 2002, through June 30, 2005. Our audit objective was to answer the following question:

*Is DCRT efficiently and effectively managing the Percent for Art program?*

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### Methodology

To gain an understanding of the Percent for Art program, we performed the following procedures:

- Researched state laws, rules, and regulations
- Reviewed DCRT's Web site
- Interviewed program staff and other key personnel at DCRT and other relevant agencies (e.g., OFPC, OFSS)
- Attended art/artist selection committee meetings
- Conducted site visits of completed Percent for Art projects

To obtain information on whether DCRT is efficiently and effectively managing the Percent for Art program, we performed the following procedures:

- Analyzed the funding process and funding status of the program
- Compared DCRT's management practices with the program's legal requirements
- Surveyed personnel of other public art programs and reviewed public art publications to obtain best practice information

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## PERCENT FOR ART PROGRAM ENABLING LEGISLATION

Louisiana Revised Statute 25:900.1

A. Recognizing the responsibility of the state to foster culture and the arts and to encourage the development of artists and craftsmen, the legislature declares it to be the public policy of the state that a portion of the money spent by state agencies on the construction or renovation of state buildings shall be spent on the acquisition, installation, restoration, or conservation of works of art in, on, or on the grounds of such buildings. In pursuit of this policy, the Percent for Art program is established for the purpose of providing for art to be exhibited in or on state buildings and grounds and recognizing and assisting qualified Louisiana artists and craftsmen.

B. The following terms, as used in this Section, shall have the meaning provided in this Subsection, unless the context clearly indicates otherwise:

- (1) "Louisiana artist" means an artist, artisan, or craftsman who is a resident of Louisiana.
- (2) "Renovation" does not include a project the principal purpose of which is the rehabilitation of plumbing, heating, ventilating, air conditioning, or electrical systems.
- (3) "State building" means any building, facility, structure, or park built or renovated using state funds, that will be owned by a department or agency in the executive, judicial, or legislative branch of state government, including any state-owned lands or space surrounding or integral to the building. "State building" shall not include parking lots (but it shall include parking garages), sidewalks, maintenance sheds, bridges, tunnels, sewers, trails, or warehouses, unless such structures are adjuncts of the principal element of the project.
- (4) "Work of art" includes all forms of original creations of visual art, including but not limited to:
  - (a) Paintings, including all media and both portable and permanently affixed works of art such as murals.
  - (b) Sculpture, including bas relief, high relief, mobile, fountain, kinetic, environmental, electronic, and in-the-round sculpture.
  - (c) Prints, calligraphy, drawings, stained glass, mosaics, photographs, and works in fiber or textiles, wood, metal, plastic, or other materials or combination of materials.
  - (d) Mixed media, including any combination of forms of media.
  - (e) Any craft as defined in R.S. 25:897(C).

C. Except as otherwise provided in this Section, whenever more than two million dollars of state funds, whether obtained from the sale of bonds or otherwise, is to be spent by a state agency for the construction or renovation of a state building, the agency that contracts for the construction



or renovation shall expend one percent of the state money to be expended for the project to acquire, conserve, or restore and install works of art for display in, on, or on the grounds of the state building. The work or works of art for the project shall be chosen as provided in Subsection E of this Section. In the case of a renovation of a state building, the required expenditure or a portion thereof may be for restoration or conservation of an existing work of art associated with the state building which is to be renovated.

D. (1) Notwithstanding the provisions of Subsection C of this Section, no state money or an amount less than one percent of the amount of state money to be expended on the project, as determined by the assistant secretary of the office of cultural development of the Department of Culture, Recreation and Tourism, shall be expended to acquire, conserve, restore, or install works of art for a particular project, if the assistant secretary of the office, considering advice from professional staff of the Louisiana Division of Arts, determines that any of the following is true:

- (a) A work of art would be inappropriate on the particular project.
  - (b) There will be little opportunity for public appreciation of any work of art in or on the state building or its grounds.
  - (c) The value of one or more features or characteristics inherent in the architectural design of the state building should be considered to apply toward the one percent requirement.
  - (d) The state building will be amply provided with works of art without the expenditure.
- (2) Nothing contained in this Subsection shall be construed to obstruct the power of the commissioner of administration to exercise any of the commissioner's lawful authority.

E. Each work of art acquired, restored, or conserved as provided in this Section shall be selected or determined by the assistant secretary of the office of cultural development of the Department of Culture, Recreation and Tourism who shall request the advice of and consult with the contracting agency, the state agency who will occupy or operate the building, the Louisiana State Arts Council, and the project architect. When selecting such works of art, preference shall be given to works of art of Louisiana artists.

