

August 30, 2017

Matthew Gress
Director, Governor's Office of Strategic Planning and Budgeting
Executive Tower, 1700 West Washington Street, 6th Floor
Phoenix, AZ 85007

Dear Director Gress:

As part of the Budget Development Information Exchange System Report (BUDDIES) submitted this month, the Arizona Commission on the Arts formally requests an allocation of \$2 million beginning in FY2019.

A \$2 million allocation would empower the Arts Commission to deepen and extend statewide investments and strategic professional development in alignment with Governor Ducey's stated goals: to maximize state resources in support of quality educational opportunities, resilient state and local economies, and thriving people and places, while remaining focused on increased efficacy and transparency.

The Arts Commission makes this request while gratefully acknowledging the \$1.5 million appropriated from the State's Rainy Day Fund Interest (as discrete one-time appropriations) in FY2017 and FY2018. A Rainy Day Fund Interest allocation in the amount of \$1 million was allocated to the agency in FY2014 and FY2015 but was not continued in FY2016 as state leaders balanced the state budget amidst a shortfall.

As you may know, the Arts Commission sustained sizable funding decreases during the recession. The agency's \$2.1 million General Fund Appropriation was eliminated, the \$20 million, 12-year-old ArtShare Endowment was swept, and the agency's remaining fund source, the Arts Trust Fund, endured several reductions.

Consistent with Governor Ducey's stated budgetary guidance, the Arts Commission accepted these reductions as a challenge: to strategically invest remaining resources for maximum community outcomes and to consistently seek out efficiencies in delivery.

Over several years and in alignment with the agency's strategic plan, Arts Commission staff worked in close partnership with Governor-appointed Commissioners to turn the agency's grantmaking and programs portfolio away from entitlement-based funding and to realign services around two core principles:

1. Increase sector-wide competitiveness around quality arts programming and services, long-term community investment, fiscal ingenuity, and capable stewardship of public funds.
2. Invest more strategically in programs and services that maximize benefits to the citizens of Arizona.

For the fiscal years that the Rainy Day Fund Interest was allocated to the Arts Commission, it was applied to statewide grantmaking activities as detailed above, allowing the agency to *more than double its investments* through several groundbreaking, nationally-renowned programs.

After carefully considering the outcomes of these programs and how these outcomes align with Governor Ducey's goals, the Arts Commission is requesting a \$2 million allocation for FY2019, to sustain and extend beneficial educational, economic, and community outcomes across the State of Arizona.

A \$2 million allocation would be applied to grantmaking and direct services as follows:

- In support of resilient economies and quality education: \$1.5 million to the Arts Commission's Community Investment and Arts Learning grant programs, which are delivered to nonprofit arts and community service organizations, schools, and municipal agencies, putting funding immediately to work in communities across Arizona.
- In support of thriving people and places: \$300,000 to extend targeted creative-economy investments in rural and underserved areas of the state as part of the AZ Creative Communities Institute program, piloted in FY2018. In this program, elected and community leaders representing Arizona cities, towns, and neighborhoods applied to participate in a program delivering funding and training in creative community entrepreneurship. In the program's first year, applications and interest exceeded the Arts Commission's funding capacity by over 100%.
- In support of quality lifelong education, thriving people and places: \$200,000 to sustain and expand the agency's AZ Creative Aging initiative, which builds infrastructure to enhance quality of life for older Arizonans through training for aging/healthcare service providers, arts organizations, and teaching artists, while developing high-quality arts opportunities for older adults. Since its launch in 2015, this program has been fully funded by Virginia G. Piper Charitable Trust, restricting the scope of the initiative to that of the funder's geographic limitations: Maricopa County.

"By the year 2020, one in four people living in Arizona will be over age 60," according to Governor Ducey's Office on Aging, and so it should come as no surprise that the AZ Creative Aging initiative, the only program of its kind in Arizona, has consistently seen interest and applications in excess of the program's funding capacity and initial geographic scope.

