

*This article reviews the concept of cultural governance. Three cases of cultural governance are examined including the Scientific and Cultural Facilities District (SCFD) in Colorado, the Metropolitan Zoological Park and Museum District (MZPMD) in Missouri, and the Allegheny Regional Asset District (ARAD) in Pennsylvania. This study shows that cultural governance has emerged as an innovative and effective institutional and financial arrangement that supports local and regional cultural activities. It also suggests that the successful performance of cultural governance relies on strategic coalitions between cultural stakeholders, healthy city-county partnerships, and stable funding mechanisms.*

## CULTURAL GOVERNANCE

### A Comparative Study of Three Cultural Districts

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**Are there government-driven** cultural policies in the United States? What does the government do to support cultural organizations? How does the government manage various cultural programs to meet the public's cultural needs? Unfortunately, the current state of knowledge on cultural policy in the United States does not provide clear answers to such questions. Agreeing on the limits of legitimate governmental role in culture (Levy, 1997, p. viii), there has been a longstanding question regarding cultural policy frameworks (Martin, 1999; Wyszomirski, 1995b; Yudice, 1999).

Considering the lack of our understanding of cultural policy, this study examines cultural governance, which is administered by regional governmental units such as cultural districts. *Cultural governance*<sup>1</sup> in this study

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TABLE 1  
Summary of Three Selected Cases of Cultural Governance

	SCDF	MZPMD	ARAD
Year of establishment	1989	1972	1994
Geographic areas	Multiple counties (six counties)	One city/county (city and county of St. Louis)	One county and multiple localities (Allegheny County)
Funding sources	1/10 of 1% sales tax	Property tax	1/2 of 1% county sales tax
Scope of programs	Museums and local cultural activities	Museums	Recreational facilities, libraries, cultural activities

NOTE: SCDF = Scientific and Cultural Facilities District (Colorado), MZPMD = Metropolitan Zoological Park and Museum District (Missouri), ARAD = Allegheny Regional Asset District (Pennsylvania).

is defined as government's direct or indirect involvement in the promotion and administration of programs of cultural organizations (including museums) existing in specific geographic boundaries with unique financial and administrative arrangements (i.e., earmarking a certain percentage of sales or property tax to support cultural institutions and activities). Cultural governance often highlights "high" culture or "fine arts," although the precise meaning of *culture* varies among districts. In fact, the scope of cultural programs by districts is very wide: supporting the fine arts (concert halls, theaters, galleries, and art museums), libraries, historical museums, gardens, arboretums, and educational institutions (Frost-Kumpf, 1998, p. 11).

Taking a comparative case approach, this study focuses on three selected special districts that have been uniquely involved in supporting arts, cultural activities, and museums: (a) the Scientific and Cultural Facilities District (SCFD) in Denver, Colorado; (b) the Metropolitan Zoological Park and Museum District of St. Louis, (MZPMD); and (c) the Allegheny Regional Asset District in Pennsylvania (ARAD). As Table 1 shows, the three cases represent some variation in years of establishment, geographic areas, funding mechanisms, and scopes of programs.<sup>2</sup> Based on the comparative case study, this article explores a relatively new concept of cultural governance and addresses its specific institutional and financial arrangements, which contribute to the effective implementation of cultural programs at the regional level.

## CULTURAL POLICY AND CULTURAL GOVERNANCE IN THE UNITED STATES

Although culture is an important element of citizens' quality of life, government's role in culture has not been well defined. President John Adams's dictum represents the founders' view of the importance of culture (arts) in light of other national priorities: "I study war so my children can study politics, so their children can study art" (quoted in Levy, 1997, p. 4). As Wyszomirski (1995a) pointed out, governmental commitments to culture and arts in the United States are indirect, sporadic, narrow, and tentative at best. The federal government's support was not distinctive until 1965, when the National Endowment for the Arts (NEA) was established to provide institutionalized federal support to nonprofit arts and cultural programs.

There are two competing views on governmental support to cultural activities. One is that governmental support is necessary to create better and more opportunities for cultural organizations and individuals; the second position shares fear and concern that government will extend its control over cultural activities and eventually hurt the freedom of artists and the arts. Likewise, the NEA's policies were widely politicized when strong criticism from conservatives and religious groups was addressed toward the NEA for its funding for "Piss Christ"<sup>3</sup> and "Robert Mapplethorpe: The Perfect Moment"<sup>4</sup> in 1989 (Wyszomirski, 1995a). The controversy over "Piss Christ" later raised the issue of government's accountability in the arts and the limits of legitimate financial support by the government for the arts.

Along with contentious issues of the federal government's cultural policy, the NEA's budget was dramatically cut (40%) in 1996 in the lieu of rising concern about a balanced budget (Table 2). Congress debated the appropriate role of the federal government in supporting arts and cultural activities and even considered a plan for phasing out the NEA (NEA, 2000). Similarly, the extent of governmental involvement is also controversial at the local level, as seen in the contentious debate between New York City Mayor Rudolph Giuliani and Hilary Clinton on the controversial Brooklyn Museum of Art exhibit that featured a painting by Chris Ofile depicting the Virgin Mary and containing elephant dung.<sup>5</sup>

In the midst of continuing debates on the governmental role in cultural policy, some have taken an innovative approach to institutionalizing cultural governance at the regional level, beyond traditional jurisdictions.

