

PRESENTATION TO THE FOMB

JUNE 2020



INSTITUTO  
de CULTURA  
PUERTORRIQUEÑA

# Instituto de Cultura Puertorriqueña

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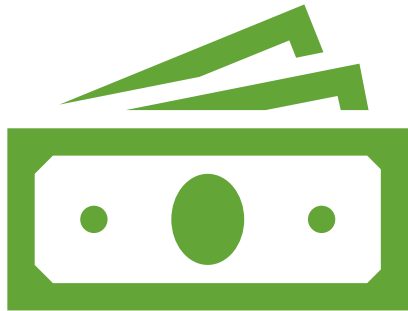
Established by law decree in 1955 as, “an official, and autonomous entity whose purpose is to preserve, promote, enrich and diffuse the cultural values of the Puerto Rican people, and achieve a broader and fuller awareness thereof”.



Officially designated to administer all financial support received from the National Endowment for the Arts (NEA) as a State Arts Agency (SAA) under a Partnership Agreement.

# Cost of Culture to PR GOV

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**0.09% of PR's budget** is the total allocation for:

- Instituto de Cultura Puertorriqueña (~0.07%)
- Corporación de las Artes Musicales
- Centro de Bellas Artes (Fine Arts Center)

*This includes the subawards allocated by law decree to private museums such as the Museo de Arte de Puerto Rico; Museo de Arte Contemporaneo; Museo de Arte de Ponce; Museo de las Américas; Ateneo Puertorriqueño; Orquesta Filarmónica; Fundación Luis Muñoz Marín; Museo de Arte de Bayamón (Municipal). They all have a 501(c)(3) Except Museo de Arte de Bayamón which is Local Govt.*

# ICP Divisions

Built Heritage and  
Conservation (Permits)

Support for the Arts  
(Fed Funds)

Cultural Promotion in  
Municipalities

Fine Arts Division  
(State Collection)

Popular Arts Division  
(Artisans - Fed Funds)

Music Division

Scenic Arts Division

Theater Administration

Parks and Museums  
Division (Tourism)

Archaeology Division  
(Permits / Deposit)

Editorial: Publications,  
Sales, Marketing,  
Magazine Division  
(Sustainable)

General Archives of  
Puerto Rico

National Library of  
Puerto Rico

Council for  
Conservation and  
Studies of Archeological  
Subaquatic and Land  
Sites and Resources

# ICP's Responsibilities

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Public Documents  
Program of all PR Govt  
80,000 cubic ft. of docs



National Collection  
29,000+ art pieces and  
diverse collections



19,000+ archeologic  
artifacts



Two theaters:  
Victoria Espinosa &  
Francisco Arriví



Thousands of books in  
the National Library (+  
images/videos);



Millions of public and  
historic documents @  
General Archive  
Notarized protocols  
that are 60+ years or  
older from all PR



30 historic buildings  
(11 museums)



13 historical zones,  
urban centers, historic  
buildings, zones with  
historical value and  
archeologic artifacts



