

# TEXAS

## OVERVIEW

**E**stablished in 1965 by the Texas Legislature as an agency of state government, the Texas Commission on the Arts (TCA) is mandated to create and foster a flourishing environment for the arts in Texas.<sup>1</sup> In order to accomplish this task, the TCA provides grants, information and technical assistance to artists and arts organizations in a number of artistic fields, including the visual arts, theater, dance, music, media and literature across the state. In terms of its administration, the TCA is governed by 17 commissioners, appointed by the governor for a six-year term. The commissioners are assisted by a staff of approximately 20 who work on preserving and expanding the arts and cultural industries of Texas.

The TCA receives funding from several sources to implement its operations including the Legislature, the federal National Endowment for the Arts (NEA), Texas Cultural Trust Council, private donations including corporations, foundations and individuals and the sale of *State of the Arts* specialty license plates.

## FUNDING THE ARTS

For a number of years, the arts community, individuals and a number of public officials in Texas have been bemoaning the fact that on a per capita basis the state legislative appropriation to the TCA ranks it among the lowest in the country. During the fiscal crisis that swept across the country in the first few years of this decade, like so many other state agencies in Texas, the TCA's budget was slashed as the state

sought valiantly to balance massive budget shortfalls. Details on the status of Texas' legislative appropriations during the fiscal year 2001 to fiscal year 2005 period are presented in Table 27.

As documented in Table 27, legislative appropriations to the TCA during the review decline from \$4.7 million in fiscal year 2001 to \$4.5 million in fiscal year 2005, a decline of -5 percent. In the interim years of the review period, after increasing by 21 percent between fiscal years 2001 to 2002 (\$4.7 million to \$5.7 million), the appropriation declined by -2 percent between fiscal years 2002 and 2003 (\$5.7 million to \$5.6 million), by a steep -16 percent between fiscal years 2003 and 2004 (\$5.6 million to \$4.8 million), and then by the smaller decline of -5 percent in the final year, between fiscal years 2004 and 2005 (\$4.8 million to \$4.5 million).

As noted earlier, one of the hallmarks of legislative appropriations to the arts in Texas for many years has been the fact that on a per capita basis, Texas has consistently ranked very low, if not the lowest, nationally. The situation in the review period did not present a radical departure from this trend and, of the five years considered, per capita appropriations to the TCA ranked Texas the lowest (50<sup>th</sup>) in two years, 49<sup>th</sup> in one year and 46<sup>th</sup> in the remaining two years. Even among the SLC states, Texas ranked 16<sup>th</sup> in three of the five years and 15<sup>th</sup> in the remaining two years.

In response to this level of support from the Legislature, the TCA has had to rely on a range of alternate funding mechanisms both to meet its essential mandate of promoting the arts throughout the state and ensure the existence of a number of arts programs and organizations in every corner of the state. For instance, providing grants to a variety of arts

Table 27  
Legislative Appropriation to the TCA  
Fiscal Years 2001 to 2005

Fiscal Year	State Appropriation	% Change	Per Capita Spending		
			Amount	National Rank	SLC Rank
2001	\$4,739,335		\$0.23	50	16
2002	\$5,743,976	21%	\$0.27	50	16
2003	\$5,624,829	-2%	\$0.26	49	16
2004	\$4,752,253	-16%	\$0.21	46	15
2005	\$4,510,252	-5%	\$0.20	46	15

Source: National Assembly of State Arts Agencies, April 13, 2005



Kimball Art Museum, Fort Worth. Photo courtesy Kimball Art Museum.

organizations across the state is one aspect of the many funding programs undertaken by the TCA. In fiscal year 2006, the current fiscal year, the TCA approved \$2.4 million in grants to arts organizations in an initial round of funding; an additional \$637,945 will be allocated for mini-grants, initiatives and partnerships during the fiscal year.<sup>2</sup> The \$2.4 million distribution involved grants to 331 arts organizations in 77 Texas cities. Given the relatively low level of funds appropriated by the Legislature, the TCA must rely on a number of alternative revenue sources to fund its operations. Some of these include:

- » The *State of the Arts* specialty license plate program, the state's best-selling, non-personalized specialty plate for nearly 10 consecutive years, has generated a total of \$3 million for various TCA programs.<sup>3</sup> In fact, these specialty license plate sales accounted for about 8 percent of TCA's total budget in fiscal year 2004. While these specialty plates cost an additional \$30 more than the regular vehicle registration fee (a personalized plate costs \$70 in addition to the regular fee), the TCA receives \$22 for each specialty license plate sold;
- » Raising funds from private sources including corporations (The Coca-Cola Company, Nei-