**TABLE 2**  
**Annual Appropriations for**  
**the National Endowment for the Arts (NEA)**

<i>Fiscal Year</i>	<i>Total Funds (in millions of dollars)</i>
1981	158.8
1982	143.5
1983	143.9
1984	162.2
1985	163.7
1986	158.8
1987	165.3
1988	167.7
1989	169.1
1990	171.3
1991	174.1
1992	176.0
1993	174.5
1994	170.2
1995	162.3
1996	99.5
1997	99.5
1998	98.0
1999	98.0
2000	97.6

SOURCE: Based on the budget figures in NEA (2000).

NOTE: The appropriation for the NEA in 1966 was \$2.5 million.

The next section will examine an evolutionary process of cultural governance in the Denver metropolitan area.

### **THE SCIENTIFIC AND CULTURAL FACILITIES DISTRICT (SCFD): EVOLUTION OF CULTURAL GOVERNANCE IN COLORADO**

The literature of resource dependence (Pfeffer & Salancik, 1978; Ulrich & Barney, 1984) and organizational change (Greiner, 1967; Rainey, 1997) offers a useful analytical framework to understand the institutional evolution of cultural governance in Colorado. The resource dependence perspective shows that organizations are dependent on various resources (information, financial, human, and political) to maintain

their basic functions. Furthermore, organizations often expand their boundary-spanning activities to draw on necessary external resources in a turbulent environment. For example, the deterioration of financial resources may drive an organization to find alternative funding sources to adapt to new financial conditions. Based on the resource dependence and organizational-change perspectives, this section summarizes the historical evolution of the SCFD in accordance with various stages of organizational change (Greiner, 1967).<sup>6</sup> Four different stages are identified to review the institutional evolution of the SCFD: (a) environmental entropy (fiscal pressure and crisis arousal), (b) alternative seeking and innovation, (c) tensions and reconfiguration, and (d) institutionalization.<sup>7</sup>

*Environmental entropy (fiscal pressure and crisis arousal).* Cultural governance was not a major issue in the Denver metropolitan area until 1982, when Denver's major cultural institutions (the Denver Zoo, the city of Denver Art Museum, the Denver Museum of Natural History, and the Denver Botanic Gardens)<sup>8</sup> faced a serious financial crisis due to the state government's sudden termination of annual financial support. By itself, the Denver was not able to manage the financial disruption because it could not make up the budget shortage. This financial challenge placed major cultural institutions into a crisis situation and forced them to search for alternative sources of funding. This crisis also drew extensive attention from many cultural stakeholders including citizens, major cultural institutions, civic activists, cultural communities, government agencies, and the state legislature.

*Seeking alternatives and innovative approaches.* The Denver cultural community considered alternative financial strategies such as establishing foundations and increasing fees. The idea of establishing multiple foundations was perceived to be very limited and uncertain in terms of political feasibility. The option of increasing fees also faced strong opposition from citizens, who tend to be very resistant to fee increases. In the meantime, an alternative funding mechanism was considered and gradually promoted by some of the key stakeholders. Rex Morgan, a Denver Art Museum trustee, working on behalf of the museum, developed the concept of a cultural district similar to one that had been created and implemented in the MZPMD in St. Louis in 1972 following a substantial budget cut by the St. Louis municipal government.

Edward Connors, a Denver Botanic Gardens board member, also studied an alternative funding mechanism that Cook County, Illinois, had adopted: using property tax funds to support its deteriorating gardens. Rex Morgan and Edward Connors worked collaboratively and proposed to politicians and citizens the concept of the tax district for Denver's cultural institutions. Most stakeholders agreed on the idea of a tax district that paralleled the Regional Transportation District (RTD), which includes six counties in the Denver metropolitan area.

However, there were decisive differences among stakeholders about the formula for distributing tax revenues. Originally, the Big Four (Museum of Natural History, Denver Zoo, Denver Art Museum, and Denver Botanic Gardens) agreed on an 80/20 budget distribution: 80% for the Big Four and 20% for the six counties. In 1986, the agreement was presented as Senate Bill 55, the Cultural Facilities District Act. Reacting to the bill, other major cultural players known as the Big Seven (the Denver Children's Museum, the Arvada Center for the Arts and Humanities, Opera Colorado, the Colorado Ballet, the Denver Symphony Orchestra, the Denver Center for the Performing Arts, and the Central City Opera) expressed their concerns and dissatisfaction with the bill. Instead of the 80/20 budget distribution, the Big Seven argued for a 50/50 split. Later, the Big Four (Tier I) and the Big Seven (Tier II) compromised on a formula: 65% to the Big Four, 25% to the Big Seven, 10% to the six counties. However, the Colorado House of Representatives did not initially pass the bill due to pressure from antitax and anti-big government forces and the disarray of the cultural advocates in general.

