

2016-18 Executive Progress Report

Commonwealth of Virginia
Secretary of Education

Virginia Museum of Fine Arts

At A Glance

The Virginia Museum of Fine Arts (VMFA) is a state-supported, privately endowed educational institution created for the benefit of the citizens of the Commonwealth of Virginia. Its purpose is to collect, preserve, exhibit, and interpret art, to encourage the study of the arts, and thus to enrich the lives of all.

Staffing 198 Salaried Employees, 0 Contracted Employees, 237 Authorized, and 329 Wage Employees.

Financials Budget FY 2017, \$31.86 million, 30.17% from the General Fund.

Trends

Legend

↑ Increase, ↓ Decrease, → Steady

Key Perf Areas

Productivity

Legend

➔ Traveling Exhibitions

➔ Virginia Planning Districts

↑ Improving, ↓ Worsening, → Maintaining

For more information on administrative key, and productivity measures, go to www.vaperforms.virginia.gov

Background and History

Agency Background Statement

In the midst of the Great Depression, on January 16, 1936, Virginia's political and business leaders demonstrated their faith in the future and their belief in the value of art by opening the Virginia Museum of Fine Arts in Richmond. The Museum serves as the state's flagship art museum and as the headquarters for an educational network that brings the best of world art, past and present, to every corner of the Commonwealth.

In 2010, the museum completed its fifth expansion with a historic redesign that features the McGlothlin Wing that knits together additional new elements: the E. Claiborne and Lora Robins Sculpture Garden, the Mary Morton Parsons Plaza, and a landscaped parking deck with the original museum and three other historic buildings on the museum's grounds.

The Virginia Museum of Fine Arts' enabling legislation is found in the Code of Virginia, Title 23.1, Chapter 32, Article 6.

Major Products and Services

The Virginia Museum of Fine Arts is open 365 days a year and general admission is always free. The Museum ranks as one of the top ten comprehensive art museums in the United States with a permanent collection that encompasses nearly than 39,000 works of art spanning 5,000 years of world history. The Museum actively supplements its permanent collections with special exhibitions that place the permanent collection in a larger context and brings unfamiliar artists or cultures to Virginia. The McGlothlin Wing includes a 12,000-square-foot gallery space for special exhibitions and can accommodate as many as three exhibitions at a time.

The Museum's Art and Education Division provides programs to museums, arts centers, library galleries, schools and universities throughout the Commonwealth. Programs at the museum include educational activities and studio classes for all ages, plus fun after-hours events. From gallery talks to art classes, seminars, teacher programs and family fun, learning is a colorful and compelling experience. The museum also offers free walk-in guided, self-guided and audio tours. Since 1940, the endowed Fellowship Program has been a vital source of funding for the visual arts and art history in Virginia. The museum is committed to supporting professional artists as well as art students who demonstrate exceptional creative ability in their chosen discipline.

Museum members play a part in the museum's mission by providing crucial support for educational programs, exhibitions, art conservation and daily operating expenses.

The Museum is also supported by its enterprise operations, the gift shop and two restaurants. The Museum Shop searches the world to provide a diverse selection of unique jewelry, home accessories, toys, stationery, and books, focusing on merchandise related to the museum's collections and exhibitions as well as educational items and work from Virginia artists. Amuse Restaurant is a lively, contemporary fine dining restaurant. An innovative menu featuring regionally sourced Virginia products is served daily. The Best Café offers a casual dining and light fare. Net profits from all enterprises support museum operational and mission-related needs.

Customers

Customer Summary

The Virginia Museum of Fine Arts was created to benefit the citizens of the Commonwealth. In FY 2016, more than 150,000 people had a museum art experience in their own communities — many of them miles from Richmond. The Museum's Art and Education Division provides educational exhibitions and programs to museums, arts centers, libraries, galleries, schools, colleges and universities, and retirement facilities throughout the Commonwealth. Combined with visitation at the Richmond campus, in FY 2016, the Museum served more than 650,000 people.

