

DAH - ARKANSAS ARTS COUNCIL

Enabling Laws

Act 273 of 2014
A.C.A. §13-8-101 et seq.

History and Organization

Agency Mission Statement:

The Arkansas Arts Council will advance and empower the arts for the benefit of all Arkansans.

Brief Discussion of Statutory Responsibilities and Primary Activities:

The Arkansas Arts Council was established in 1966 to enable the State to receive funds from the National Endowment for the Arts. In 1971, Act 359 (A.C.A. § 13-8-101 et seq.) gave independent agency status to the Arts Council, with an executive director and a 17-member council appointed by the Governor. In 1975, the Arts Council became a division of the Department of Arkansas Heritage.

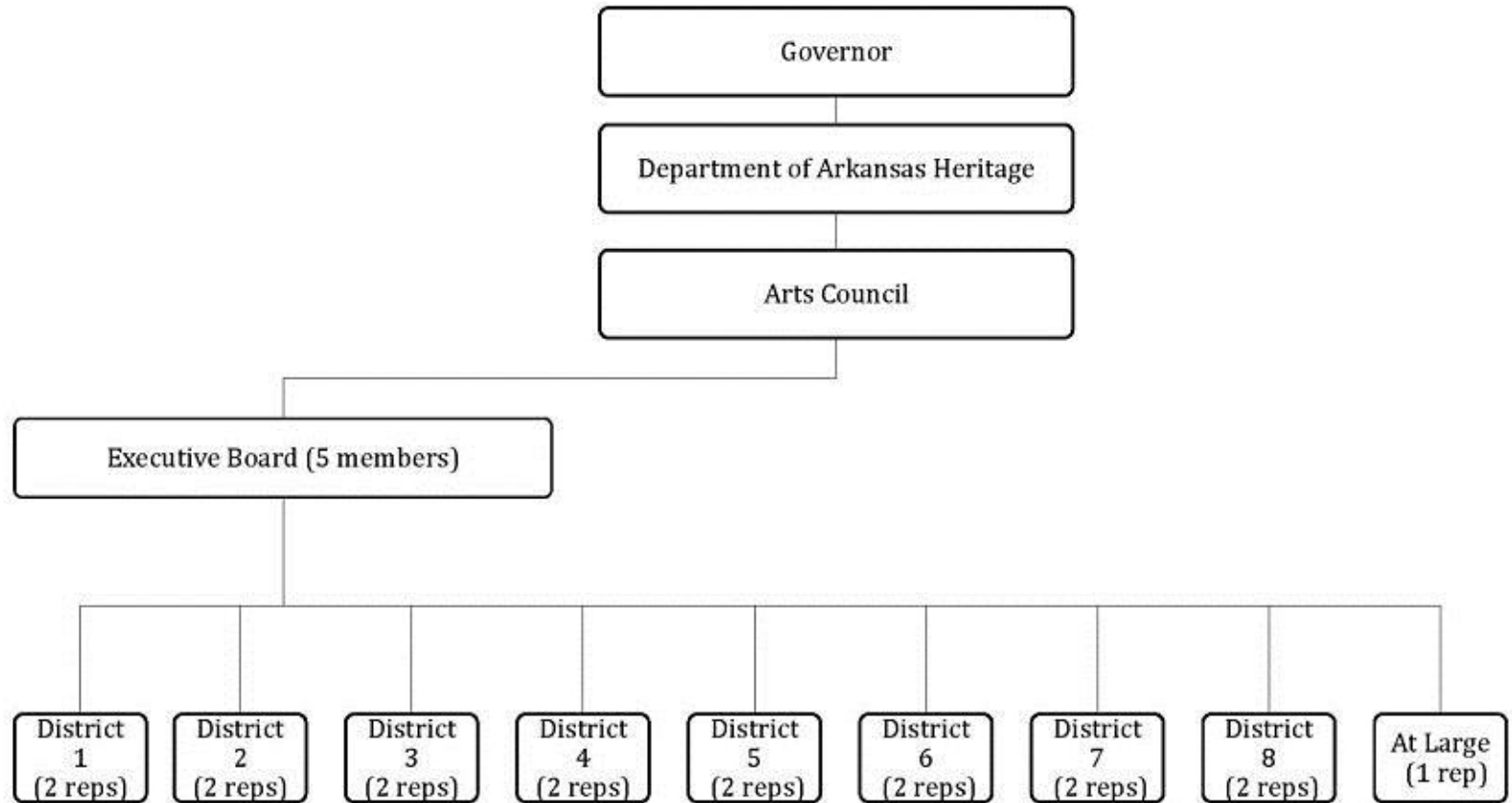
The Arts Council contributes to Arkansas's educational and economic development by investing state, federal, and private funds in community arts organizations, schools, youth service organizations, and other providers of cultural programs. The Arts in Education program funds artist residencies in schools and after school/summer programs. The agency provides operating support for established community arts organizations, and the Expansion Arts Program provides technical assistance and salary support to new and expanding arts organizations in rural and underserved areas. The statewide Arts on Tour program includes a diverse roster of Arkansas's finest performing artists. Non-profit organizations and local governments are eligible to apply for funding assistance to present artists listed in the Arts on Tour Roster.