*Tension and reconfiguration.* The special district alternative was further pursued by the Denver cultural community despite its initial defeat in the House. In the meantime, a second crisis arose concerning the technical mode of resource allocation. The Tier I organizations (Big Four) preferred a competition-based resource allocation for Tier II (Big Seven), whereas Tier II favored a formula-driven "entitlement." In the fall of 1986, the idea of Tier III was proposed to create a third tier to which Tier II organizations or smaller cultural groups could belong and apply for funding through a grant process overseen by local county cultural councils. A House Bill (H.B. 1138) was proposed calling for a sales tax of 0.15 of 1% with a 46:27:27 split among the three tiers. The SCFD bill was later reformulated with a modified component: a sales tax of .10 of 1% and a 65:25:10

budget distribution to the three tiers. As soon as the bill was passed, advocates promoted its significance and potential contribution to the region of six counties.

In the course of the campaign, Adams, Arapahoe, Douglas, and Denver Counties were generally supportive whereas Boulder and Jefferson Counties were not. The Boulder County cultural groups were concerned about the possibility that the proposed district would consume available resources and leave little to the suburbs. Jefferson County was not satisfied with the exclusion of the Arvada Center for the Arts and Humanities from Tier I. These objections were gradually overcome through the co-opting of opponents, utilizing the mass media, and conducting active campaigns. During the campaign, advocates highlighted potential benefits such as cultural enrichment for children, enhancement of quality of life, and spillover effects for the local economy. The campaign led to overwhelming public approval of the SCFD (Amendment 9) in 1988.

*Institutionalization.* The SCFD established its governing body by forming its first board in 1988. As the SCFD figured out its detailed funding procedures, there were continuous tensions and conflicts among stakeholders (counties, cultural councils, and cultural organizations) regarding how much policy-making authority the SCFD board would have. Both the board and the district administrator supported the idea of requiring a formal application process to guarantee accountable budget allocations, whereas individual cultural institutions argued that a formal application process was not necessary. Finally, a compromise was reached and a certification (fact-checking) process (not an application process) was adopted that allowed the SCFD to complete its first fund allocation in fiscal year 1989-1990.

In 1989-1990, as Table 3 indicates, the SCFD distributed \$9.1 million (65%) to Tier I. The amounts of \$3.5 million (25%) and \$1.4 million (10%) were allocated to Tier II and Tier III organizations, respectively. In 1994, the SCFD tax was reapproved by the Denver metropolitan voters for the following 10-year period. The funding distribution to each tier was also changed from 65:25:10 to 59:28:13 in 1996, which suggests that the SCFD attempted to provide more funding to medium- and small-sized local cultural organizations. Between 1990 and 1999, total SCFD funds increased by 150% from around \$14 million (1989-1990) to \$34 million (1998-1999).



**TABLE 3**  
**Fund Allocations (in millions) of the Scientific and Cultural Facilities District (SCFD)**

	<i>Tier I</i>		<i>Tier II</i>		<i>Tier III</i>	
	\$	%	\$	%	\$	%
1989-1990	9.1	65	3.5	25	1.4	10
1990-1991	10.4	65	4.0	25	1.6	10
1991-1992	11.7	65	4.5	25	1.8	10
1993-1994	12.0	65	4.7	25	1.9	10
1995-1996	16.2	65	6.2	25	2.1	10
1996-1997	15.6	59	7.4	28	3.1	13
1997-1998	16.0	59	7.6	28	3.5	13
1998-1999	19.8	59	9.4	28	4.4	13
1999-2000 estimated	20.5	59	9.6	28	4.7	13

SOURCE: Based on compiled information from SCFD (1991, 1992, 1993, 1994, 1998, 2000). For 1999-2000 funding estimates, see the SCFD Web site: <http://www.scfcd.org>

NOTE: The funding distribution to each tier is determined by the state legislation.

#### **CULTURAL GOVERNANCE: REGIONALISM, GOVERNING INSTITUTIONS, AND FUNCTIONS**

This section discusses the nature of cultural governance that the SCFD has institutionalized in the regional context. It examines various aspects of cultural governance including governing institutions, financial administration, and activities and contributions of the SCFD.

*Regional governance.* The SCFD has a unique feature of regional governance<sup>9</sup> that clearly departs from traditional jurisdictions (federal, state, county, and municipal governments). The district is geographically the same as the RTD, with a population of more than 2 million. The SCFD includes the Denver metropolitan area with six major counties (Adams, Arapahoe, Boulder, Denver, Douglas, and Jefferson). The SCFD has taken advantage of economies of scale for various services and has shaped a sense of regionalism. The regional governance (the Denver metropolitan area) is considered a more appropriate institutional arrangement for cultural governance than the municipal form (the city of Denver) because the residents of Denver and its suburbs constitute the majority of the visitors to major cultural institutions in the area. By using the regional sales tax revenue mechanism, the SCFD alleviates the need for a single government



that should carry the financial burden of support for beneficiaries residing in other areas.

*Governing institutions.* The SCFD has institutionalized two major governing bodies: the board of directors and the district administrator. The board of directors is made up of nine members who serve a 3-year term (limited by statute to not more than two consecutive terms): one representative from each of the six counties and three members appointed by the governor. The board members review funding applications and allocate formula-based funds for Tier I and Tier II as well as discretionary funds (about 10% of the formula-based funds) (SCFD, 1998). The SCFD board appoints the district administrator who is responsible for daily administration of the SCFD and communication with the board. The district administrator is similar to a city manager in a municipal government. Each county has a cultural council that basically determines the funding for Tier III local cultural organizations. Overall, each county council enjoys full autonomy over the budget allocation for Tier III.