F. The commissioner of administration may adopt rules to implement the provisions of this Section.

**PERCENT FOR ART PROGRAM ALLOCATIONS FROM CAPITAL OUTLAY PROJECTS  
AS OF JUNE 30, 2005**

#	Project Site	Percent for Art Allocation	Art Amount (90%)	Administration Amount (10%)	Paid Administration	Remaining Administration
1	Alexandria St. Office Building	\$26,870.00	\$24,183.00	\$2,687.00	\$2,123.50	\$563.50
2	Ambulatory Care Center, LSU Medical Center Shreveport	\$171,930.00	\$154,737.00	\$17,193.00	\$17,193.00	\$0.00
3	BRCC Louisiana Building	\$52,198.00	\$46,978.20	\$5,219.80	\$5,198.00	\$21.80
4	Capitol Park, Visitors Center	\$35,100.00	\$31,590.00	\$3,510.00	\$2,794.00	\$716.00
5	Chicot State Park	\$35,890.00	\$32,301.00	\$3,589.00	\$3,589.00	\$0.00
6	Delgado Community College	\$36,940.00	\$33,246.00	\$3,694.00	\$2,905.00	\$789.00
7	Department of Insurance Building (Poydras)	\$130,396.00	\$117,356.40	\$13,039.60	\$13,039.00	\$0.60
8	Department of Public Safety, Independence Park Cafeteria	\$23,790.00	\$21,411.00	\$2,379.00	\$2,379.00	\$0.00
9	Fountainebleu State Park	\$78,870.00	\$70,983.00	\$7,887.00	\$5,825.00	\$2,062.00
10	Grambling University, Dunbar Hall*	\$81,274.00	\$73,146.60	\$8,127.40	\$2,751.30	\$5,376.10
11	Grambling University, Health and Physical Education Building	\$190,359.00	\$171,323.10	\$19,035.90	\$19,035.90	\$0.00
12	Grambling University, Student Apartments	\$43,790.00	\$39,411.00	\$4,379.00	\$4,379.00	\$0.00
13	Lake D'Arbonne State Park	\$55,005.00	\$49,504.50	\$5,500.50	\$5,500.50	\$0.00
14	Louisiana Capitol Park Museum	\$101,200.00	\$91,080.00	\$10,120.00	\$10,120.00	\$0.00
15	LSU Alexandria, Science Building	\$27,625.00	\$24,862.50	\$2,762.50	\$2,708.00	\$54.50
16	LSU Medical Center of New Orleans, Human Development Center	\$137,200.00	\$123,480.00	\$13,720.00	\$11,294.00	\$2,426.00
17	LSU Medical Center Shreveport, Allied Health Facility	\$103,410.00	\$93,069.00	\$10,341.00	\$9,500.00	\$841.00
18	LSU Shreveport, Emergency Care Center*	\$60,000.00	\$54,000.00	\$6,000.00	\$6,000.00	\$0.00
19	LSU Wetland Resource and Environmental Sciences Facility	\$179,800.00	\$161,820.00	\$17,980.00	\$17,980.00	\$0.00
20	LSU, Animal and Food Science Facility*	\$29,450.00	\$26,505.00	\$2,945.00	\$2,945.00	\$0.00
21	LSU, Chopin Hall Chemistry Building*	\$92,214.00	\$82,992.60	\$9,221.40	\$5,907.00	\$3,314.40
22	LSU, Engineering Building*	\$31,277.00	\$28,149.30	\$3,127.70	\$3,127.70	\$0.00
23	LSU, Engineering Building*	\$149,011.20	\$134,110.08	\$14,901.12	\$6,233.40	\$8,667.72

DEPARTMENT OF CULTURE, RECREATION AND TOURISM

24	LSU, Hatcher Hall	\$39,270.00	\$35,343.00	\$3,927.00	\$3,927.00	\$0.00
25	LSU, Hodges Dormitory	\$46,750.00	\$42,075.00	\$4,675.00	\$4,675.00	\$0.00
26	LSU, Huey P. Long Field House*	\$34,808.00	\$31,327.20	\$3,480.80	\$3,480.80	\$0.00
27	LSU, Music and Dramatic Arts Facilities*	\$162,000.00	\$145,800.00	\$16,200.00	\$16,200.00	\$0.00
28	Louisiana Technical University, Hale Hall	\$63,255.00	\$56,929.50	\$6,325.50	\$4,439.00	\$1,886.50
29	Northwest Louisiana War Veterans Home	\$78,500.00	\$70,650.00	\$7,850.00	\$7,850.00	\$0.00
30	Northwestern State University, Consumer Science Building	\$39,190.00	\$35,271.00	\$3,919.00	\$3,919.00	\$0.00
31	Office of Public Health, Laboratory	\$180,420.00	\$162,378.00	\$18,042.00	\$15,000.00	\$3,042.00
32	Office of State Parks, Building and Landscape Bayou Segnet State Park*	\$58,630.00	\$52,767.00	\$5,863.00	\$5,863.00	\$0.00
33	Poverty Point Reservoir State Park	\$43,280.00	\$38,952.00	\$4,328.00	\$3,491.00	\$837.00
34	Southeast Louisiana War Veterans Home	\$78,500.00	\$70,650.00	\$7,850.00	\$7,850.00	\$0.00
35	SLU, Classroom*	\$31,276.00	\$28,148.40	\$3,127.60	\$2,998.90	\$128.70
36	SLU, Teacher Education Center	\$50,990.00	\$45,891.00	\$5,099.00	\$5,099.00	\$0.00
37	Southern University, College of Business*	\$47,610.00	\$42,849.00	\$4,761.00	\$4,761.00	\$0.00
38	Southern University, Dormitory	\$108,815.00	\$97,933.50	\$10,881.50	\$9,143.80	\$1,737.70
39	Southern University, F.G. Clark Activity Center	\$40,300.00	\$36,270.00	\$4,030.00	\$4,030.00	\$0.00
40	University of Louisiana at Lafayette (ULL), Chimpanzee Housing Facility	\$83,190.00	\$74,871.00	\$8,319.00	\$4,950.00	\$3,369.00
41	ULL, Computer Sciences Facility*	\$57,335.00	\$51,601.50	\$5,733.50	\$5,734.00	-\$0.50
42	University of New Orleans (UNO), Business Administration Building	\$158,180.00	\$142,362.00	\$15,818.00	\$15,818.00	\$0.00
43	Wedell-Williams Memorial Aviation Museum	\$26,090.00	\$23,481.00	\$2,609.00	\$2,136.20	\$472.80
	<b>Total</b>	<b>\$3,301,988.20</b>	<b>\$2,971,789.38</b>	<b>\$330,198.82</b>	<b>\$293,893.00</b>	<b>\$36,305.82</b>

**Note 1:** \*Denotes a future project (i.e., a capital outlay project for which OFPC has not yet secured funding).

**Note 2:** This list does not include the new Fire Marshall's Office. According to the OFPC fiscal manager, DCRT elected to use the total Percent for Art allocation (\$42,850) for the artwork purchase, resulting in no money for administration.