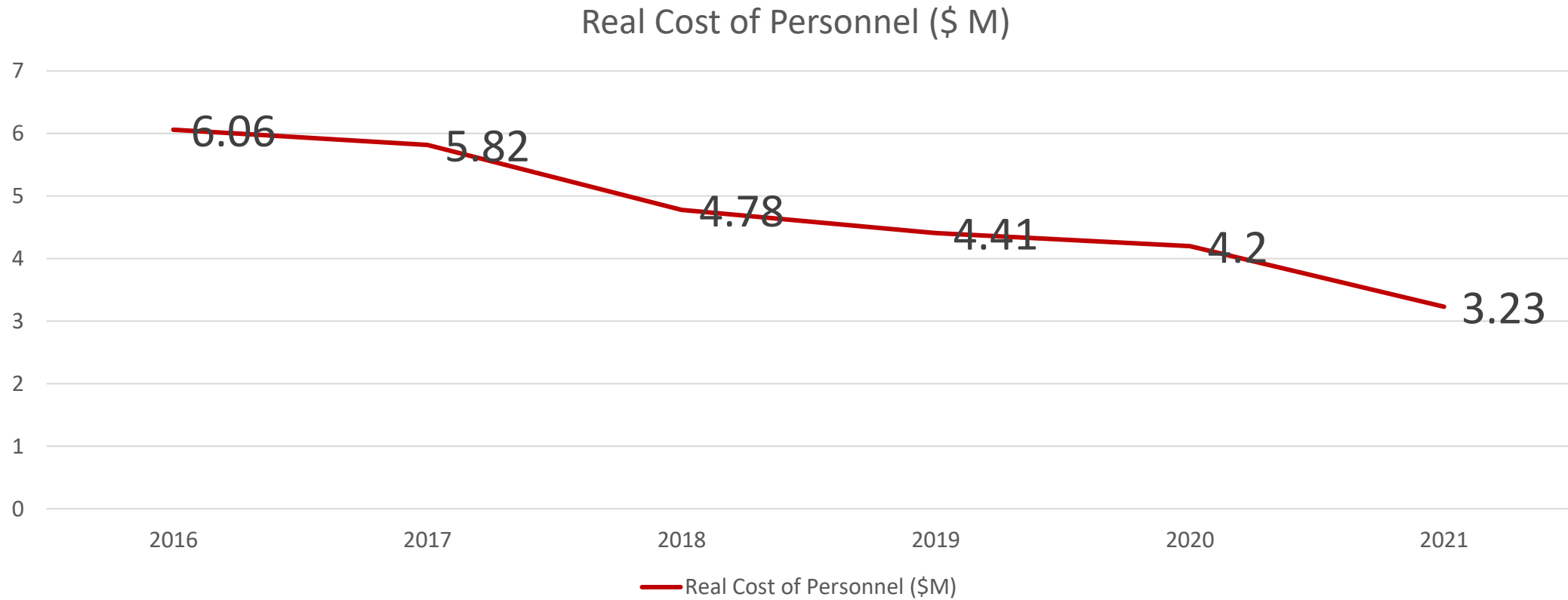
Constituents:  
Artists & General  
Population

# Budget Cuts (main concerns)

FISCAL YEAR	PERSONNEL	OPERATIONS	UTILITIES	LAW 70	PAY AS YOU GO (RETIREES)
2016-2017	\$5,627,382	\$2,327,448	\$334,071	\$0	\$0
2017-2018	\$5,434,000	\$113,000	\$1,819,000	\$665,000	\$0
2018-2019	\$4,191,000	*\$2,510,000	\$1,725,000	\$379,000	\$3,608,000
2019-2020	\$4,202,000	\$2,160,000	\$1,704,000	\$355,000	\$3,693,000
2020-2021	\$3,661,000	\$2,079,000	\$1,628,000	\$286,000	\$3,739,000