*Financial administration.* As discussed, there are three different tiers in the SCFD funding allocation. Table 4 indicates the three tiers and the amount of funds allocated to each tier in 2000. Tier I, defined by legislation and made up of four major regional institutions, received 59% (\$20.5 million) of the available funds. Tier II is made up of performing arts and other organizations that have operating incomes of \$823,300 (adjusted annually for inflation) or more. The Tier II organizations receive 28% (\$9.6 million) of the available funds. The funding share for each qualified institution is determined by a formula based on annual operating income and annual paid attendance from the previous operating year. Tier III includes about 300 small, cultural organizations including small theatres, orchestras, arts councils, and art centers. The Tier III organizations received 13% (\$4.7 million) of the SCFD funds. The funding share of the six counties is based on the amount of sales tax collected. Each county cultural council manages grant processes and allocates funds appropriated by the district board.

Of the total funds allocated to each organization, 90% are fixed and the rest are discretionary. The fixed funds are used for maintenance and operating costs as well as capital expenditures. Cultural organizations spend their discretionary funds for developing special programs such as training and outreach programs. To maximize the amount of funds allocated to

**TABLE 4**  
**Funding Estimates at the Scientific and Cultural Facilities District (Colorado) in 2000**

	<i>Recipient</i>	<i>Share (%)</i>	<i>Amount (\$)</i>
Tier I	Natural History Museum	59	20.5 million
	Denver Zoo	33 <sup>a</sup>	6.9 million
	Denver Art Museum	26 <sup>a</sup>	5.3 million
	Denver Botanic Gardens	26 <sup>a</sup>	5.3 million
		15 <sup>a</sup>	3.0 million
Tier II	Cultural institutions with annual operating incomes exceeding \$823,300	28	9.6 million
		Set by formula <sup>b</sup>	
Tier III	Metro counties <sup>c</sup>	13	4.7 million
	Adam	13.2	619,000
	Arapahoe	25.5	1.2 million
	Boulder	12.2	575,000
	Denver	27.6	1.3 million
	Douglas	2.9	138,000
	Jefferson	18.9	887,000

NOTE: For Scientific and Cultural Facilities District funds for 2000, see the Web site: [www.scfcd.org](http://www.scfcd.org). The funding for each tier is determined by state legislation.

a. Funding distribution to the four institutions is determined by the state legislation.

b. Legislation requires that equal weight be applied to qualified institutions' annual operating income and annual paid attendance.

c. Metro county share is based on sales tax collected. A volunteer cultural council has been appointed in each county to receive requests and distribute funds appropriated by the district board.

support various cultural activities, the statute places a clear budgetary limit on administrative expenses for the SCFD. The SCFD can only use three quarters of 1% of the total tax revenues collected for its administrative purposes (SCFD, 1998). To supplement that amount, the SCFD has since 1995 used a portion of interest revenue for administrative purposes.

*Cultural programs and impacts.* The SCFD has a budget of about \$35 million and supports more than 300 cultural and scientific organizations. It subsidizes not only major cultural institutions but also small community cultural organizations.<sup>10</sup> It has also developed various programs to provide cultural opportunities for children and many disadvantaged groups in the regional community. The following are some of the achievements in 1999:

- more than 1.8 million free admissions and 440,000 reduced-rate admissions; and
- more than 2,700 programs targeted to the elderly, minorities, people with disabilities, and children (Colorado Business Committee for the Arts, 1999, p. 3).

In addition to quantitative and qualitative growth of cultural programs, the SCFD also promotes local economies. In particular, the SCFD contributes to the local economies by generating many nonprofit jobs and attracting visitors.

- The operating expenditures, including operating surplus, capital expenditures, and audience ancillary spending by patrons of the 111 scientific and cultural organizations created an estimated \$844 million economic impact in 1999.
- Scientific and cultural institutions paid more than \$15 million in payroll, seat, and sales taxes in 1999.<sup>11</sup>
- Scientific and cultural organizations employed nearly 7,000 people with an annual total payroll of more than \$63 million in 1999.
- If the 111 scientific and cultural institutions were counted as a single organization, it would be the 11th largest nongovernment employer in metropolitan Denver.
- The economic impact in 1999 of science and cultural patrons that came from outside of Colorado and stayed overnight was more than \$130 million (Colorado Business Committee for the Arts, 1999, p. 2).

The next two sections survey other cases of cultural governance (MZPMD and ARAD). The case studies will focus on brief historical backgrounds, governing institutions, funding mechanisms, and activities for a comparative purpose.