Customer Table

| Predefined Group | User Defined Group | Number Served Annually | Potential Number of Annual Customers | Projected Customer Trend |
|------------------|-------------------------------------------------------------------|------------------------|--------------------------------------|--------------------------|
| Consumer | Museum Visitors in Richmond and throughout Virginia (FY2016) | 673,818 | 0 | |
| Consumer | Participants served statewide excluding Richmond campus (FY 2016) | 153,130 | 0 | |
| Consumer | Museum visitors in Richmond (FY 2016) | 520,688 | 0 | |
| Consumer | Virginia Citizens, Grade K-12 (FY 2016) | 104,801 | 1,240,110 | |
| Consumer | Virginia Public School Divisions (FY 2016) | 131 | 134 | |
| Consumer | VMFA Partner Organizations (FY 2016) | 1,001 | 0 | |
| Consumer | VMFA Members (FY 2016) | 31,818 | 0 | |
| Consumer | Website Visitors (FY 2016) | 655,510 | 0 | |

Finance

Financial Summary

The Virginia Museum of Fine Arts operates with support from both the public and private sectors with approximately 29.3% of its revenue coming from the state, another third earned by the museum and the final third provided by private donations to the museum's independent Foundation. All artwork is donated or purchased using income from privately endowed funds in the Foundation.

General Fund

Continued general fund support is critical to keeping the museum open 365 days a year with free admission to the collection. These funds cover basic operating expenses including utilities, building maintenance, outreach programs and many staff salaries. State support is never used to support the special exhibitions.

Dedicated Special Revenue

This revenue is a combination of income from the endowments held by the Museum Foundation and gifts, both private and corporate. Donors typically support: educational and outreach programs, conservation projects, and exhibitions. Usually, endowment income is designated to support specific programs or staff positions.

Enterprise

The museum manages two enterprise operations: the gift shop and food services/special events. These self-supporting enterprises are intended to provide important amenities to museum visitors. Their revenues are required to cover their operating expenses. After that, all net profits support other museum needs.

Federal Trust

Federal grants provide some support for the museum budget and are typically designated for educational and curatorial projects.

Special Revenue

The museum earns money through its core functions. The largest component of special revenue is membership dues followed by ticket sales for special exhibitions. Other sources of earned income are: fees for programs and classes offered at the museum and around the state, parking fees, sales of catalogues produced by the Museum and photographic rights for artworks. Revenue from these activities supports special exhibitions and outreach programs as well as the museum operations.

Fund Sources

| Fund Code | Fund Name | FY 2017 | FY 2018 |
|-----------|------------------------|--------------|--------------|
| 0100 | General Fund | \$9,612,083 | \$9,364,334 |
| 0200 | Special | \$4,850,465 | \$4,052,595 |
| 0500 | Enterprise | \$5,479,910 | \$5,479,910 |
| 0901 | Private Donations Fund | \$15,064,428 | \$16,138,503 |
| 1000 | Federal Trust | \$250,000 | \$250,000 |

Revenue Summary

Admission Receipts

Approximately 80 percent of the admissions revenue comes from ticket sales for special exhibitions. Visitor parking fees account for the remaining 20 percent.

Gifts & Grants

This figure reflects the total value of funds received from the Museum's independent Foundation. It includes annual giving as well as designated gifts to support exhibitions, educational programs and new initiatives. It also includes the income from endowments that support museum operations, exhibitions and select staff positions.

Miscellaneous Revenue

The revenue earned by the Museum's two enterprise operations, the gift shop and food services/special events, is reflected here. These revenues must cover all operating expenses for the two businesses, and then the net profits support other museum needs.

Sales-Miscellaneous

The largest component of this category is the revenue earned through the sales of museum memberships. Sales for classes in the Studio School or for other educational programs, sales of books and photographic rights make up the remainder.

Parking Fees

The revenue in this category represents the total amount collected from fees for employee parking.

Proceeds from Sale of Surplus & Refund Expenditures

These small revenue streams reflect any income from the sale of surplus property and any money received in one fiscal year as payment for

expenses incurred in the final month of the previous fiscal year.

Performance

Performance Highlights

Selected Highlights 2015-2016:

75th Anniversary of Fellowship Program, 2015

2015 marked the 75th anniversary of the VMFA Visual Arts Fellowship Program. Since 1940, this Fellowship Program has been a vital source of funding for art and art history students as well as professional artists, awarding 1,250 fellowships totaling more than \$5 million to Virginia's artistic community.