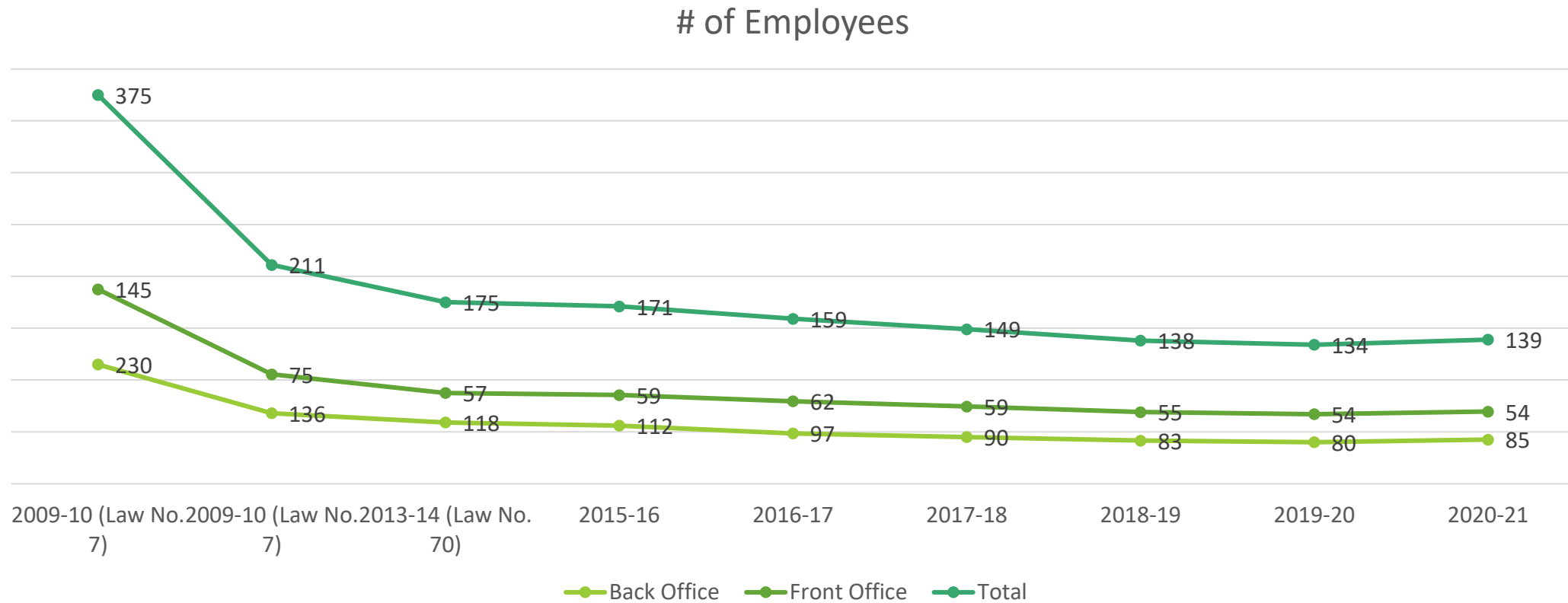
- In OPEX for FY 18-19, an additional \$ 2.5M in CAPEX funds were received for the Conservation and Maintenance of the structures.
- For FY 20-21 the following concepts will have insufficiency: personnel budget of \$845,000, utilities of \$336,000, insurance \$239,000, and maintenance for buildings of \$181,000.
- \$3.5M are assigned to NGOs under the General Budget

# Personnel Reduction (Currently 133 employees)



*Average cost is \$26,607/employee*

# Employees (Front / Back Office)



63% reduction over time across both categories. FY16-FY21 total reduction is 12.5%; FO (-13%) and BO (-24%)





## Consolidation of Programs

Editorial & Fine Arts Program; Music, Scenic Arts, Theater Administration; Cultural Promotion and Support for the Arts



## Early retirement (voluntary transition program of employees)

# employees was reduced; Hiring Freeze; Increase collaborations and employee use from other agencies



## Maximize use of Federal Funds

The past administration (AGP) had 4 years of NEA grants open, we reprogrammed and closed out. (\$2M-\$2.5M)



## Increase Grant Monies

NEA & Folk Arts; Workshops [501c3 and grant writing]; \$2M Mellon; \$100k Foundations; NEH Funds; Equinox; Erate; EDA (pending CAPEX fund approval as match)

\* When receiving funding from private grantors, approval of use of funds is stalled between OGP and FOMB, hindering the project and harming the grantee/grantor relationship.

# Strategies Implemented in Response to Budget Cuts



## Rental of Spaces for Events

Casa Blanca, Headquarters; San Jerónimo, General Archive, Arsenal de la Puntilla Española



## Increase Collaborations

100+ Agreements (ex. Amigos del Fortín; Academia; A Circ (El Bastión); Beta Local)



## Empower Constituents

Grant Writing Workshops  
Foster Entrepreneurship (Fábricas Culturales)



## Fines

Educate and implement fines to ensure compliance with permitting process, built heritage & archeology requirements

# Strategies Implemented in Response to Budget Cuts



Consolidate Activities

Theater and Dance Festivals



Increase Sponsorships

Private industry (Liberty, Univisión, etc); Fiestón Cultural



Increase visibility

Social Media; News; National Organizations; Int'l Orgs.;  
Diaspora (NY PR Parade, Organizations in Chicago,  
Philadelphia)



Hire Students

Grant Writing and management; research; digitization; data  
compilation; social media

# Strategies Implemented in Response to Budget Cuts

# Results of Strategy Implementation

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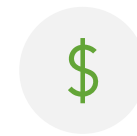
Continuity of Services to Constituents