### **THE METROPOLITAN ZOOLOGICAL PARK AND MUSEUM DISTRICT (MZPMD): CULTURAL GOVERNANCE IN THE ST. LOUIS, MISSOURI, METROPOLITAN AREA<sup>12</sup>**

The MZPMD's *Silver Anniversary* brochure (1997) provides a good summary of its historical and institutional evolution. The MZPMD was established in 1972 through the leadership of Howard Baer of the city and county of St. Louis. The MZPMD is a leading example of forming a cultural district with a guaranteed funding mechanism at the local level. Prior to the establishment of the district, the city of St. Louis was the primary

funder for the Zoo and the Art Museum. Under the old system, some cultural and scientific facilities such as the Museum of Science and Natural History (the Science Center) did not receive any public support. To ensure comprehensive support for cultural and scientific institutions, the Missouri Legislature enacted H.B. 23, which authorized the possibility for a tax levy of up to 4 cents per \$100 assessed valuation for the Zoo and Art Museum and 1 cent for the Science Center. The MZPMD later included two subdistricts for the Botanical Gardens (1983) and the Missouri History Museum (1988). As a result, five different subdistricts exist under the umbrella of the MZPMD: the Zoo, the Art Museum, the Science Center, the Botanical Garden, and the History Museum.

The MZPMD has a similar governing body to that of the SCFD. It has a district board that consists of eight members with a 4-year term who are appointed either by the city mayor (four) or the county executive (four). Every year the district board makes financial decisions (setting tax rates and determining budget allocation) for each subdistrict as well as the management of its funds. Each subdistrict also has a separate governing board with 10 commissioners. Similar to the board members of the district, the commissioners are selected by the city mayor (5) and the county executive (5) (MZPMD, 1997).

Unlike the SCFD, the MZPMD has variable property tax mechanisms for five different subdistricts. Each district board determines its tax rates. The budget size of the district has gotten nearly 12 times larger during the past 27 years (from \$4 million in 1972 to \$47 million in 2000). The sharp budgetary growth is partially from the inclusion of two more subdistricts (the Botanical Garden and the History Museum) in the 1980s. The 1999 tax rates for the Zoo and Art Museum were 6.3 cents per \$100 assessed property value, whereas the tax rates for the Science Center and the Botanical Garden were 3.3 cents. The tax rate was 4.0 cents for the History Museum. Overall, the MZPMD collected 23.2 cents per \$100 of assessed property for its tax revenue, which amounted to about \$47 million in 2000 (Deloitte Touche Tohmatsu International, 2001). Table 5 shows pertinent budget figures of the transfers to subdistrict funds of the MZPMD for the years from 1995 to 1999.

Like the SCFD, the MZPMD has a budgetary limit on operating expenses. The district cannot spend more than 5% of the tax revenue collected from property tax for operating costs. The district board authorized less than 1% for the district's operating expenses to maximize the amount of funds allocated to five subdistricts (MZPMD, 1997).

**TABLE 5**  
**Transfers (in dollars) to Subdistrict Funds in**  
**the Metropolitan Zoological Park and Museum District (Missouri)**

	1995	1996	1997	1998	1999
Zoological Park	9,853,766	9,853,766	10,594,433	11,426,383	13,119,232
Art Museum	9,853,766	9,853,766	10,594,433	11,426,383	13,119,232
Science Center	5,101,118	5,101,118	5,546,617	5,984,005	6,839,693
Botanical Garden	5,101,118	5,101,118	5,546,617	5,984,005	6,839,693
History Museum	6,337,600	6,337,600	6,733,275	7,256,904	8,305,526
Total	36,247,368	36,247,368	39,015,374	42,077,680	48,223,386

SOURCE: Based on compiled budget figures from the Metropolitan Zoological Park and Museum District's financial statements from 1995 to 1999 (Deloitte Touche Tohmatsu International, 1997, 1999, 2000).

### **THE ALLEGHENY REGIONAL ASSET DISTRICT (ARAD): CULTURAL GOVERNANCE IN ALLEGHENY COUNTY, PENNSYLVANIA**

With Act 77 of 1993, the ARAD was established in 1994 to stabilize funding for important regional recreational and cultural institutions (i.e., library, zoo, and museum) as well as various local cultural programs. The creation of the ARAD was tied to the tax reform pursuing the elimination of the personal property tax. The municipalities in Allegheny County agreed on the establishment of a 1% county sales tax as the funding mechanism. Half of the funds allocated to the ARAD are designated for supporting regional assets and cultural activities. One quarter of the funds collected go to the county, and another quarter go to other municipal governments.<sup>13</sup> Allegheny County has used the allocated money to reduce property taxes and eliminate the county's personal property tax. Local governments have also used the revenue to reduce local taxes. For instance, the city of Pittsburgh used 100% of the revenue from the sales tax to eliminate the city portion of the county's personal property tax and to reduce the admission tax (Turner, 1995).

The geographical boundaries of the ARAD are identical to Allegheny County. The rationale for the creation of the special district was the need to support cultural and recreational institutions and their activities without putting an additional burden on existing municipal or county governments. In fact, a cultural agenda was not a top priority for municipal and county governments. The state legislature addressed this issue, stating that

- local governments lack the resources to adequately support the region's civic, recreational, library, sports, cultural, and other regional assets;
- new methods of intergovernmental cooperation to preserve and improve regional assets, including transfer of assets to private citizen-controlled and publicly supported organizations are essential to preserve these and future assets; and
- in providing a method to achieve these goals, it should be done emphasizing existing resources and the capabilities of public and private asset management, not by creating new massive bureaucracies (ARAD, 1999, p. 1).