- man Marcus and SBC), foundations (Wallace Foundation) and individuals to finance a range of TCA programs, such as the Young Masters artist mentorship program, has been a mainstay of TCA's funding equation;
- » The TCA was instrumental in setting up partnerships with a number of popular Texas artists (Willie Nelson, Flaco Jimenez, Beyonce) for the Texas Music Project, which led to a number of music CDs and concerts. As a result, the TCA was able to distribute more than \$100,000 for arts education initiatives from the sales of CDs and concert proceeds; and
- » In 1993, the Legislature created the Texas Cultural Trust Council, landmark legislation that sought to create a true endowment for the arts in Texas. The goal of this endowment was "to provide a sustaining funding source that will enhance arts education, encourage economic development, and advance the well-being of communities."<sup>4</sup> In order to initiate the endowment, the authorizing bill allocated \$2.2 million to initiate the process, with the goal of eventually collecting \$200 million in the fund. While the Council, a 501(c)(3) non-profit organization, raises funds from the pri-

vate sector and increases public awareness of its arts activities, it also disburses funds to the TCA for its operations.

The spectacular flame-out of the former Houston-based, energy and trading behemoth Enron, considered one of the most powerful companies in the country until the fall of 2001, offers lessons on the negative side of relying too heavily on private donations for the operation of arts and cultural institutions.<sup>5</sup> Not only was Enron a major player in the Houston arts scene—the company made substantial donations to such cultural treasures as the Museum of Fine Arts, Houston Ballet, Alley Theater, Houston Symphony, Contemporary Arts Museum and the Menil Collection—top executives at the company were influential figures (as purchasers of fine art, board members, fundraisers, promoters of local artists) in the city's arts scene. In addition, Enron had and was in the process of acquiring a major corporate art collection. With the crash of Enron by the end of 2001, one of the major contributors to the arts scene in Houston vanished.

## ECONOMIC IMPACT

The economic impact of the arts continues to be a tremendously positive development in Texas, notwithstanding the financial assistance provided by the Legislature in recent years. Texas, in addition to maintaining some of the nation's most treasured art collections in a number of world-class museums, also holds a number of unique musical festivals (Austin City Limits, for instance) and arts events that draw the attention of visitors and tourists from every part of the country and the globe. The throngs that attend these various arts activities contribute significantly to the economic bottom line of the local and state economies at a level that far surpasses the level of appropriation provided by both the state and federal (NEA) governments.

In 2001, the Perryman Group, a reputed economic and financial analysis firm based in Waco, carried out a detailed report of the economic impact of the arts in Texas entitled



Elliptical gallery at the Modern Art Museum of Ft. Worth featuring Anselm Kiefer's *Book with Wings, 1992-1994*. Photography by David Woo, courtesy Modern Art Museum.

*The Catalyst for Creativity and the Incubator for Progress: The Arts, Culture and the Texas Economy.*<sup>6</sup> The purpose of the study was to comprehensively document the impact of the arts on Texas, its regions, and its metropolitan areas. The conclusion reached by the report was that the results were clear and unambiguous: the arts remain a vital and indispensable element of the complex Texas economic universe. One of the more noteworthy pieces of information contained in the report involved the fact that in Texas, the non-profit arts sector was a churning incubator of economic activity with every dollar spent by the sector creating more than a \$298 economic impact and \$9.20 in state revenues. The following list contains a sampling of the major findings contained in the report.

- » Cumulatively, the arts industry in Texas plays a crucial role in the state's economy and accounted for \$190.2 billion in total expenditures (12.3 percent of the state total), \$98.4 billion in gross product (13.6 percent), \$61.7 billion in personal income (14.6 percent), and 1.918 million permanent jobs (15.7 percent). In turn, this economic activity was responsible for about 12.2 percent of total state fiscal re-

sources (more than \$5.8 billion per annum);

- » The art industry's impact and positive economic flows extended to all areas of the state with the largest cultural impacts occurring in Dallas (30.3 percent of total state activity), Houston (24.1 percent), and Fort Worth-Arlington (9.4 percent). In terms of the largest relative effects in the state's major urban markets, the report highlighted Fort Worth-Arlington (17 percent of the local economy), Dallas (16.1 percent), San Angelo (16 percent), and Austin-San Marcos (15 percent). The art industry's positive economic impact covered the state's rural areas too, amounting to \$11.8 billion, or 6.2 percent, of total activity in rural Texas;
- » In terms of the economic impacts of such traditional arts disciplines as visual, literary, media, and performing arts on the state economy, the report noted that it was substantial: \$63.7 billion in total expenditures, \$31.5 billion in gross product, \$18.7 billion in personal income, and more than 600,000 permanent jobs;