With an additional \$200,000, the Arts Commission could expand its field-tested AZ Creative Aging training programs statewide, directly increasing the capacity of the aging services sector (including senior service centers, retirement communities, assisted living, faith-based elder care, adult day centers, hospice, and caregiver networks) as well as the arts sector, in service to Arizona's older adults.

With a \$2 million allocation, the Arts Commission is confident the arts sector can continue generating jobs and critical revenue for neighborhoods, cities, and the entire state; delivering inspiration and lifelong learning opportunities; promoting civic health and pride; and enhancing Arizonans' quality of life.

We look forward to discussing the merits of the overall proposal and providing additional information if it would aid in consideration.

Sincerely,



Jaime Dempsey, Executive Director
Arizona Commission on the Arts

AGENCY SUMMARY

Program: HUA 0 . 0 COMMISSION ON THE ARTS
Director: Jaime Dempsey, Executive Director
Phone: Arizona Commission on the Arts (602) 771-6520
Statute: A.R.S. § 41-982

Mission:

To foster and stimulate an Arizona where everyone can participate in and experience the arts.

Description:

Through the Arts Commission, the State of Arizona and the National Endowment for the Arts make strategic investments of public dollars to support the statewide arts and culture sector, helping Arizona communities to attract and retain skilled workers and creative businesses. This public investment leverages additional contributions from the private sector, increasing the sustainability of Arizona’s arts and culture sector and promoting statewide economic growth.

◆ **Goal:** 1 To ensure Arizonans can access vibrant, quality arts and cultural activities wherever they live, and have opportunities to participate as practitioners, professionals, patrons, donors, and volunteers.

- Objectives:** 1 2017 Obj: Serve as Arizona’s chief delivery agent – through technology, communications, publications and expertise – for research and information related to arts resources, funding, and learning opportunities.
 2018 Obj: Continue to deliver grant funding to statewide arts organizations, schools, community service organizations, and individuals which demonstrate quality artistic programming, evidence of public benefit and public participation, and responsible financial practices.
 2019 Obj: Increase awareness of existing statewide programs and services, encourage participation, and cultivate public value and support for the arts. Make focused financial and programmatic investments in both geographic and programmatic areas where demonstrable needs exist but where arts and cultural programming is scarce, nonexistent, or vulnerable.

Performance Measures:

ML	Budget	Type		FY 2016 Actual	FY 2017 Estimate	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate	
1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	OC	Individuals benefiting from programs sponsored by Agency (in thousands)	7,408.2	7,500.0	8,903.6	7,750.0	8,000.0
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Number of applications for community-driven projects received/number funded	298/226	320/260	308/251	315/260	320/270
FY2016 decrease represents contraction in available funding and a reduction of grant programs.									
3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	IP	Number of grant applications submitted by ethnic-run organizations	44	50	52	55	55
4	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Percentage of applications submitted by ethnic-run organizations funded	75	80	75	80	80
5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	IP	Number of applications submitted by rural applicants	133	115	139	120	120
6	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Percentage of applications submitted by rural applicants funded	52	60	59	65	70
7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	IP	Number of applications submitted by organizations that did not apply in previous year	30	40	92	50	50
FY2016 decrease represents contraction in available funding and a reduction of grant programs.									
8	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OP	Percentage of applications submitted by organizations that did not apply in previous year funded	52	60	76	75	75

◆ **Goal:** 2 To ensure Arizonans of all ages have access to quality, robust arts education opportunities, whether in-school, out-of-school, or in community settings.