The governing institution<sup>14</sup> of the ARAD is a board that consists of eight members. Four board members are appointed by the commissioners of Allegheny County and two by the mayor of Pittsburgh. The six appointed members then choose one member from the nominees of regional agencies. The governor appoints the eighth person, but the gubernatorial appointee is a nonvoting member. The district has attempted to adopt nonpartisan, citizen-based governance by excluding elected officials, appointed officials, party officials, and public employees as board members (Turner 1995).

The ARAD's funding is spent primarily to support regional assets including 10 statutory assets<sup>15</sup> as well as civic and cultural programs. According to a report by the ARAD (1999), libraries and parks have been the primary beneficiaries: libraries and parks have received 30% and 28% of the total funding, respectively. About 21% and 11% of the funding is allocated to sports facilities and other regional facilities (the Pittsburgh Zoo, National Aviary, Phipps Conservatory, and the Science Center of the Carnegie Institute), respectively. Approximately 10% of the funding is allocated to other civic and cultural organizations such as the Pittsburgh Symphony, City Theater, Pittsburgh Cultural Trust, and the Pittsburgh Ballet.

The funding for civic and cultural programs has been rapidly increasing. The ARAD funded cultural programs with just 4% (\$2,240,000) of the funding for the statutory assets (\$54,137,000) in 1994. This cultural funding has dramatically increased for the past 5 years both in proportion and amount. The cultural funding in 2000 (\$5,475,500) is two and half times more than the 1994 funding, which is about 10% of the funding for statutory assets (\$50,933,500). Like the SCFD and MZPMD, the ARAD also has an explicit limit on its administrative expenses. The administrative expenses should not exceed 1% of its budget to maximize funding to core purposes. Similar to the SCFD, the ARAD also emphasizes the notion of regional governance. For instance, only the regional (not local)

libraries and regional (not local) parks that serve more than one municipality are eligible for funding. In other words, the district made its primary objective clear: to fund "regional entities" rather than "nice but local facilities."

## DISCUSSION AND IMPLICATIONS

Table 6 provides a comparative summary of three cultural governance cases examined in this study. The table compares the differences and similarities in terms of geographical areas, governing institutions, funding mechanisms, budget size, and the funded activities. Based on the comparative analysis, several conclusions are drawn concerning strategic coalitions, regional governance, assured and autonomous funding mechanisms, city-county partnerships, and qualitative and quantitative improvement of cultural programs.

*Cultural governance as strategic coalition for wider political support.* To ensure an extensive and high degree of the public's interests and concerns, cultural governance embraces a wide scope of programs, including not only traditional fine and performing arts but also libraries, museums, and even sports and recreational facilities (i.e., ARAD). The inclusiveness of cultural governance is a result of strategic choice by the districts to receive wider political support from related stakeholders. Financial support for various museums and other popular public facilities often helps cultivate wider political support from parents, educational institutions, civic groups, and many nonprofit organizations. Interestingly, the three districts show a great deal of variance in the scope of activities. The MZPMD focuses on its programs to support major museums and facilities including the Art Museum, History Museum, Zoological Park, Science Center, and Botanical Gardens. The SCFD supports four major museums (Tier I) as well as medium-sized cultural organizations (Tier II) and local cultural activities (Tier III). The ARAD has the most inclusive programs, including even libraries, parks, and sports facilities.

*Cultural governance as regional governance.* Cultural institutions and their programs do not just serve a single municipality and often not even a single county. It is unreasonable for the city of Pittsburgh to take sole financial responsibility to support the Pittsburgh Zoo when 75% to 85% of the Pittsburgh Zoo visitors reside outside the city's jurisdiction (Turner,



TABLE 6  
Comparisons of the Three Cultural Governance Cases

	SCDF	MZPMD	ARAD
Established Area	1989 Denver metropolitan area (six counties), Colorado	1974 City and county of St. Louis, Missouri	1994 Allegheny County, Pennsylvania
Governing district board	Nine (six from each county and three governor appointees)	Eight (four county executive appointees and four city mayor appointees)	Eight (four county commissioner appointees, two city mayor appointees, one chosen by the six members, and one governor appointee)
Funding sources	1/10 of 1% sales tax	Property tax	1/2 of 1% county sales tax
Budget size	\$35 million (in 2000)	\$47 million (in 2000)	\$66 million (in 1999)
Activities	Three tiers: supporting major cultural and scientific nonprofit organizations and local cultural activities	Five subdistricts: Zoological Park, Art Museum, Science Center, Botanical Garden, Missouri History	Libraries, parks, sports facilities, cultural facilities, and cultural organizations
Administrative expenses limit	3/4 of 1% of tax revenue	5% of tax revenue	1% of tax revenue

NOTE: SCDF = Scientific and Cultural Facilities District, MZPMD = Metropolitan Zoological Park and Museum District, ARAD = Allegheny Regional Asset District.