Decrease dependency on State - Sustainability of Constituents



Increase revenues using own resources (rental of spaces)



Increase revenue from services, permits, fines



Increase grant monies



Renown recovery initiatives – Cultura Rodante  
Cultura Virtual



Cultural Activities throughout the island



Reduce cost infrastructures maintenance through collaborations (Ex. Beta-Local and Acirc)



Re-open Casa Blanca



NASAA 2020 Conference  
NEA 2020 Council Meeting



Max Collabs (MECA)



Campechada; Fiestón Cultural

# Request FY 20-21 Restore FY 16-17 Budget

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\$4,506,000 for salaries



\$3,558,000 for operations (\$744,000)– Insurance (\$850,000) – utilities (\$1,964,000)



\$1,561,000 for programmatic activities including General Archive and National Library



\$5,298,000 for legislative assignments (invest)



\$368,000 allowing for match to request additional  
fed funds (match)

NARA, IMLS, NEH, NEA, EDA

# Budget for FY 2020-2021

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## NEA FUNDING

- ICP receives annual funding from the NEA **requiring 1:1 match from the State**
- Over \$743,000 to implement programmatic activities
  - Over \$30,000 for Folk Arts
  - \$50,000 for 501(c)(3) and grant writing activities

## NASAA ASSEMBLY NEA COUNCIL MEETING

- To be held in PR on October 2020 together with the National Assembly of State Arts Agencies Conference.
  - The 56 State Arts Agencies from states and territories and Grant Makers
- Chairperson from NEA and Council will visit PR



NASAA Assembly 2020 - San Juan, Puerto Rico  
San Juan, Puerto Rico | October 21 - 23, 2020

All states and jurisdictions are invited to join NASAA at Assembly 2020 in San Juan, Puerto Rico!

# Opportunities Towards Sustainability

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Feasibility Study of Properties and Programs



Develop Barrio de las Artes de Ballaja

**Headquarters Ownership**



Marketing funding to increase space rental and lease of space



Public Documents Management (General Archive)



Entrepreneurial Development



Tourism Geared Programming

## Requested vs Recommended Budget FY 20-21 General Fund

Concept Name	Requested Budget	Recommended Budget June 3, 2020 \$ (M)
Payroll and Related Costs	\$5,049,000	\$3,947,000
Facilities and Rent	\$2,304,000	\$1,628,000
Purchased Services	\$1,357,000	\$955,000

- The requested Payroll and Related Costs projected are \$5,049,000. The projection includes the total active payroll, liquidations for separation of service and five (5) positions to be filled. The impact of the projected positions is \$189,407, among the positions are two (2) trusted positions: General Archivist and Press Director; and three (3) regular positions of Librarian, Conservationist I and Archaeologist I.
- Facilities and Rent totalize \$2,304,000. That amount was requested according to a projection based on the spending experience of the fiscal year 2018-2019. The \$2,304,000 includes \$197,000 Other facilities costs (ASG and Phone), \$267 Payments to PRASA (AAA), and \$1,840,000 Payments to PREPA (AEE).
- The \$1,357,000 shown in Purchased Services include: \$46 Leases (excluding PBA), \$850,000 Payments for PRIMAS, \$408,000 private security specifically for General Archive, ICP Collections, and Caguana Indigenous Ceremonial Park, and Other purchased services.



## Requested Budget vs Recommended Budget Fiscal Year 2020-2021 General Fund

<b>Concept Name</b>	<b>Requested Budget</b>	<b>Recommended Budget June 3, 2020</b>
Donations, Subsidies and Distributions	\$95,000	\$55,000
Transportation	\$71,000	\$66,000
Professional Services	\$297,000	\$159,000

- The requested Donations, Subsidies and Distributions are \$95,000 what includes \$80,000 sponsorships of Theater Festivals, \$1,000 award Campechada 2021, \$5,000 awards Community Initiative Historical Heritage, and \$9,000 Concha Meléndez and Literature awards.
- Transportation totalize \$71,000. That amount was requested according to a projection based on the spending experience of the fiscal year 2018-2019. These funds are to cover diet and mileage for archaeologists, conservationists, cultural representatives, and other employees.
- Of the \$297 shown in Professional Services includes: \$95,000 Legal Services, \$2,000 consulting services to the OATRH, and \$225,000 for Undersea Archaeologist, External Auditors, Accounting Advisers, MIP Financial System, Forensic Sciences, Inspira, Investment Consulting and Financial of the ICP Endowment Fund. Cultural Advisor, Graphic Design Advisor and two (2) Advisors in Cultural Factories.