**Source:** Prepared by legislative auditor's staff using information provided by OFPC.

**PERCENT FOR ART PROGRAM  
PURCHASED ARTWORK FOR OFC BUILDINGS  
AS OF JUNE 30, 2005**

Title of Artwork	Type of Artwork	Cost
<b>Claiborne Building</b>		
Mississippi	66 Stained Glass Panels	\$100,000
One Plant, Many Flowers	Outdoor Sculpture	\$42,300
The Gates of Dawn	Three Panel Mural	\$30,000
Grand Marshalls	Ceramic and Glass Objects	\$10,000
Sculpture on the Ridge	Ceramic and Glass Objects	\$10,000
Silhouette	Ceramic and Glass Objects	\$10,000
Doon	Original Painting	\$8,500
The Branch I	Ceramic and Glass Objects	\$8,500
The Branch II	Ceramic and Glass Objects	\$8,500
Artist Space	Original Painting	\$6,500
Magnolias Through the Window	Original Painting	\$6,400
16 Louisiana Tiles	Ceramic and Glass Objects	\$6,400
Morning Light	Original Painting	\$5,600
F-Church #13	Original Painting	\$5,500
Flow	Original Painting	\$5,000
Circles 15, 16 & 17	Tapestry	\$4,800
Suspension in Black	Original Painting	\$4,800
July	Original Painting	\$4,500
Bound	Tapestry	\$4,000
Interlude II	Original Painting	\$3,800
Louisiana Iris	Original Painting	\$3,800
Caravaggio's Tomb	Original Painting	\$3,000
Harvest	Sculpture	\$3,000
Worry	Sculpture	\$3,000
Red Beads	Original Painting	\$2,800
Cypress	Original Painting	\$2,500
Snowy Egret	Original Painting	\$2,500
Pretend	Sculpture	\$2,000
Hot Peppers 2	Original Painting	\$1,500
Large Platter	Ceramic and Glass Objects	\$1,200
Offering 1 & 2	Original Print	\$1,100
Large Bowl	Ceramic and Glass Objects	\$900
Boats Like Turtles	Photograph	\$800
Windows	Tapestry	\$760
Beginnings	Photograph	\$750
Fishermen, Bayou Manchac, Ascension Parish, Louisiana, 1995	Photograph	\$750
Mary George, Ethel, Louisiana, 1986	Photograph	\$750
Mary George, Ethel, Louisiana, 1995	Photograph	\$750
Posted Pond	Original Painting	\$750
Chicken Coop	Photograph	\$600

DEPARTMENT OF CULTURE, RECREATION AND TOURISM\_\_\_\_\_

Horse and Pigeonnier	Photograph	\$600
Meeker Sugar Mill	Photograph	\$600
Craig Cherry	Photograph	\$400
Joe Moser	Photograph	\$400
Mary Evans	Photograph	\$400
Lecompte	Photograph	\$350
The Wind	Photograph	\$350
The Mole	Original Drawings	\$300
The Possum	Original Drawings	\$300
The Rat	Original Drawings	\$300
The Shrew	Original Drawings	\$300
<b>Subtotal</b>		<b>\$322,610</b>
<b>Galvez Garage</b>		
“Public Market”	Exterior Sign	\$29,733
<b>Subtotal</b>		<b>\$29,733</b>
<b>Total</b>		<b>\$352,343</b>
<b>Source:</b> Prepared by legislative auditor’s staff using information provided by OFSS, OFPC, and DCRT.		

**MINNESOTA STATE ARTS BOARD INTERAGENCY AGREEMENT**

**INTER-AGENCY AGREEMENT**

**BETWEEN THE MINNESOTA DEPARTMENT OF ADMINISTRATION**

**AND THE MINNESOTA STATE ARTS BOARD**

**FOR ADMINISTRATION OF**

**MINNESOTA PERCENT FOR ART IN PUBLIC PLACES PROJECTS**

**ELMER ANDERSON, DEPARTMENT OF HUMAN SERVICES OFFICE BUILDING**

PURSUANT TO MINN. STAT. § 129D.04, Subd.5 and 471.59 (1994), and any amendments thereto, this Agreement is made the 1st day of February, 2005, between the Minnesota State Arts Board (ARTS BOARD) and the Minnesota Department of Administration (ADMINISTRATION).

WHEREAS, Minn. Stat. § 16B.35 provides for inclusion of fine artworks in certain building construction projects financed in whole or part by the state under a program known as the Percent for Art in Public Places program; and

WHEREAS, the Commissioner of Administration has delegated various duties related to the Percent for Art in Public Places program to the ARTS BOARD, through its Executive Director; and

WHEREAS, ADMINISTRATION has engaged or will engage in state building construction projects covered by Minn. Stat. § 16B.35; and

WHEREAS, ADMINISTRATION and the ARTS BOARD mutually recognize the need for a written agreement to coordinate acquisition, installation, and maintenance of the artworks;

NOW, THEREFORE, the ARTS BOARD and ADMINISTRATION hereby agree to the following:

1. ADMINISTRATION acknowledges receipt of the ARTS BOARD'S *Policies and Procedures—Minnesota Percent for Art in Public Places Program* (June 28, 2001 updated version) which is attached to this Agreement as Exhibit A and made a part of it, and both parties agree to abide by the provisions and spirit of that document except as otherwise provided in this Agreement. The provisions of that document along with the *Site Selection Committee Manual* and agreements negotiated with artists shall govern selection of artwork and its design, production, installation, and maintenance except as otherwise provided in this Agreement.