1995). According to one statistical report (ARAD, 1999), the Phipps Conservatory of Allegheny had visitors from Pittsburgh (25%), other municipalities of Allegheny (39%), and other surrounding counties and elsewhere (36%). The concept of regionalism (regional governance) was clearly addressed when the ideas of the SCFD and the ARAD were initiated. Regional governance is also supported by the financial rationale that the financial burden for cultural institutions should not fall on a single municipal or county government. Regional governance also contributes to wider political support by returning some of its funding to eligible organizations in participating localities. Regional governance often takes advantage of existing regional jurisdictions to minimize possible confusion and political costs associated with its jurisdictional boundaries. For instance, the SCFD duplicated the existing RTD for its geographical boundaries, whereas both the MZPMD and ARAD simply followed the existing county boundaries.

*Significance of stable funding mechanism.* Cultural policy is not a top priority at the federal and state levels. It is not a primary policy interest for many local governments, either. However, the public is very concerned about the quality of cultural programs and facilities such as art museums and zoos because they are highly related to education and the quality of life. With fiscal problems such as substantial budget cuts, municipal and county governments face serious challenges in financing their cultural facilities. The success of cultural governance relies primarily on stable funding mechanisms. The three cultural governance systems examined in the study institutionalized unique, stable, and specifically designated funding mechanisms (either through sales or property tax) to ensure adequate financial resources for cultural entities. The SCFD and the ARAD use a sales tax mechanism for their funding sources, whereas the MZPMD created a property tax mechanism for its funding. As the concept of regionalism attracts citizens' support for cultural governance, a sales tax mechanism appears to be preferable to a property tax mechanism. It is argued that a property tax mechanism cannot address the fact that many beneficiaries of cultural institutions and cultural programs are from outside the property tax jurisdiction. A sales tax mechanism provides a financial tool through which all cultural beneficiaries (residents, visitors, and tourists) contribute to necessary funding, which appears to correct the inequity of one local governmental unit's carrying the burden of support for others (ARAD, 1998).

*Partnership between municipal and county governments (cooperation and representation).* Regional cultural governance also requires a healthy and cooperative partnership between municipal and county governments. The nature of its funding formula is always controversial because it is directly linked to the vested interests of many local cultural institutions. Smaller local cultural institutions tend to have a generic concern that major cultural institutions dominate their funding or that their programs and organizations are underrepresented in the governance structure. It is important that the district's funding formula reflect interests of both small, local cultural organizations and major cultural organizations. In part, the success of cultural governance relies on the quality of extensive participation of local governments and cultural communities. In this regard, the SCFD and ARAD have increased their funding for local cultural activities to obtain political support from local communities and build more effective partnerships with them.

*Quality of cultural services.* The three cultural governance cases consistently show that they have enhanced their cultural performances through substantial financial support for operating costs and capital projects of many cultural institutions. Attendance at cultural and arts programs has risen substantially. The ARAD (1999) statistics indicate that there has been a dramatic increase in the number of visitors to cultural organizations since the ARAD was established: the Zoo (35%), Phipps (40%), and Aviary (24%). The SCFD also experienced a rapid growth in the number of total admissions. According to the Colorado Business Committee for the Arts (1999), the SCFD-supported organizations had more than 9.3 million visitors in 1999.<sup>16</sup> In addition to the quantitative growth in the number of admissions, there have been many qualitative improvements in cultural governance, such as developing programs for less privileged groups (poor communities and seniors) through free admission programs and reduced-rate admissions. For example, there were 1.8 million free and 440,000 reduced-rate admissions in 1999. The Colorado Business Committee for the Arts also indicates that the SCFD developed 2,700 outreach programs in 1999 aimed at serving underserved populations such as children at or below the poverty line, diverse ethnic groups, the elderly, and the disabled population.

In conclusion, cultural governance is a relatively new concept that represents an innovative institutional and financial involvement of specific governmental units in administering cultural institutions and local cul-

tural programs to enhance the quality of cultural services in a specific region. Cultural governance often takes a unique form of regional governance. The successful performance of cultural governance relies on strategic coalitions between cultural stakeholders, healthy city-county partnerships, and stable funding mechanisms. The study suggests that regional cultural governance has been very effective in increasing the visibility and importance of cultural programs at the regional level. These positive outcomes have encouraged local governments to explore other alternatives, including the institutionalization of funded cultural programs for the community (e.g., the Zoo, Arts and Parks Program of Salt Lake County),<sup>17</sup> the development of nonprofit-led regional partnerships between cultural organizations and local governments (e.g., the Community Partnership for Arts and Culture in Northeast Ohio),<sup>18</sup> and interstate partnerships for a particular local area (e.g., the Kansas and Missouri Metropolitan Cultural District).<sup>19</sup> Future studies need to explore the continuing evolution of cultural governance by examining the alternative forms of various institutional and financial arrangements.