## Requested Budget vs Recommended Budget Fiscal Year 2020-2021 General Fund

<b>Concept Name</b>	<b>Requested Budget</b>	<b>Recommended Budget June 3, 2020</b>
Other Operating Expenses	\$736,000	\$451,000
Equipment Purchases	\$101,000	\$62,000
Federal Fund Matching	\$368,000	\$225,000

- Other Operating Expenses are for Researcher and Documentalist for Popular Arts, Photography Services, contracting of cleaning of 200 boxes of documents, hiring of staff for signage and support for services offered by the AGPR, community impact workshops in the Museums, artistic presentations at the Viequense Festival, cultural workshops for the International Day of Museums, Joinery work, hiring link with FEMA, Technical Climate Control System, and miscellaneous services for building maintenance.
- Equipment include computer equipment, license fees, and equipment to make improvements to structures.
- The requested budget includes \$368,000 for Matching Federal Funds that is required for the "Promotion of the Arts Partnership Agreements" Program that is created under the Law of the "National Foundation on the Arts and the Humanities Act of 1965, as amended, Public Law 089-209, 20 USC 951 et seq. " (code 45.025). As a local matching requirement, a dollar-to-dollar or 1: 1 matching of non-federal funds is required.

# Requested Budget vs Recommended Budget Fiscal Year 2020-2021 General Fund - Special Appropriation

Concept Name	Requested Budget	Recommended Budget June 3, 2020
Non Government Entities	\$5,017,000	\$3,577,000

Special Appropriation	Requested 2020-2021
Proyecto de Conservación y Digitalización de Documentos y Artefactos Históricos	\$255,000
Administración de los Teatros Matienzo y Music Hall - Ley Núm. 511 de 2004	\$200,000
Archivo General de Puerto Rico	\$150,000
Fondo para el Fomento del Teatro – Ley Núm. 8 de 1988	\$100,000
Fondo Puertorriqueño Financiamiento del Quehacer Cultural - Ley Núm. 115 de 1988	\$225,000
Ley de Nuestra Música Autóctona	\$160,000
Trienal Poli/Gráfica de San Juan: América Latina y el Caribe - Ley Núm. 512 de 2004	\$350,000
<b>Total</b>	<b>\$1,440,000</b>

- The Special Appropriations includes \$3,577,000 to Non-Governmental entities and \$1,440,000 for Special Appropriations by Law.

## Requested Budget vs Recommended Budget FY 2020-2021 General Fund

<b>Concept Name</b>	<b>Requested Budget \$</b>	<b>Recommended Budget June 3, 2020</b>
Materials & Supplies	\$163,000	\$100,000
Advertisement	\$10,000	\$6,000
Pay as you Go	\$3,693,000	\$3,739,000
<b>Total</b>	<b>\$14,144,000</b>	<b>\$11,393,000</b>

- The requested Materials and Supplies are for building preservation materials, office supplies, cleaning supplies, and document preservation supplies.
- Advertisement is necessary to publish news and information related to ICP activities on social networks.
- The requested PayGo was \$3,693,000 however Retiro sent the updated PayGo for the next FY that totalizes \$3,739,000.

Requested vs  
Recommended  
Budget FY  
2020-2021  
General Fund  
New Base Line

With the new base line the Agency continues with insufficient projected payroll of around \$1,102,000. In addition, there is a deficit in public services of \$676,000 and in insurance of \$183,000. Not having the insurance policies in full (\$850,000) threatens the receipt of FEMA funds or the requirement to return them. Also leaving us without maintenance for the buildings.

*\*\*\*\*An additional request amounting to \$2M to maximize opportunities towards sustainability is requested. This includes match for the EDA grant which implies an investment of over \$6M from the federal agency and the capacity to request funding from the DOI which implies a 1:1 match. With this we could update Casa Blanca to optimal conditions as well as other structures.\*\*\*\**