Opening of the Permanent Installation of the McGlothlin Collection, 2015

Longtime patrons James W. and Frances Gibson McGlothlin gave their collection of 73 works to the Virginia Museum of Fine Arts for permanent installation in the McGlothlin American Art Galleries. The McGlothlin Collection opened to the public on November 24, 2015. Spanning the formative century from 1830 to 1930, from the Hudson River School to Modernism, it is one of the most important collections of historic American art in private hands and will contribute significant depth to VMFA's collection from this period.

Economic Impact Report, 2015

VMFA conducted an economic impact survey, finding that the museum was responsible for more than \$145 million in economic impact to both the Commonwealth and the Richmond region in FY14. This is one of the many findings from a recent economic impact study examining the museum's operations and visitor spending for FY2014, using FY2008 as a benchmark. During the five years since completing the McGlothlin Wing, VMFA has increased program offerings and visitation, thereby contributing to the economic rise in both the City of Richmond and the Commonwealth of Virginia.

Kehinde Wiley opens, 2016

An exhibition featuring portraits by one of the country's leading contemporary artists, had a total of 55,616 visitors between June 11 and September 5, 2016. Composed of more than 50 monumental paintings and sculptures, *Kehinde Wiley: A New Republic* raised intriguing questions about race, identity, and the politics of representation. Recognized for his portrayal of contemporary African American men using conventions of traditional European portraiture, Wiley has expanded his vision to include women and cultures from around the globe. In addition to lesser-known early works, this exhibition also explores new developments, which include bronze busts, "paintings" in stained glass, and works from his *World Stage* series.

Fabergé travels to Beijing

Nearly 200 objects from the Virginia Museum of Fine Arts' renowned Fabergé collection traveled to China, on view at the Palace Museum in Beijing from April 15 to July 17, 2016. It was the first U.S. exhibition to be displayed at the Palace Museum. This exhibition is part of an unprecedented seven-year partnership between the two museums, which began in 2011. The Palace Museum has already shared its treasures with VMFA during the exhibition *Forbidden City: Imperial Treasures from the Palace Museum* in 2014. In addition to the exchange of art, Virginia and China also have a strong cultural exchange that includes staff exchanges in the areas of administration, curatorial, conservation, education, and security.

Selected Measures

| Measure ID | Measure | Alternative Name | Estimated Trend |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------|
| 23814507.002.002 | Maintain the annual number of patrons served by the Food Service/Special Events enterprise. | Food Services - Patrons Served | Maintaining |
| 23814507.002.001 | Maintain a baseline of 50,000 annual purchase transactions made by visitors in the museum gift shop. | Shop Purchase Transactions | Maintaining |
| 23814503.002.001 | Increase number of museum members by five percent every biennium. | VMFA Members | Maintaining |
| 23814503.003.001 | Maintain the number of Virginia Planning Districts that receive Virginia Museum of Fine Arts educational programming and/or exhibitions. | Virginia Planning Districts | Maintaining |
| 23814501.001.001 | Maintain at least 20 special and traveling exhibitions annually. | Traveling Exhibitions | Maintaining |

Key Risk Factors

The 2020 Strategic Plan involves strategic and operational risks. The Museum's investment strategy addresses these risks, tying new investment to revenue targets. In addition, the Museum faces ongoing environmental risks which could also impact the Plan. The Museum will monitor these

risks and adjust strategy as needed.

Strategic risks

- The Plan assumes Commonwealth support at historically comparable levels. The Commonwealth is the indispensable foundation for the VMFA as a state agency, providing the Museum's core annual operating budget and facility expenses.
- The Plan will require upfront financial support from those closest to the Museum. Over time, increased major donor support, which includes members of the Boards, is integral.
- The Plan assumes the visitor response to the engagement strategy will increase earned revenue. The Plan calls for managing attendance risk by building visitor data, continually improving its engaging strategies, and analyzing attendance returns versus marketing investment.

Operational risks

- Being a top ten museum that both attracts tourists to the central Virginia region and shares resources with schools and museums around the state requires that the Museum hire highly educated, professionally trained staff. However, salaries have stagnated with salary freezes in recent years. As the economy recovers, staff are beginning to leave the museum for better paying positions elsewhere. The Museum is finding it challenging to hire appropriately trained staff within salary ranges equivalent to those for the existing staff.
- In the first year of the Plan, the Museum must improve operational efficiency and reprioritize existing resources to support the Plan. The Museum must also develop a long-term debt plan to prepare for the budgetary impact of interest and principal payments.