2. ADMINISTRATION and the ARTS BOARD agree that the State building funds for art total **\$100,000** for the Elmer Anderson, Department of Human Services Office Building construction project, all authorized in **2002**. ADMINISTRATION, through this Agreement is authorized to transfer the funds,

## DEPARTMENT OF CULTURE, RECREATION AND TOURISM\_\_\_\_\_

as noted below, to the ARTS BOARD in accordance with policies in the document referred to above and warrant procedures established by the Commissioner of Finance. Up to **10%** of the funds may be used by the ARTS BOARD for administrative expenses. Funds for the artwork acquisition project shall be transferred to the ARTS BOARD as follows:

**\$100,000** for the Elmer Anderson, Department of Human Services Office Building;

Minnesota Department of Administration

Laws of 2002, Chapter 393, Section 13, Subdivisions 6 & 7

3. The SITE SELECTION COMMITTEE (ADVISORY SELECTION COMMITTEE) shall be comprised of no less than three and no more than seven representatives for the project. Committee representation shall include no less than one and no more than three members designated by ADMINISTRATION, one representative of the building's architect or design firm, and no less than one and no more than three arts professionals appointed by the ARTS BOARD. The arts professional(s) shall be appointed from the following categories of art and design professionals: artists, curators, critics or writers, museum directors, art educators or administrators, architects, landscape architects, or interior designers, or a member of the Minnesota State Arts Board's governing body. The Percent for Art Program Associate shall chair the COMMITTEE and function in a non-voting capacity.

4. The COMMITTEE'S recommendation is subject to final approval by the ARTS BOARD. Upon approval, the ARTS BOARD shall follow its standard protocol, which will include obtaining authority to contract through its governing board, and the Department of Administration, as appropriate.

5. ADMINISTRATION recognizes that the ARTS BOARD shall contract with the selected artist(s) and oversee performance of all contracts.

6. ADMINISTRATION shall facilitate the scheduling and organizing of public meetings; lectures or other events (such as dedication ceremonies) associated with the acquisition process as well as assist in the preparation and distribution of educational materials about the artwork, as needed.

7. The ARTS BOARD shall convene up to five meetings with the COMMITTEE, agency staff, and artist(s). The meetings may include the following: a) one meeting to determine direction for the project; b) one to three meetings to select artwork for purchase and/or artist(s) for commission; and c) one meeting for artwork inspection after installation. In the case of commissioned work, the following additional meetings may be necessary: a) one meeting to interview finalists, or to provide orientation for



selected artist(s); and b) one meeting for design presentation by artist(s). The expenses for these meetings and their administration shall be covered by the **10%** administrative fee.

8. ADMINISTRATION and the ARTS BOARD agree that title to all works of art acquired under the Percent for Art in Public Places program belongs to the State of Minnesota with ADMINISTRATION, or its designee, acting as custodian. ADMINISTRATION agrees to maintain the artwork, provide security against damage or loss due to theft for same, pay for any necessary repairs, and consult with the ARTS BOARD prior to changing its location after installation.

9. ADMINISTRATION agrees to allow the artist or the ARTS BOARD to install a notice indicating the artist's name and the state's ownership of the art at or near the work of art and shall maintain the notice. Prior to installation, ADMINISTRATION shall be consulted as to appropriate design and location.

10. ADMINISTRATION recognizes the artist expressly reserves every right available to the artist in common law or under the Federal Copyright Act of 1990 and all other rights in and to the work of art except ownership and possession, and any such rights as those limited by this Agreement. The artist shall grant to ADMINISTRATION a license, without charge, to reproduce the work of art for purposes such as publicity and documentation strictly within the usual functions of ADMINISTRATION. ADMINISTRATION shall make reasonable efforts to assure that reproductions by ADMINISTRATION which prominently feature the work of art shall contain a credit to the artist. The artist shall agree to give credit to ADMINISTRATION in any public showing of any reproduction of the work of art.

11. ADMINISTRATION agrees not to intentionally destroy, damage, alter, modify, or change the artwork or notice in any way, without consultation with the ARTS BOARD.

12. If physically possible, ADMINISTRATION may make the artwork available for temporary loan to other agencies or public institutions for the purpose of exhibition to the public upon request of the ARTS BOARD.

13. Notwithstanding any language to the contrary herein, the Port Authority of the City of Saint Paul shall be solely responsible for the payment of the amounts payable by ADMINISTRATION under this Agreement, as provided in the November 1, 2002 Lease and Purchase Option Agreement (State of Minnesota Office Building at Robert Street Site) between the Port Authority and ADMINISTRATION.

## DEPARTMENT OF CULTURE, RECREATION AND TOURISM\_\_\_\_\_

This contract does not encumber any ADMINISTRATION funds, and ADMINISTRATION shall not be liable to the Arts Board for any failure by the Port Authority to make payments to the Arts Board pursuant to a request for payment approved by ADMINISTRATION in accordance with the terms of the Lease and Purchase Option Agreement. The Port Authority's sole responsibility under this contract is to make payments of amounts due hereunder in accordance with the Lease and Purchase Option Agreement, and solely as provided in requests for payment submitted and approved by ADMINISTRATION, and by signing this Agreement, the Port Authority does not assume any obligations or responsibilities other than those described in this paragraph. ADMINISTRATION hereby represents and agrees with the Arts Board that it will not enter into any contract with respect to the Orville L. Freeman Office Building project, or incur any other obligation with respect to the project, that would require the payment of amounts in excess of the amount in the Construction Fund provided under the Lease and Purchase Option Agreement. ADMINISTRATION and Arts Board agree that the Port Authority shall not be obligated to make or provide for the payment of amounts due under any contract or obligation executed or incurred in connection with this project, except out of funds in the Construction Fund under the Lease and Purchase Option Agreement.

