

Executive Director: Shelley M. Cohn

JLBC Analyst: Nick Klingerman

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved	FY 2007 Approved
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	11.5	11.5	11.5	11.5
Personal Services	391,300	407,600	414,500	407,600
Employee Related Expenditures	94,700	106,100	121,900	109,900
Travel - In State	10,000	10,000	10,000	10,000
Travel - Out of State	800	800	800	800
Other Operating Expenditures	35,100	30,600	26,800	26,800
OPERATING SUBTOTAL	531,900	555,100	574,000	555,100
SPECIAL LINE ITEMS				
Arts Endowment Fund	2,000,000	2,000,000	2,000,000	2,000,000
Community Service Projects	1,263,100	1,263,100	1,263,100	1,263,100
AGENCY TOTAL	3,795,000	3,818,200	3,837,100^{1/}	3,818,200^{1/}
FUND SOURCES				
General Fund	3,795,000	3,818,200	3,837,100	3,818,200
SUBTOTAL - Appropriated Funds	3,795,000	3,818,200	3,837,100	3,818,200
Other Non-Appropriated Funds	1,981,800	1,985,500	1,985,500	1,985,500
Federal Funds	692,900	621,000	621,000	621,000
TOTAL - ALL SOURCES	6,469,700	6,424,700	6,443,600	6,424,700

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 2004	FY 2006
	Actual	Actual	Approved
• Customer satisfaction rating (Scale 1-8)	7.5	7.42	7.5

Operating Budget

The budget provides \$574,000 from the General Fund for the operating budget in FY 2006 and \$555,100 in FY 2007.

The approved amount includes an increase of \$18,900 from the General Fund in FY 2006 for statewide 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 2006 and FY 2007. This amount is unchanged from 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 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 Arts Endowment Fund began receiving \$2,000,000 deposits in FY 1998. Laws 2002, 3rd Special Session, Chapter 1 suspended the deposits in FY 2002 and FY 2003, and Laws 2002, Chapter 1, 6th Special Session transferred \$1,000,000 of the principal to the General Fund. The fund will have a balance of \$13,000,000 as of FY 2006. The annual \$2,000,000 deposit required by A.R.S. § 42-5029 expires in FY 2009.

^{1/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

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. In FY 2004, the fund earned \$136,000 in interest.

Community Service Projects

The budget provides \$1,263,100 from the General Fund for Community Service Projects in FY 2006 and FY 2007. These amounts are unchanged from FY 2005. 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.