Environmental risks

Environmental risk comes from external changes, such as the economic markets, tax policy, and the political environment. These risks are typically outside an institution's control, and therefore best mitigated by building operating reserves and strengthening financial management systems. Any significant economic downturn or changes in inflation potentially would reduce earned revenue, philanthropic gifts and Commonwealth support. Poor market conditions could affect the organization's investments, depressing the capacity of acquisition funds, creating pressure on the operating budget and threatening the Museum's ability to repay the debt.

Agency Statistics

Statistics Summary

As stewards of the Commonwealth's art collection, care and preservation of the art and accessibility to the collections are key priorities. The museum hopes that Virginians will not only experience art moments in the communities that we serve through our statewide outreach, but be inspired to visit the Richmond campus and engage with original artworks at the museum.

The following statistics offer some insight to the permanent collections at the Virginia Museum of Fine Arts:

Statistics Table

| Description | Value |
|----------------------------------------------|--------|
| Number of Objects in the Museum's Care | 38,574 |
| Number of Objects on View at Richmond Campus | 3,947 |
| Number of Galleries Open | 84 |

General Information About Ongoing Status of Agency

The Virginia Museum of Fine Arts' campus was be further improved with the completion of one new permanent gallery featuring the Fabergé Collection. The Museum's Collections and Facilities Management Division plans to create a multi-year master plan for the entire museum grounds including the renovation of the Robinson House. The Robinson family farmhouse, erected around 1850, is the oldest structure on the museum grounds. This renovation will expand the visitor experience and create a regional partnership with the Richmond Metropolitan Convention and Visitors Bureau and the Virginia Tourism Corporation.

The museum also strives to execute a portfolio of exhibitions and programs that attract an audience of at least 750,000 visitors to Richmond and statewide combined and drive membership to exceed 38,000.

Major Information Technology initiatives for the museum include increasing visitor's digital connections to the museum's collection in order to enhance the public experience and investing in software and services to capture and analyze audience and member data at multiple levels.

Information Technology

Workforce Development

As of July 2016, the Virginia Museum of Fine Arts' employment level is authorized at 237.5 full-time positions with 198 salaried positions currently filled. The largest employee populations are in law enforcement, housekeeping and food service. The average age of the Museum's workforce is 42.3, with an average state service of over 10 years. As part of an ongoing initiative to diversify the workforce at VMFA, the museum is creating new professional development opportunities for existing staff, recruiting interns from historically black colleges and universities, holding job fairs for veterans, and working to recruit people with disabilities, among other strategies.

The Museum has 64.00 faculty positions, which represents 27 percent of the total workforce. These positions require specialized education in an academic discipline and/or specialized technical or professional training and experience. The supply of individuals with the competencies that are needed to fill entry to mid-level faculty rank positions is unknown. However, the museum can determine which employees may be eligible for promotion into higher-level positions when they become vacant by more senior staff.

It is important for the museum to support the development of its less senior staff and to fill vacancies in the higher ranks. For succession planning, the Museum must have both sufficient staffing and competitive pay to attract qualified candidates and retain existing staff. To address these issues, a task force has been formed to develop a museum-wide orientation program to expand educational opportunities for both hands-on and online training through VMFA Engaged.

Physical Plant

Renovation of the Robinson House

The Robinson House was constructed around 1850 as the family farmhouse for a large expanse of property around what is now the Virginia Museum of Fine Arts. The proposed programmatic use will include a regional visitor's center to promote tourism in central Virginia, a gallery dedicated to the interpretation of the Home for Confederate Veterans, and administrative space for the museum. The 9,000 square feet of space is unusable now due to the failure of the heating system and inability to comply with the Americans with Disabilities Act. This project will complete a renovation with an exterior stair tower containing emergency egress stairs, restrooms, and an elevator. The project has been authorized and funding included in the 2013 Appropriation Act.

Space Study

The museum is currently completing a space study to identify how the museum could reconfigure existing departments to maximize efficiency and address ongoing space needs. The study will also identify future capital outlay projects and maintenance reserve priorities.