#### 14. Other provisions:

The parties to this Agreement concur that the following articles identified in Exhibit A shall not apply, as originally written, to this Agreement and shall be amended as follows: Clause 1.K. shall be deleted as written. Insert: "The parties to this Agreement understand that ADMINISTRATION negotiates with and compensates architects for their services (for Percent for Art projects) as a part of the standard building construction process."

**TERM OF AGREEMENT.** This agreement shall be effective upon the date ADMINISTRATION obtains all required signatures under Minn. Stat. §16C.05, Subd. 2, and shall remain in effect for a period not to exceed four (4) years from this date and shall be amended annually as needed. This Agreement may be renewed for additional four (4) year periods upon the written affirmation of each party to the other.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed intending to be bound by it.

**1. DEPARTMENT OF ADMINISTRATION VERIFICATION**

*Individual certifies that there are sufficient funds available in the Construction Fund to pay the total obligation for all compensation and reimbursement under this contract.*

By: \_\_\_\_\_  
(With delegated authority)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**2. MINNESOTA STATE ARTS BOARD**

By: \_\_\_\_\_  
(With delegated authority)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**3. DEPARTMENT OF ADMINISTRATION**

By: \_\_\_\_\_  
(With delegated authority)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**4. PORT AUTHORITY OF SAINT PAUL**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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## LOUISIANA PERCENT FOR ART PROGRAM GUIDELINES 2001-2003

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### **Louisiana Percent for Art Program**

#### **Guidelines 2001-2003**

**By the Louisiana Division of the Arts (LDOA)**

**The Louisiana State Arts Council**

**The Louisiana Public Art Coalition**

**The Louisiana Partnership for the Arts**

**The Office of Facility Planning and Control**

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### **Program Overview**

The Louisiana Percent for Art Program was established through Act 1280 of the 1999 legislative session. The law specifies that one percent of the expenditure for construction or renovation of a state building in excess of \$2 million shall be for works of art by artists and craftsmen for the building and its grounds.

Act 1280 defines a state building as any building, facility, structure or park built or renovated using state funds that will be owned by a department or agency in the executive, judicial or legislative branch of state government, including any state-owned lands or space surrounding or integral to the building. Also covered under the act are buildings and facilities at Louisiana public colleges, universities and other educational facilities.

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### **Program Funding**

Funding for the acquisition of artworks is contained in the construction budgets for the state buildings eligible under the Percent for Art Program. An estimated \$200 million in annual state-funded construction and renovation projects will be subject to the provisions of Act 1280, providing up to \$2 million for Percent for Art projects each year.

As of November 8, 2001, funding for the administration of the Louisiana Percent for Art Program for fiscal year 2002 will be provided by the Louisiana Division of the Arts, Office of Cultural Development, for the period from November 8, 2001 – June 30, 2002, through a professional services contract.

Funds to administer the program for subsequent periods will be sought in the form of an interagency transfer from the Louisiana Office of Facility Planning and Control to the Louisiana Division of the Arts, Office of Cultural Development, Department of Culture, Recreation & Tourism.

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## **Selection Process**

According to Act 1280, each work of art purchased, acquired, conserved or commissioned through the Percent for Art Program shall be selected or determined by the assistant secretary of the Office of Cultural Development, Department of Culture, Recreation and Tourism. The act further stipulates that the assistant secretary request the advice of and consult with the contracting agency, the state agency that shall occupy or operate the building in which the works will be sited, the Louisiana State Arts Council, and the project architect.

On behalf of the assistant secretary of the Office of Cultural Development, the Louisiana Division of the Arts (LDOA) shall provide management for the Percent for Art Program. Additionally, LDOA will convene a five- to seven-person selection panel to define the scope of the percent for art opportunity, to review artists' proposals, to rank finalists' proposals (per each project's scope) and to forward those recommendations to the assistant secretary.

The voting members of these **Percent for Art Selection Panels** shall include:

1. A local representative of the agencies managing/using/occupying the building
2. A member or designee of the Louisiana State Arts Council
3. The project architect or his/her representative
4. A representative of the Louisiana Office of Facility Planning and Control
5. A professional artist

The Percent for Art program manger will consult with the local representative of the building to add additional selection panel members as jointly deemed necessary. In addition, a representative of the Louisiana Public Art Coalition, members of the general public, and other individuals with expertise germane to the implementation of specific percent for art projects may be included on a Selection Panel as project advisors. The artists and additional panel members shall be appointed by the assistant secretary for the Office of Cultural Development in consultation with the Division of the Arts and the Public Art Coalition. At least two of these voting panel members shall be a resident of the community in which the percent for art project will be sited.

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## **Selection Criteria and Means of Acquiring Artwork**

Artist eligibility will be determined on a project-by-project basis using Act 1280, which states "to provide a preference for works of art of Louisiana artists". All calls to artists issued will be distributed throughout Louisiana; depending upon project scope and budget, certain calls will be distributed nationally.

Works shall be recommended for selection based on two principal criteria:

1. **Artistic quality**
2. **Appropriateness for the site**

Technical issues such as maintenance, durability and safety will be evaluated by the selection panel.

There will be three principal means by which the Louisiana Percent for Art Program will acquire work:

- Commissions of site- or theme-specific work within a project
- Direct Purchases of existing work for placement at program sites
- Art in Architecture Projects incorporating artworks into architectural components of a project

**Commissions** for site- or theme-specific work will be awarded after a public request for proposals has been issued and reviewed, and recommendation of those proposals has been made by the Selection Panel. Interested artists will be asked to submit slides of past work and other support materials. The Selection Panel will then review those materials to select up to three semi-finalists, who will then be invited to propose a site- or theme-specific design. Artists submitting those design proposals will be paid a design fee and reimbursed for travel expenses, when appropriate. The Selection Panel will then review those design proposals and, if appropriate, recommend that one of the applicants be awarded a contract to create and install the work. LDOA will then submit to the assistant secretary for the Office of Cultural Development the recommendations of the selection panel. The assistant secretary will then endorse the recommendations, and a contract will be drawn up between the artist and the Louisiana Division of the Arts.