- » The report also highlighted the per capita impact of the most "arts intensive" urban areas of the state, and according to this measure, the leaders were Dallas (\$6,654 per person), Fort Worth-Arlington (\$4,397), San Antonio (\$3,265), and Austin-San Marcos (\$3,216). Approximately 5.5 percent of the economic impact of traditional cultural arts occurs in rural segments of Texas;
- » The cultural arts were responsible for about 19.8 percent of the total tourism in the state;
- » Since the report computed the economic impact of both for-profit and non-profit arts-related activities, a breakdown of the impact of the non-profit segment of the arts industry in Texas indicated a net benefit of \$19 billion in total expenditures, \$9.5 billion in gross product, \$5.9 billion in personal income, and more than 200,000 permanent jobs;
- » Within the non-profit sector, the highest level of per capita activity was recorded in Fort Worth-Arlington (\$1,890 per person), Dallas (\$1,219), and Houston (\$1,138). Texas' rural regions accounted for 6.6 percent of all non-profit arts activity;
- » Arts programs played a crucial role in the Texas educational system, contributing \$3.6 billion in total expenditures, \$1.8 billion in gross product, \$1.2 billion in personal income, and 42,982 permanent jobs to the state economy; and
- » A large proportion of the educational benefits of the arts flows from the activities of the independent school districts in the state. In Texas public schools, cultural arts were responsible for \$2.2 billion in total expenditures, \$1.1 billion in gross product, \$708.7 million in personal income, and 24,762 permanent jobs.

In sum, not only did the report depict the tremendous positive eco-

conomic benefits emerging from a wide spectrum of arts events and activities across Texas, the fact that this report was released over five years ago leaves room for speculation that more recent data would indicate an economic impact that is even more substantial. Furthermore, the report commented on the panoply of positive externalities that flow from a vibrant arts scene that far exceed those captured in the marketplace and certainly outweigh the appropriation levels disbursed by the different levels of government.

## CULTURAL HERITAGE TOURISM

Texas, like a number of other SLC states, has focused on developing cultural heritage tourism by incorporating the efforts of the TCA, Texas Department of Transportation (TxDOT), Texas Parks and Wildlife (TPWD) and the Texas Historical Commission (THC). These multiple agencies now provide the state's division of Economic Development Tourism (EDT), a unit within the governor's office, with an annual plan of action for their respective agency's proposed tourism activities for the fiscal year. In addition, the TCA changed its existing appropriations budget structure to expand one of its key goals, i.e., activities to promote participation in the arts, to include cultural tourism as well.

In fiscal year 2005, the last year of this report's review period, highlights of the TCA's efforts to foster cultural heritage tourism in Texas included<sup>7</sup>:

- » Marketing activities such as cooperative marketing programs for arts organizations, public relations activities highlighting the arts and culture of Texas, and participation in Texas Tourism Week;
- » Product development activities including the Texas Craft Initiative, Festival and Tourism Grants, Cross Sector Partnerships, Special Initiatives Program, and State Initiatives; and
- » Program development with educational and technical assistance programs to help arts or-

ganizations position themselves as tourism destinations.

In terms of further enhancing the state's cultural heritage tourism potential, the TCA engages in partnerships with entities within the state's tourism industry, including the Texas Travel Industry Association, Texas Cultural and Heritage Tourism Council, Texas State Agency Tourism Council, Tourism Advisory Committee, and the Texas Festivals and Events Association.

For instance, as a result of cooperation between these different government entities, a wide range of cultural and heritage sites are promoted in Texas.<sup>8</sup> The state's multicultural heritage—six different flags have flown over Texas—remains a major ingredient in these cultural and heritage sites that range from the exhibits of the heroic Buffalo Soldiers at Fort Davis in Big Bend Country, to the tribal dances on the Alabama and Coushatta Indian Reservation in the Piney Woods, to the Wurstfest in New Braunfels in the Hill Country, to the exciting heritage and culture of Mexico, to the missions in San Antonio, to the Port of Houston, and to the ghost towns of the Panhandle Plains. One of the major considerations behind states aggressively promoting cultural and heritage tourism deals with the fact that these tourists, on average, spend significantly more than other types of tourists. In Texas, for instance, cultural and heritage tourists are reputed to spend approximately \$103.50 per day, compared to the \$81.20 per day spent by general leisure travelers.

## BLOCKBUSTER EXHIBITIONS

A number of Texas cities, Dallas, Fort Worth, Houston, possess some of the most stunning collection of artwork and antiquities in the world. Consequently, in the last few years, these museums have seen a surge in visitors and tourists from different parts of the state, region, nation and the world, all flocking to see a plethora of blockbuster exhibitions. As expected, the record attendance levels experienced by these museums create a slew

of positive economic benefits, amply demonstrated by the data contained in the section on the economic impact of the arts in Texas.