- Objectives:** 1 2017 Obj: Activate and expand partnerships with local, state, and federal arts education policymakers. Contribute as an expert conduit, providing research and information to policymakers, and then providing context to resources delivered to Arizona arts organizations, parents, classroom educators, art specialists, teaching artists, school administrators, and school boards. Pursue opportunities to build a network of Arizona arts organizations, parents, classroom educators, art specialists, teaching artists, school administrators, and school boards to integrate learning in, through, and about the arts in school curricula as well as school district missions, policies, budgets, and practices. Offer practical training and support to develop their ability and fluency in building public support for arts education.
 2018 Obj: Build broad public support for programs which engage Arizonans of all ages in learning in, through, and about the arts, in the pursuit of positive personal, educational, and community outcomes. Introduce incentives within grantmaking processes to challenge Arizona schools, arts organizations, and community organizations to broaden, deepen, and diversify their development and delivery of in school, out-of-school, and community-based arts learning programs. Make focused financial and programmatic investments in both geographic and programmatic areas where demonstrable needs exist but where arts education programming is scarce, nonexistent, or vulnerable.
 2019 Obj: Build broad public support for programs which engage Arizonans of all ages in learning in, through, and about the arts, in the pursuit of positive personal, educational, and community outcomes. Introduce incentives within grantmaking processes to challenge Arizona schools, arts organizations, and community organizations to broaden, deepen, and

diversify their development and delivery of in school, out-of-school, and community-based arts learning programs. Make focused financial and programmatic investments in both geographic and programmatic areas where demonstrable needs exist but where arts education programming is scarce, nonexistent, or vulnerable.

Performance Measures:

	ML	Budget	Type		FY 2016 Actual	FY 2017 Estimate	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Number of applications submitted for arts education programs/dollar amount funded (in thousands)	72/1,847	85/3,000	87/2,065	90/2,500	95/2,600
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OP	Number of individual Arizona youth served by Commission programs and initiatives (in millions)	1.7	1.8	2.0	2.0	2.1
◆ Goal:			3	To facilitate public and private investment in the arts and culture sector, and support efforts to build recognition of the sector's role in economic viability and enhanced quality of life, such that diverse Arizona stakeholders invest in the arts and culture sector as partners, supporters, and champions.					

- Objectives:**
- 1 2017 Obj: Facilitate opportunities for arts leaders to participate in other-sector policy forums, convenings, and initiatives. Develop communications strategies to focus and adapt agency messaging based on the needs and interests of diverse audiences and authorizers.
 - 2018 Obj: Illuminate the for-profit sector's short- and long-term interest in supporting a vibrant, sustainable statewide arts industry. Introduce incentives within grantmaking processes to encourage Arizona arts organizations to develop mutually beneficial and mission-supported partnerships with for-profit entities.
 - 2019 Obj: Illuminate the for-profit sector's short- and long-term interest in supporting a vibrant, sustainable statewide arts industry. Introduce incentives within grantmaking processes to encourage Arizona arts organizations to develop mutually beneficial and mission-supported partnerships with for-profit entities.

Performance Measures:

	ML	Budget	Type		FY 2016 Actual	FY 2017 Estimate	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Total amount of state investment in arts participation opportunities (in thousands)	1,416.8	2,850.0	2,592.3	2,850.0	3,000.0
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Total amount of other public and private funds leveraged for arts participation opportunities/state investment (in millions)	154/1.2	180/2.6	171/2.4	180/2.6	190/2.9
3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OP	Number of public policy forums in which the Commission participates in order to integrate the arts	106	90	141	115	120
				Increase represents the Arts Commission's concerted effort to partner with for-profit, governmental and community entities across Arizona in the development of mutually-beneficial partnerships benefitting both Arizona communities and the arts and culture sector.					
4	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OP	Number of outreach activities including site visits, public presentations, convenings and technical assistance	466	500	793	550	625
5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OC	Number of Arizonans impacted by outreach activities (in thousands)	178.3	175.0	268.0	230.0	240.0
6	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	QL	Constituent satisfaction ratings (scale of 1-8)	6.70	6.80	6.90	6.80	6.90

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Agency Summary

COMMISSION ON THE ARTS

Jaime Dempsey, Executive Director
 Arizona Commission on the Arts (602) 771-6520
 A.R.S. § 41-982

Mission:

To foster and stimulate an Arizona where everyone can participate in and experience the arts.