**Direct purchases** of existing artwork will be made after a public announcement has been issued to artists, artisans and to arts and crafts galleries. Interested artists or their representatives will then submit slides of artwork available for sale. The Selection Panel will then review those slides and other support materials and make recommendations to the Louisiana Division of the Arts for works to be purchased. After endorsement by the assistant secretary for the Office of Cultural Development, a contract for purchase will be drawn up between the artist and the LDOA.

**Art in Architecture** projects shall be undertaken as a means of addressing Section D. (3) of Act 1280: "The value of one or more features or characteristics inherent in the architectural design of the state building should be considered to apply toward the one percent requirement." In this process, an artist will be selected early in the construction schedule to collaborate with the architect in designing elements of the building or artwork to be integrated into the structure of the building. A registry of artists who have particular expertise in architecturally integrated work will be established and maintained by the Louisiana Division of the Arts. This multimedia registry will be made available to architects wishing to select artists with whom they will



collaborate directly for collaborations on design development, fabrication and installation stages of the project.

The registry will be developed through public announcements to artists. In addition, public announcements to artists may also be utilized for specific Art in Architecture projects.

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## **Maintenance and Archives**

All works of art acquired through the Louisiana Percent for Art Program will be considered permanently installed unless otherwise indicated. This means they will be expected to last at least 25 years in excellent condition with only routine maintenance and upkeep. Artists will, therefore, be expected to use permanent materials and archival-quality framing wherever applicable. In addition, artists will be expected to provide maintenance instructions to insure that the artworks are properly maintained.

Moreover, artists will be required to supply a formal information sheet about each work of art acquired. The Louisiana Division of the Arts will be charged with the responsibility of making visual documentation of each work of art acquired through the Percent for Art Program and for maintaining a publicly accessible record of these works. The LDOA will also take a proactive posture in providing multimedia public education and public relations support for the Percent for Art Program projects.

The LDOA will also provide funds for maintenance of Percent for Art works.

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## **Identifying Eligible Construction and Renovation Projects**

The Office of Facility Planning and Control in cooperation with the Division of Administration and the Louisiana Division of the Arts will be responsible for identifying all state building projects that are subject to the percent for art law. The office will also communicate information about the funds available for public art acquisition to the Louisiana Division of the Arts.

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## **Administrative Structure**

The Louisiana Percent for Art Program will be administered by the Louisiana Division of the Arts on behalf of the assistant secretary of the Office of Cultural Development and in close collaboration with the Office of Facility Planning and Control.

The Division of the Arts will hire a Percent for Art **program director/manager** who will:

- Interface with the Office of Facility Planning and Control to identify all existing and potential Percent for Art opportunities

- Develop plans and recommendations for the full implementation and operation of the Percent for Art Program
- Develop annual operating plans for the program
- Develop and disseminate public calls for proposals
- Field inquiries from the public about calls for proposals or other program information and activities
- Coordinate material submitted in response to calls for proposals
- Facilitate meetings of all Selection Panels to evaluate submissions and make selection recommendations according to the evaluation criteria
- Coordinate travel when necessary
- Maintain tracking and monitoring system for percent for art projects
- Manage special Percent for Art project coordinators who will be sub-contracted as needed to coordinate selected projects from the contracting stage to final installation, crediting and documentation
- Recommend a plan to develop and maintain an artist registry for the Percent for Art Program
- Coordinate documentation of the Percent for Art Program and an annual program report
- Coordinate the production and dissemination of educational information to the general public about Percent for Art projects and products
- Maintain communication with public art constituents in the state, including the Louisiana Public Art Coalition

In addition, the Louisiana Public Art Coalition advises the Louisiana Division of the Arts about policies and procedures necessary to ensure a vibrant, effective Percent for Art Program.

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## **History of the Louisiana Division of the Arts**

The Louisiana Division of the Arts is an agency in the Office of Cultural Development, Department of Culture, Recreation and Tourism. The LDOA was created in 1977 to support established and emerging nonprofit arts institutions, to assist individual artists and to stimulate public participation in the arts.

The LDOA is the largest arts grantmaker in Louisiana. Each year, it awards approximately \$5 million in grants to support activities that impact every parish in Louisiana. These public funds are provided by the Louisiana Legislature and the National Endowment for the Arts, a federal agency. The LDOA's two principal grants programs are the Louisiana Decentralized Arts Funding Program and the Statewide Arts Grants Program.

Through its grants programs the LDOA funds a number of public art projects in communities across Louisiana. The agency also maintains the Louisiana State Arts Collection, a body of more than 100 two- and three-dimensional works originally acquired in the late 1970s and early 1980s as part of the state's Art in Public Places program, when the LDOA managed the Broussard Gallery in the Old State Capitol. Works from the Louisiana State Arts Collection are now on display in offices in the Capitol and the Capitol Complex.

In the mid-1990s the LDOA helped to create the Louisiana Public Art Coalition, a network of professional public art administrators, grantmakers and artists. The LDOA has also commissioned a public art handbook that was published in October 2001.

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Created by James Borders + LA Public Art Coalition

**MANAGEMENT'S RESPONSE**





## State of Louisiana

OFFICE OF THE LIEUTENANT GOVERNOR  
DEPARTMENT OF CULTURE, RECREATION & TOURISM  
OFFICE OF THE SECRETARY

MITCHELL J. LANDRIEU  
LIEUTENANT GOVERNOR

ANGÈLE DAVIS  
SECRETARY

October 3, 2006

Steve J. Theriot, CPA  
Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Theriot:

In response to the results of your performance audit of the Department of Culture, Recreation and Tourism's management of the Percent for Arts Program, we have reviewed the recommendations and submit the following management comments.