The Arts Council offers technical, supportive, and informational services for artists, administrators, and community leaders, as well as professional development opportunities for teachers and teaching artists. The Arts Council website provides information about the Council and contains online applications for the agency's various grant programs and artist rosters. The website, www.arkansasarts.org, also provides local, regional and national resource information to the arts community and the general public.

One of the most widely used on-line services at the Arts Council, the Arkansas Artist Registry, documents and promotes Arkansas visual artists. The Arts Council Facebook page www.facebook.com/arkansasartscouncil provides frequent news updates and opportunities to constituents.

Agency Board or Commission

The Arkansas Arts Advisory Council is composed of seventeen members appointed by the Governor for four-year terms. Two appointments are made from each of the eight planning and development districts, and one member serves at large. Council members meet each fiscal quarter and are charged with awarding all grant funds and with formulating policy for the future development of the arts in Arkansas.



Agency Commentary

The arts are essential to the growth and sustainability of Arkansas communities, and every Arkansas child deserves a quality education which includes the arts. The following Arts Council goals were developed with input from arts organizations, artists, community leaders and economic developers, educators and other interested stakeholders.

1. Encourage artistic excellence, diversity and innovation
2. Promote equitable access to the arts for all Arkansans
3. Develop arts in education for life-long learning
4. Enhance community cultural and economic development
5. Build and sustain the capacity of the Arkansas Arts Council to fulfill its mission

The Arts Council works to achieve these goals by providing technical assistance and investing state and federal funding in local arts organizations, schools, and other providers of cultural and educational programs. In FY2013 the Arkansas Arts Council provided funding assistance to 376 organizations in 62 counties, bringing quality cultural programs to 2,724,189 people, including over 1 million youth.

Arkansas Arts Council efforts to enhance community cultural and economic development, and to assist the growth of the creative economic sector by nurturing the pipeline of creative talent through arts education, are the top priorities contained in this budget request.

The Arts Council's 2011-2015 strategic plan and other information about the agency is available at www.arkansasarts.org.

Arts Council Funding Request Commentary:

The Arts Council requests additional general revenue appropriation and funding of \$650,000 each year for Grants. These funds will be used to increase the agency investment in rural and underserved areas, and to expand arts education programs. The agency also requests an increase of \$12,500 each year in operating expenses to cover increases in office overhead.

Change Level Requests to general revenue and Conservation Tax will allow lease payment expenses for those agencies currently housed in the Tower Building to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax. This alleviates any concern that the use of the Conservation Tax for rental/lease purposes is inappropriate. Salary Expenses and Personal Services Matching Expenses are clearly eligible for payment from the Conservation Tax proceeds so the Conservation Tax will now be the source of payment for these personnel costs categories.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF ARKANSAS HERITAGE
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

Audit findings are reported under DAH-Central Administration.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	1	7	8	80 %
Black Employees	0	2	2	20 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			2	20 %
Total Employees			10	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report	A.C.A. §13-8-106(f)	Y	N	1	Governor's Office request	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016						2016-2017					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
484 Arts Council-State Operations	805,730	8	790,664	8	783,757	8	797,043	8	1,430,524	7	1,430,524	7	797,043	8	1,431,811	7	1,431,811	7
486 Arts Council - Federal Program	498,787	2	833,674	2	833,606	2	834,857	2	834,857	2	834,857	2	834,857	2	834,857	2	834,857	2
943 Arts Council - Cash in Treasury	220,117	0	175,810	0	227,276	0	175,810	0	175,810	0	175,810	0	175,810	0	175,810	0	175,810	0
Total	1,524,634	10	1,800,148	10	1,844,639	10	1,807,710	10	2,441,191	9	2,441,191	9	1,807,710	10	2,442,478	9	2,442,478	9