Description:

Through the Arts Commission, the State of Arizona and the National Endowment for the Arts make strategic investments of public dollars to support the statewide arts and culture sector, helping Arizona communities to attract and retain skilled workers and creative businesses. This public investment leverages additional contributions from the private sector, increasing the sustainability of Arizona's arts and culture sector and promoting statewide economic growth.

- ◆ **Goal 1** To ensure Arizonans can access vibrant, quality arts and cultural activities wherever they live, and have opportunities to participate as practitioners, professionals, patrons, donors, and volunteers.

- Objective:** 1 FY2017: Serve as Arizona's chief delivery agent – through technology, communications, publications and expertise – for research and information related to arts resources, funding, and learning opportunities.
- FY2018: Continue to deliver grant funding to statewide arts organizations, schools, community service organizations, and individuals which demonstrate quality artistic programming, evidence of public benefit and public participation, and responsible financial practices.
- FY2019: Increase awareness of existing statewide programs and services, encourage participation, and cultivate public value and support for the arts. Make focused financial and programmatic investments in both geographic and programmatic areas where demonstrable needs exist but where arts and cultural programming is scarce, nonexistent, or vulnerable.

Performance Measures	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Individuals benefiting from programs sponsored by Agency (in thousands)	8,903.6	7,750.0	8,000.0
Explanation:	Figures for this measure are compiled in our online grants systems and reflect the total number of persons benefitting from programs supported by Arts Commission grants; figures provided by grantees as a part of their annual final reports.		
Number of applications for community-driven projects received/number funded	308/251	315/260	320/270
Explanation:	Figures for this measure are compiled in our online grants systems.		
Number of grant applications submitted by ethnic-run organizations	52	55	55
Explanation:	Figures for this measure are compiled in our online grants systems.		
Percentage of applications submitted by ethnic-run organizations funded	75	80	80
Explanation:	Figures for this measure are compiled in our online grants systems.		
Number of applications submitted by rural applicants	139	120	120
Explanation:	Figures for this measure are compiled in our online grants systems.		
Percentage of applications submitted by rural applicants funded	59	65	70
Explanation:	Figures for this measure are compiled in our online grants systems.		
Number of applications submitted by organizations that did not apply in previous year	92	50	50
Explanation:	Figures for this measure are compiled in our online grants systems.		
Percentage of applications submitted by organizations that did not apply in previous year funded	76	75	75
Explanation:	Figures for this measure are compiled in our online grants systems.		

- ◆ **Goal 2** To ensure Arizonans of all ages have access to quality, robust arts education opportunities, whether in-school, out-of-school, or in community settings.

- Objective:** 1 FY2017: Activate and expand partnerships with local, state, and federal arts education policymakers. Contribute as an expert conduit, providing research and information to policymakers, and then providing context to resources delivered to Arizona arts organizations, parents, classroom educators, art specialists, teaching artists, school administrators, and school boards. Pursue opportunities to build a network of Arizona arts organizations, parents,

classroom educators, art specialists, teaching artists, school administrators, and school boards to integrate learning in, through, and about the arts in school curricula as well as school district missions, policies, budgets, and practices. Offer practical training and support to develop their ability and fluency in building public support for arts education.

- FY2018: Build broad public support for programs which engage Arizonans of all ages in learning in, through, and about the arts, in the pursuit of positive personal, educational, and community outcomes. Introduce incentives within grantmaking processes to challenge Arizona schools, arts organizations, and community organizations to broaden, deepen, and diversify their development and delivery of in school, out-of-school, and community-based arts learning programs. Make focused financial and programmatic investments in both geographic and programmatic areas where demonstrable needs exist but where arts education programming is scarce, nonexistent, or vulnerable.