Overall, this audit portrays The Department of Culture, Recreation and Tourism (DCRT ) as having a greater responsibility for the determinations of the program than it actually does. There are many facets of the Percent of Arts Program that are outside of DCRT's control. As it stands, DCRT does not have the authority to define, arbitrate, modify or correct mandates set forth by The Office of Facilities Planning and Control (OFPC) . If we are to rectify the deficiencies noted, it is likely that legislation will be needed to give our department the authority necessary to define autonomy for the program.

The department concurs that the effectiveness and efficiency of the Percent for Arts Program should be improved. This includes clear goals and objectives (Recommendation 1) using as the guidelines the rules and regulation outlined in the Administrative Procedures Act ( LA. R.S. 49:950 et seq.) that created the Percent for Arts Program (Recommendation 2). This program is administered by DCRT in partnership with OFPC. These recommendations can be included in an Interagency Agreement between DCRT and OFPC. DCRT agrees that the Interagency Agreement is the appropriate instrument to include all pertinent information such as project status, timelines, project and corresponding administrative funds (Recommendation 4). We also agree that DCRT should collaborate with the Commissioner of Administration to determine the entity responsible for the maintenance and care of the installed artwork. This also should be included in the Interagency Agreement. (Recommendation 9 and 10).

The Percent for Arts Program has been reviewing national models and its "best practices" in an effort to design Louisiana's public art program. We will implement a formalized policy that is effectively tailored to our operations. The purpose of the existing law was to

provide the citizens of Louisiana with an improved public environment by investing in our public buildings with high quality art that adds visibility to the cultural heritage of the state and its people. If it is determined that amendments to the existing state law would better facilitate this objective, we will recommend such to the Commissioner of Administration and the Legislature (Recommendation 3 and 8).

We agree that administrative funds have been paid by OFPC for projects that have not yet been completed. However, the intent for the administrative funds was to be used to run the overall program not to be spent project by project. This can be clearly defined in the agreement with OFPC. (Recommendation 5 ,6 and 7). We would like to have the original budgeted amount of \$132,000 included in our budget. In the past the Percent of Art's participation has been allotted to after construction addition of artwork. Administrative funds have been distributed to DCRT in the design phase and during the construction phase. By working closely with OFPC, a backlog of projects can be eliminated. The audit recommended that we annually base the program's administrative budget on the specific projects we plan to work on that year. (Recommendation 7) As stated above, the administrative budget is not linked to any specific project but to the overall operation of the program.

In summary, the Percent for Arts Program is a relatively new program and has been in continued development. It has received recognition from the industry as a model with the most recent coming at the 2005 Americans for the Arts annual public art conference. In addition, the program has been commended for its policies with regard to business relations with participating artists. The Department has completed nine major projects to date. There are currently nineteen other projects in progress. Policies and procedures for DCRT have been created in-house. DCRT agrees that the Department is at a point to formalize institutional procedures. To accomplish this goal, we look forward to working the OFPC to create a joint agency agreement. By clearly defining the objectives of this program, we can ensure continued success.

If I can provide any further information prior to the issuance of the performance report, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'Angèle Davis', with a stylized flourish at the end.

Angèle Davis  
Secretary



## DCRT Performance Audit Response to Recommendations

1. DCRT should set clear goals and objectives for the Percent for Art program. From these goals and objectives, it can develop performance measures for the program. (Pg. 12)

**Response:** DCRT agrees. The Percent for Art program is a relatively new program and has been in continued development. Policies and procedures for DCRT have been created in-house. DCRT agrees that the Department is now at a point to further formalize institutional procedures. To do so, DCRT will need the cooperation and input of OFPC in developing and executing a formal operating agreement. This joint agency agreement will allow the program to finalize a formal procedural handbook and performance measures for the program.

The Louisiana Percent for Art Program has received recognition from the industry as a model in several areas already, and as recently as the 2005 Americans for the Arts annual public art conference. The program has also been commended for its policies with regard to business relations with participating artists. The Department has completed nine major projects to date, all of which have been successfully coordinated. There are currently nineteen other projects in progress.

To put these numbers into perspective, the City of Phoenix has facilitated 116 public art projects since its inception in 1986. Their organization is considered to be one of the most successful public art programs in existence. We are not privy to detailed data on how many projects were administered in any one-year, nor the amount of funds that were allotted for administering the program. However, this sampling indicates that the Louisiana Percent for Art program, in its short tenure, is maturing on track as a credible public art program.

2. Based on the goals that it sets, DCRT should promulgate rules and regulations for the Percent for Art program in accordance with the Administrative Procedure Act (La. R.S. 49:950 et seq.). The rules and regulations should address essential operations such as determination of exemptions, eligibility for the program, and the administrative funding of the program. DCRT can refer to such rules and regulations in any Interagency Agreement with other agencies. (Pg. 12)

**Response:** DCRT agrees that the effectiveness and efficiency of the Percent for Art Program should be improved.

The program is administered by DCRT in partnership with OFPC, and in order for the program to operate with optimum efficiency and effectiveness DCRT and OFPC should enter into a formal interagency agreement. DCRT has initiated this process through a written letter requesting a joint meeting with OFPC to develop a formal agreement. DCRT is prepared to have a formal agreement in place within three months of OFPC's commitment and participation.