Funding Sources		%		%		%		%		%		%		%		%	
Fund Balance	4000005	161,918	9.7	149,063	7.5			200,529	10.0	200,529	7.6	200,529	10.0	200,529	10.0	200,529	10.0
General Revenue	4000010	805,730	48.1	790,664	39.5			797,043	39.7	1,430,524	54.2	797,043	39.7	797,043	39.7	1,431,811	54.2
Federal Revenue	4000020	498,787	29.8	833,674	41.7			834,857	41.6	834,857	31.6	834,857	41.6	834,857	41.6	834,857	31.6
Cash Fund	4000045	207,262	12.4	227,276	11.4			175,810	8.8	175,810	6.7	175,810	8.8	175,810	8.8	175,810	6.7
Total Funds		1,673,697	100.0	2,000,677	100.0			2,008,239	100.0	2,641,720	100.0	2,008,239	100.0	2,008,239	100.0	2,643,007	100.0
Excess Appropriation/(Funding)		(149,063)		(200,529)				(200,529)		(200,529)		432,952		(200,529)		(200,529)	
Grand Total		1,524,634		1,800,148				1,807,710		2,441,191		2,441,191		1,807,710		2,442,478	

Variance in Fund Balance is due to unfunded appropriation.

FY15 Budget amounts for (484) Arts Council - State Operations and (486) Arts Council Federal Program exceed the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
10	9	1	10	0	10.00 %	10	10	0	10	0	0.00 %	10	10	0	10	0	0.00 %

Analysis of Budget Request

Appropriation: 484 - Arts Council-State Operations

Funding Sources: HRA - Arkansas Heritage Fund

This appropriation provides general revenue funding for the Department of Arkansas Heritage - Office of Arts and Humanities (Arts Council). Established in 1971, the purpose of this Agency is to provide a comprehensive statewide program for the support of arts in Arkansas by providing services and grants to support arts endeavors that encourage and assist Arkansas artists. In addition, the Arts Council staff assists with related arts projects, including surveys, research, and planning.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level includes appropriation and general revenue funding of \$797,043 each year of the biennium with eight (8) Regular positions.

The Agency's Change Level Request provides for \$633,481 in FY16 and \$634,768 in FY17 and are summarized below:

Regular Salaries and Personal Services Matching reduction totaling (\$93,345) each year for the transfer of one (1) position to Conservation Tax to offset an increase in rent.

Operating Expenses of \$64,326 in FY16 and \$65,613 in FY17 to pay rent from general revenue and \$12,500 each year for increased expenses for out of state panelists to participate in annual grant reviews and in state travel to provide technical assistance to local arts agencies and local government leaders.

Grants and Aid increase of \$650,000 each year to increase the investment in Community Arts Development and Arts Education programs.

The Executive Recommendation provides for the Agency Request for appropriation only.

Appropriation Summary

Appropriation: 484 - Arts Council-State Operations

Funding Sources: HRA - Arkansas Heritage Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	429,127	417,381	413,294	421,601	349,498	349,498	421,601	349,498	349,498
#Positions	8	8	8	8	7	7	8	7	7
Personal Services Matching 5010003	136,199	132,895	130,075	135,054	113,812	113,812	135,054	113,812	113,812
Operating Expenses 5020002	40,404	40,388	40,388	40,388	117,214	117,214	40,388	118,501	118,501
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	200,000	200,000	200,000	200,000	850,000	850,000	200,000	850,000	850,000
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	805,730	790,664	783,757	797,043	1,430,524	1,430,524	797,043	1,431,811	1,431,811
Funding Sources									
General Revenue 4000010	805,730	790,664		797,043	1,430,524	797,043	797,043	1,431,811	797,043
Total Funding	805,730	790,664		797,043	1,430,524	797,043	797,043	1,431,811	797,043
Excess Appropriation/(Funding)	0	0		0	0	633,481	0	0	634,768
Grand Total	805,730	790,664		797,043	1,430,524	1,430,524	797,043	1,431,811	1,431,811

FY15 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 484 - Arts Council-State Operations
Funding Sources: HRA - Arkansas Heritage Fund