Some of the blockbuster exhibitions recently held at these different locations in Texas include the following:

### Nasher Sculpture Center (Dallas)<sup>9</sup>

- » *The Women of Giacometti* (January to April 2006)
- » *Picasso: The Cubist Portraits of Fernande Olivier* (February to May 2004)

### Dallas Museum of Art<sup>10</sup>

- » *Louis Comfort Tiffany: Artist for the Ages* (May to September 2006)
- » *Modernism in American Silver: 20th-Century Design* (June to September 2006)
- » *Van Gogh: Sheaves of Wheat* (October 2006 to January 2007)
- » *Dialogues: Duchamp, Cornell, Johns, Rauschenberg* (September 2005 to January 2006)
- » *East Meets West* (August to November 2005)
- » *Splendors of China's Forbidden City: The Glorious Reign of Emperor Qianlong* (November 2004 to May 2005)
- » *Masterworks of French Painting, "Bonjour, Monsieur Courbet!": The Bruyas Collection of the Musée Fabre, Montpellier* (October 2004 to January 2005)
- » *Before Impressionism: French 19th-Century Art* (August 2004 to January 2005)
- » *The Art of Romare Bearden* (June to September 2004)

### Kimbell Art Museum (Fort Worth)<sup>11</sup>

- » *Palace and Mosque: Islamic Art from the Victoria and Albert Museum* (April to September 2005)
- » *Caravaggio to Dalí: 100 Masterpieces from the Wadsworth Atheneum Museum of Art* (June to September 2004)
- » *Turner and Venice* (February to May 2004)
- » *Genius of the French Rococo: The Drawings of François Boucher (1703–1770) and Boucher's Mythological Paintings: The Last Great*



Modern Art Museum of Fort Worth designed by Tadao Ando. Photography by David Woo, courtesy Modern Art Museum.

*Series Reunited* (January to April 2004)

- » *The Quest for Immortality: Treasures of Ancient Egypt* (May to September 2003)
- » *Modigliani and the Artists of Montparnasse* (February to May 2003)
- » *From Renoir to Picasso: Masterpieces from the Musée de l'Orangerie* (November 2000 to February 2001)

## BUILDING BOOM

As noted in the preceding section, a number of Texas cities maintain an impressive collection of artwork that attracts visitors from every corner of the globe, a fact that triggers a range of economic effects. An important companion fact that adds luster to these astounding cultural treasures is the actual buildings that house them. From the Kimbell Art Museum and Amon Carter Museum in Fort Worth, to the Nasher Sculpture Center in Dallas, to the Menil Collection in Houston, these landmark buildings, all designed by legendary architects, are a huge attraction in their own right. In the last five years, once again, a trend replicated in several other SLC states, several Texas cities have seen a building boom (both new construction and expansions) in their cultural and arts facilities. The latter trend, while allowing for expanded exhibit space, also causes cascading economic benefits both during construction and upon completion.

### Nasher Sculpture Center (Dallas)<sup>12</sup>

The Center, a 55,000-square foot building designed by acclaimed architect Renzo Piano, opened to the public in October 2003 and is one of the few institutions in the world devoted to the exhibition, study, and preservation of modern sculpture. The collection, numbering more than 300 sculptures together with 20<sup>th</sup> century paintings and drawings, is the new home of the renowned Raymond and Patsy Nasher Collection of modern and contemporary sculpture. The Center, costing \$70 million, is considered a fine addition and a part of the historic Dallas Museum of Art which opened more than a hundred years ago in 1903.

### Modern Art Museum of Fort Worth<sup>13</sup>

Designed by renowned Japanese architect Tadao Ando, the Modern opened to the public in December 2002 and is Ando's largest project outside Japan. Located in Fort Worth's celebrated Cultural District, directly opposite the Kimbell Art Museum (designed by Louis I. Kahn) and near the Amon Carter Museum (designed by Philip Johnson), the Modern comprises five long, flat roofed pavilions situated on a 1.5-acre pond.

## OTHER

An interesting development related to the arts and cultural scene in Texas relates to the recent surge in major cash and art donations to the state's impressive collection of museums.<sup>14</sup> For instance, the Dallas Museum of Art announced in September 2005 that it had received a series of cash gifts and art bequests valued at some \$400 million from leading collectors that will enrich the Museum's holdings by more than 800 modern and contemporary works, including those by masters like Monet, Willem de Kooning, Mark Rothko and Gerhard Richter. Similarly, in Houston, the Museum of Fine Arts increased the estimate of a gift to its Museum from its largest benefactor, an oil heiress who died in 2003, to about \$450 million. While the will of philanthropist Caroline Wiess Law already had yielded the Museum \$330 million in cash, in a recent development, an additional \$100 million or more was expected when her estate was settled. In addition, Ms. Law previously had gifted an impressive collection of artwork to the Museum. Consequently, the latest donation from the estate of Ms. Law possibly makes it the largest money gift ever to a fine arts museum in the country.