

Executive Director: Shelley M. Cohn

JLBC Analyst: Steve Grunig

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	11.5	11.5	11.5
Personal Services	389,200	396,100	407,600
Employee Related Expenditures	90,500	100,500	101,100
Travel - In State	9,700	10,000	10,000
Travel - Out of State	700	800	800
Other Operating Expenditures	40,500	30,600	30,600
OPERATING SUBTOTAL	530,600	538,000	550,100
SPECIAL LINE ITEMS			
Arts Endowment Fund	0	0 ^{1/}	2,000,000
Community Service Projects	1,542,700	1,263,100	1,263,100
AGENCY TOTAL	2,073,300	1,801,100	3,813,200^{2/}
FUND SOURCES			
General Fund	2,073,300	1,801,100	3,813,200
SUBTOTAL - Appropriated Funds	2,073,300	1,801,100	3,813,200
Other Non-Appropriated Funds	2,404,600	1,981,900	1,981,900
Federal Funds	730,800	666,600	666,600
TOTAL - ALL SOURCES	5,208,700	4,449,600	6,461,700

AGENCY DESCRIPTION — The agency promotes arts in the state by offering matching grants to communities and arts organizations, developing programs in-house to showcase artists in all disciplines, and serving as a resource for local artists.

PERFORMANCE MEASURES	FY 2003	FY 2003	FY 2004	FY 2005
	Appropriation	Actual	Appropriation	Appropriation
• Audiences reached by programs sponsored by agency (in millions)	7.2	6.7	8.5	8.5
• Number of grants awarded	560	515	560	560
• Cumulative private funds raised to match state Arts Endowment Fund (\$ in millions)	19.0	26.7	25.0	26.7
• Customer satisfaction rating (Scale 1-8)	7.2	7.5	7.5	7.5
• Administration as a % of total cost	2.2	6.3	2.2	2.2

Operating Budget

The budget provides \$550,100 from the General Fund for the operating budget in FY 2005. This amount includes an increase for statewide salary and other adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

Special Line Items

Arts Endowment Fund

The budget provides \$2,000,000 from the General Fund for the Arts Endowment Fund in FY 2005. Pursuant to A.R.S. § 41-986 and A.R.S. § 42-5029, the Arts Endowment Fund receives revenue from the Amusement Classification of the transaction privilege tax. The statute requires that the Legislature “shall annually appropriate” monies for this purpose. The amount is determined by comparing current year Amusement Classification

^{1/} The FY 2004 budget did not include a specific appropriation to the Arts Endowment Fund pursuant to A.R.S. § 42-5029. Laws 2003, Chapter 263 also included a provision suspending the General Fund deposit to the fund. The Governor line item vetoed this provision. With this veto, the Executive interprets statute as permitting them to transfer \$2,000,000 from the General Fund to the Arts Endowment Fund.

^{2/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

collections to FY 1994 collections, with the Arts Endowment Fund receiving revenues that exceed FY 1994 levels. The appropriated amount is limited to \$2,000,000 each year.

The State Treasurer is responsible for investing monies deposited in the Arts Endowment Fund. The commission then receives interest from the Arts Endowment Fund as a continuing appropriation. Only interest earned from the fund is available for use by the commission to fund art programs.

Community Service Projects

The budget provides \$1,263,100 from the General Fund for Community Service Projects in FY 2005. This amount is unchanged from FY 2004. Monies in this line item provide grants to arts organizations and Arizona communities on a matching basis. These grants enable arts organizations and communities to offer discount tickets, allow arts organizations to undertake organizational development efforts, and fund programs in all disciplines of the arts.

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