3. DCRT should develop, implement, and regularly update policies and/or procedures for the Percent for Art program that support the program's overall goals to help ensure effective program operations. Policies and procedures should address major program functions such as

administration of artworks funds, artwork selection, and artwork maintenance. DCRT should consider best practices in public art programs when developing policies and procedures. (Pg.12)

**Response:** DCRT agrees. The Percent for Art program has been reviewing national models and “best practices” in an effort to design Louisiana’s public art program. We are ready to implement a more formalized and detailed policy and procedures that are effectively tailored to our operations.

4. DCRT should coordinate with OFPC to ensure that it has current and accurate information to effectively manage the program. To accomplish this, DCRT should enter into an Interagency Agreement with OFPC each year to ensure that the information needed to manage the program is readily available. The agreement should provide that critical information such as the eligible construction and renovation projects for that year and their Percent for Art allocations be provided to DCRT on a regular basis. It should also include provisions for DCRT to regularly receive updated and accurate funding information from OFPC and methods for resolving any differences between the two agencies. (Pg. 13)

**Response:** DCRT agrees that an Interagency Agreement is an appropriate instrument to outline provisions regarding project status and timelines, project and corresponding administrative allocated/budgeted funds, and further, the transmitting of regular updates and other pertinent and relevant information, such as compliance and bond dates, needed to effectively manage the Percent for Art Program.

The Interagency Agreement also should outline method of administrative funds transfer to DCRT, and provide a report of final project construction budget amounts. It also should make available the project FPC 1 report, the project site and architectural plans, and should define OFPC project manager’s participation in the Percent for Art selection process, and should include methods for resolving any differences between the two agencies. Legislation may need to be passed to give DCRT authority to fulfill this audit recommendation.

Overall, this audit portrays DCRT as solely responsible for the determinations of the program, which is not the case. As it stands, DCRT does not have the authority to define, arbitrate, modify or correct mandates set forth by OFPC. If we are to rectify the deficiencies noted, it is likely that legislature will be needed to give DCRT the authority necessary to define autonomy for the program.

5. DCRT should devise a plan to address the current backlog of construction and renovation projects from which it has received administrative money. (Pg. 15)

**Response:** DCRT agrees that administrative funds have been paid out by OFPC for projects that have not yet been completed, but the administrative funds were never intended by DCRT to be spent project by project. Rather they are used to run the overall program. As outlined below, the method of paying out the administrative fee to DCRT must be changed for the program to operate more effectively.

To solve this problem, DCRT continues to request to have HB1 include the original budgeted administrative amount of \$132,000 to appropriately place the administrative funds for the program in the DCRT budget. To date this appeal has not been successful.

6. DCRT should plan the administration of projects based on clearly established goals and objectives that consider the amount of administrative funds available for the program as allowed in state law. This should prevent a further backlog of projects for which DCRT has received administrative money but had not purchased art. (Pg. 15)

**Response:** DCRT only partially agrees. The Percent for Art program has not had the opportunity to review the OFPC projects' timelines earmarked for the program, nor the authority to authorize the transfer of project or administrative funds. The Percent for Art's participation has been allotted by OFPC to "after construction" addition of artwork.

In fact, administrative funds have been distributed from OFPC projects prior to their completion. Administrative funds have been transferred to DCRT by the OFPC in the design phase and/or during the construction phase.

This practice has built in negative timelines for the Percent for Art program. Meaning, that the Percent for Art program cannot, by standards set by the OFPC, begin to fulfill its mission to facilitate the process of artwork selection until the construction of the state facility is complete. Therefore, a backlog was fostered through the payment process chosen and controlled by the OFPC.

In addition to pre-completion distribution of construction project funds, the current backlog also stems, in part from the fact that currently, the OFPC designates 10% for administrative funds from each project creating what appears to be, many more available projects than the Percent for Art program staff can facilitate for artworks during same period.

7. Annually, DCRT should base the program's administrative budget on the goals and objectives it set for the program that year (i.e., the specific projects it plans to work on and the amount of administrative money associated with those projects). (Pg. 16)

**Response:** DCRT disagrees. The administrative budget is not linked to any project but rather, as stated above the administrative fee is for the operation of the overall program.

Once we have an executed Interagency Agreement, which will facilitate OFPC in providing the information necessary for the effective management of the Percent for Art program in an efficient manner, advance review can assist in planning the facilitation of projects.

In addition, circumstances of contract, including amendments, and art selection components are included in these procedures thereby, make it difficult to advocate and set beginning year timelines projections for new projects. The facilitation of the artwork selections in combination with the artists' contracts is a multi-year operation. The length of time required for administration, facilitation of artwork selection and terms of contract are significant and are not possible in a one-year term.

8. DCRT should review best practices for the public art programs and provide recommendations for administrative funding to the Commissioner of Administration and the Legislature for consideration of amendments to existing state law. This review should include the best way to fund costs (i.e., salaries) of the program and how to ensure that OFPC does not take money from future projects to DCRT's annual administrative costs. (Pg. 16)

**Response:** Yes, DCRT agrees and we are now in the process of formalizing recommendations and new language to improve the overall effectiveness of the Percent for Art program.

9. DCRT should collaborate with the Commissioner of Administration to determine the entity responsible for the maintenance and care of installed artwork. Once this is established, DCRT should incorporate a collection management plan into the policies and procedures it develops for the Percent for Art program. (Pg. 19)

**Response:** DCRT agrees. Currently, DCRT has neither the authority nor the funds to maintain the works created through the program. DCRT will seek, through the pending operating agreement, to become the official agent for maintenance of the artworks, and plan and coordinate for their care. The Department feels that with the appropriate funding identified, DCRT is the logical party to handle all maintenance responsibilities.

10. If an entity other than DCRT is responsible for the maintenance and care of installed artwork, DCRT should consider entering into an Interagency Agreement with that entity to ensure a clear understanding of its roles and responsibilities. (Pg. 19)

**Response:** DCRT agrees.