- FY2019: Build broad public support for programs which engage Arizonans of all ages in learning in, through, and about the arts, in the pursuit of positive personal, educational, and community outcomes. Introduce incentives within grantmaking processes to challenge Arizona schools, arts organizations, and community organizations to broaden, deepen, and diversify their development and delivery of in school, out-of-school, and community-based arts learning programs. Make focused financial and programmatic investments in both geographic and programmatic areas where demonstrable needs exist but where arts education programming is scarce, nonexistent, or vulnerable.

Performance Measures	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Number of applications submitted for arts education programs/dollar amount funded (in thousands)	87/2,065	90/2,500	95/2,600
Explanation:	Figures for this measure are compiled in our online grants systems.		
Number of individual Arizona youth served by Commission programs and initiatives (in millions)	2.0	2.0	2.1
Explanation:	Figures for this measure are compiled in our online grants systems.		

- ◆ **Goal 3** To facilitate public and private investment in the arts and culture sector, and support efforts to build recognition of the sector's role in economic viability and enhanced quality of life, such that diverse Arizona stakeholders invest in the arts and culture sector as partners, supporters, and champions.

- Objective:** 1 FY2017: Facilitate opportunities for arts leaders to participate in other-sector policy forums, convenings, and initiatives. Develop communications strategies to focus and adapt agency messaging based on the needs and interests of diverse audiences and authorizers.
- FY2018: Illuminate the for-profit sector's short- and long-term interest in supporting a vibrant, sustainable statewide arts industry. Introduce incentives within grantmaking processes to encourage Arizona arts organizations to develop mutually beneficial and mission-supported partnerships with for-profit entities.
- FY2019: Illuminate the for-profit sector's short- and long-term interest in supporting a vibrant, sustainable statewide arts industry. Introduce incentives within grantmaking processes to encourage Arizona arts organizations to develop mutually beneficial and mission-supported partnerships with for-profit entities.

2017 - 2019 ARIZONA MASTER LIST OF STATE GOVERNMENT PROGRAMS

Performance Measures	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Total amount of state investment in arts participation opportunities (in thousands)	2,592.3	2,850.0	3,000.0
Explanation:	Figures for this measure are constructed by adding the following State monies provided to the Arts Commission: Arts Trust Fund and Rainy Day Fund Interest, where applicable.		
Total amount of other public and private funds leveraged for arts participation opportunities/state investment (in millions)	171/2.4	180/2.6	190/2.9
Explanation:	Figures for this measure are constructed as follows: Cumulative statewide arts budgets as entered into our online grants systems by grantees/Total State dollars granted to Arizona arts organizations and schools by the Arts Commission.		
Number of public policy forums in which the Commission participates in order to integrate the arts	141	115	120
Explanation:	Figures for this measure reflect a subset of total leadership forums Arts Commission staff participate in annually as leaders in the field of arts and culture. This particular measure reflects participation and partnerships with non-arts entities.		
Number of outreach activities including site visits, public presentations, convenings and technical assistance	793	550	625
Explanation:	Figures for this measure are compiled by Arts Commission staff and reflect the total number of workshops, convenings, panels, training sessions, and planning meetings led by the Arts Commission; the number of speaking engagements and panels involving Arts Commission staff; and the number of publications presented to the field as technical assistance.		
Number of Arizonans impacted by outreach activities (in thousands)	268.0	230.0	240.0
Explanation:	Figures for this measure are compiled by Arts Commission staff and reflect the total number of people participating in workshops, convenings, panels, training sessions, and planning meetings led by the Arts Commission; the number of people attending speaking engagements and panels involving Arts Commission staff; and the number of people receiving publications presented to the field as technical assistance.		
Constituent satisfaction ratings (scale of 1-8)	6.90	6.80	6.90
Explanation:	Figures for this measure are compiled by Arts Commission staff and reflect ratings from the agency's annual satisfaction survey as well as evaluations from all public presentations, convenings, workshops, and review panels.		