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	797,043	8	797,043	100.0	797,043	8	797,043	100.0
C01	Existing Program	726,826	0	1,523,869	191.2	728,113	0	1,525,156	191.4
C07	Agency Transfer	(93,345)	(1)	1,430,524	179.5	(93,345)	(1)	1,431,811	179.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	797,043	8	797,043	100.0	797,043	8	797,043	100.0
C01	Existing Program	726,826	0	1,523,869	191.2	728,113	0	1,525,156	191.4
C07	Agency Transfer	(93,345)	(1)	1,430,524	179.5	(93,345)	(1)	1,431,811	179.6

Justification

C01	The Agency requests an increase in Operating Expenses to cover increases in office rent, expenses for out-of-state panelists to participate in annual grant reviews and to provide additional technical assistance to local arts agencies and local government leaders by additional in-state travel. The Agency also requests additional grants of \$650,000 each year. These funds will increase the Agency's investment in Community Arts Development and Arts Education programs, allowing arts organizations to provide additional services in rural/underserved communities and increasing the number of artists residencies in schools and after school/summer programs. Increases to General Revenue Funds along with decreases to individual Conservation Tax Funds are to provide for lease payment expenses for those agencies currently housed in the Tower Building.
C07	These Change Level Requests will allow for rental/lease payments to be paid from other revenue streams and no longer be paid from proceeds of the Conservation Tax.

Analysis of Budget Request

Appropriation: 486 - Arts Council - Federal Program

Funding Sources: FHH - Natural & Cultural Heritage Federal

This appropriation provides for federal funding received from the National Endowment for the Arts. The Department utilizes this appropriation to provide art programs and grants to promote and assist Arkansas artists.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Agency Base Level Request includes appropriation of \$834,857 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 486 - Arts Council - Federal Program

Funding Sources: FHH - Natural & Cultural Heritage Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	66,398	65,077	65,077	65,814	65,814	65,814	65,814	65,814	65,814
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	24,785	24,423	24,355	24,869	24,869	24,869	24,869	24,869	24,869
Operating Expenses	5020002	54,478	47,252	47,252	47,252	47,252	47,252	47,252	47,252	47,252
Conference & Travel Expenses	5050009	4,434	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Professional Fees	5060010	12,414	12,970	12,970	12,970	12,970	12,970	12,970	12,970	12,970
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	336,278	673,452	673,452	673,452	673,452	673,452	673,452	673,452	673,452
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		498,787	833,674	833,606	834,857	834,857	834,857	834,857	834,857	834,857
Funding Sources										
Federal Revenue	4000020	498,787	833,674		834,857	834,857	834,857	834,857	834,857	834,857
Total Funding		498,787	833,674		834,857	834,857	834,857	834,857	834,857	834,857
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		498,787	833,674		834,857	834,857	834,857	834,857	834,857	834,857

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

Analysis of Budget Request

Appropriation: 943 - Arts Council - Cash in Treasury

Funding Sources: NNH - Arts & Humanities Cash

This appropriation is funded from cash receipts generated by registration fees, interest income and the sales of items purchased for display and for workshop sessions. The Agency coordinates an annual conference on the arts as well as several smaller conferences and workshops to support the education, organizational development, and marketing Arkansas's craft and traditional artists.

The Agency Base Level Request includes appropriation of \$175,810 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 943 - Arts Council - Cash in Treasury

Funding Sources: NNH - Arts & Humanities Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2013-2014	2014-2015	2014-2015	2015-2016			2016-2017		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	54,054	28,250	28,250	28,250	28,250	28,250	28,250	28,250	28,250
Conference & Travel Expenses	5050009	5,512	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Professional Fees	5060010	5,200	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	155,351	136,060	187,526	136,060	136,060	136,060	136,060	136,060	136,060
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		220,117	175,810	227,276	175,810	175,810	175,810	175,810	175,810	175,810
Funding Sources										
Fund Balance	4000005	161,918	149,063		200,529	200,529	200,529	200,529	200,529	200,529
Cash Fund	4000045	207,262	227,276		175,810	175,810	175,810	175,810	175,810	175,810
Total Funding		369,180	376,339		376,339	376,339	376,339	376,339	376,339	376,339
Excess Appropriation/(Funding)		(149,063)	(200,529)		(200,529)	(200,529)	(200,529)	(200,529)	(200,529)	(200,529)
Grand Total		220,117	175,810		175,810	175,810	175,810	175,810	175,810	175,810