## NOTES

1. It is hard to identify tax-based cultural districts. To obtain a general understanding of the number of cultural governance in the United States, the *1997 Census of Governments* (U.S. Census Bureau, 1999) data was examined. According to the Census Bureau and its Government Integrated Directory (GID) database, there are 19 functionally classified special districts (air transportation, education, fire protection, hospitals, parks and recreation, solid waste management, etc.). Cultural governance-related governmental units belong to the parks and recreation group. There are 1,253 special districts identified as parks and recreational districts that support recreational and cultural-scientific facilities and programs. Most of them manage straightforward recreational facilities including golf courses, play fields, playgrounds, public beaches, swimming pool, tennis court, parks, stadium, and so on. Out of 1,253, only 6 (Scientific and Cultural Facilities District [SCFD], Colorado; South Snohomish Cultural Arts, Stadium and Convention District, Washington; Kansas and Missouri Metropolitan Cultural District, Missouri; Montgomery County Regional Arts and Cultural District, Ohio; Allegheny Regional Asset District [ARAD], Pennsylvania; and Metropolitan Zoological Park and Museum District [MZPMD], Missouri) are specifically identified as regional special districts for culture and museums. A municipal survey indicates that there are 90 municipalities that reported they either have or are planning for a cultural district within their municipal boundaries (Frost-Kumpf, 1998). It should be noted that cultural districts within the municipal boundary are not the subject of this study because they are not often combined with specific regional taxing districts that ensure designated and guaranteed funding mechanisms for cultural programs.

2. Each case will be examined in detail later.



3. "Piss Christ" is Andres Serano's photograph of a crucifix immersed in urine. Andres Serano was an awardee of the fellowship that the Southeast Center for Contemporary Art (SECCA) provided. The National Endowment for the Arts (NEA) awarded a grant of \$75,000 to the SECCA (Wyszomirski, 1995a).

4. "Robert Mapplethorpe: The Perfect Moment" was a museum exhibit that had portraits, flower studies, nudes of children, and homoerotic works. The travel exhibition was organized by the Institute of Contemporary Art at the University of Pennsylvania and had been recommended for its \$30,000 NEA grant (Wyszomirski, 1995a).

5. New York City Mayor Giuliani threatened to cut \$7 million in city funding to the Brooklyn Museum of Art if the exhibit was not cancelled. Hilary Clinton supported the exhibit (Hays, 1999).

6. The different stages include (a) pressure and arousal, (b) intervention and re-orientation, (c) diagnosis and recognition, (d) invention and commitment, (e) experiment and commitment, and (f) reinforcement and acceptance (Greiner, 1967).

7. It should be noted that McCarthy's (1999) and Hansberry's (2000) writing for the SCFD offered detailed historical facts summarized in this section on the institutional evolution of the SCFD.

8. They are known as the "Big Four."

9. See Wallis (1993, 1994) for more information on history and evolution of regional governance in the United States.

10. The basic eligibility requirements for the SCFD funding are as follows: (a) have a primary purpose for the enlightenment and entertainment of the public through the production, presentation, exhibition, advancement, or preservation of art, music, theater, dance, zoology, botany, natural history, or cultural history; (b) nonprofit status under Section 501(c) 3 of the Internal Revenue Code or be an agency of a local government; (c) have a principal office within the SCFD boundaries; (d) have a majority of activities within the state of Colorado; and (e) principally benefit the residents of the SCFD (see the SCFD's Web site: [www.scfid.org/Howto.htm](http://www.scfid.org/Howto.htm)).

11. Sales tax is paid to the state by cultural and scientific organizations on every item that they sell through retail means, mainly through their gift shops, and other items they sell. Customers pay the same rate as for-profit companies. Essentially, the tax is all pass-through, with the organization as a middle-man between the customer and the state.

12. It should be noted that this part is based on the information obtained from MZPMD brochures and annual reports.

13. The distribution formula for local governments is redistributive so that a government with a poor fiscal capacity tends to receive more than a government that is well off.

14. For more information on the governing institution of ARAD, see Turner (1995).

15. They include Allegheny County Library Association, Allegheny County Regional Parks, Carnegie Institute, Carnegie Library of Pittsburgh, City of McKeesport Renziehausen Park, City of Pittsburgh Regional Park, the National Aviary in Pittsburgh, Phipps Conservatory, the Pittsburgh Zoo, and Stadium Authority. These assets are guaranteed for funding during the contract period (1995-2004) as far as they meet various requirements under their cooperation and support agreements.

16. Visitors from outside Colorado numbered 1.1 million (12%).

17. The Zoo, Arts and Parks Program (ZAPP) of Salt Lake County is similar to the SCFD in terms of the scope of programs and funding mechanisms. The ZAPP was established in 1997 with a funding mechanism of 1/10 of 1% of sales tax. It had a projected budget of \$12



million in 1998 and allocated to the zoo (12.5%), arts and cultural organizations over budget more than \$250,000 (52.5%), recreational facilities (30%), and smaller organizations (5%).

18. The partnership was formed by three nonprofit organizations, including the Cleveland Foundation, the George Fund Foundation, and the Cleveland Cultural Coalition. The partnership was established for seven northeast Ohio counties (Lake, Geauga, Cuyahoga, Lorain, Medina, Portage, and Summit) to promote regional collaboration and create a regional cultural plan that ensures the regional arts and cultural activities in northeast Ohio (Community Partnership for Arts and Culture) (see the partnership's Web site: <http://www.cultureplan.org>).

19. The district is a political subdivision of Kansas and Missouri and was created under the Kansas and Missouri Metropolitan Culture District Compact that was authorized by Congress to create the special district for the counties adjacent to the state line between Kansas and Missouri (U.S. House, 1994).

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