

Arizona Commission on the Arts

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DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC	FY 2007 JLBC
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	11.5	11.5	11.5	11.5
Personal Services	391,300	407,600	407,600	407,600
Employee Related Expenditures	94,700	106,100	109,900	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	555,100	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	3,818,200	3,818,200

FUND SOURCES				
General Fund	3,795,000	3,818,200	3,818,200	3,818,200
SUBTOTAL - Appropriated Funds	3,795,000	3,818,200	3,818,200	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	6,424,700	6,424,700

CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC		FY 2005 to FY 2007 JLBC	
	\$ Change	% Change	\$ Change	% Change
General Fund	0	0.0%	0	0.0%
Total Appropriated Funds	0	0.0%	0	0.0%
Non Appropriated Funds	0	0.0%	0	0.0%
Total - All Sources	0	0.0%	0	0.0%

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 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 JLBC
• Audiences reached by programs sponsored by agency (in millions)	6.7	6.8	8.5	--
• Number of grants awarded	515	440	560	--
• Cumulative private funds raised to match state Arts Endowment Fund (\$ in millions)	26.7	29.1	26.7	--
• Customer satisfaction rating (Scale 1-8)	7.5	7.42	7.5	7.5
• Administration as a % of total cost	6.3	6.3	2.2	--

Comments: The customer satisfaction rating did not change significantly between FY 2003 and FY 2004.

RECOMMENDED CHANGES FROM FY 2005

Operating Budget

The JLBC recommends \$555,100 from the General Fund for the operating budget in FY 2006 and FY 2007. These amounts are unchanged from FY 2005.

Special Line Items

Arts Endowment Fund

The JLBC recommends \$2,000,000 from the General Fund for the Arts Endowment Fund in FY 2006 and FY 2007. These amounts are 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 currently has a principle balance of \$11,000,000. The annual \$2,000,000 deposit required by A.R.S. § 42-5029 expires in FY 2009.

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 JLBC recommends \$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.

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JLBC RECOMMENDED FORMAT — Operating Lump Sum with Special Line Items by Agency

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
Arts Endowment Expendable Trust (HUA3106/A.R.S. § 41-986)		Non-Appropriated
Source of Revenue: Interest from the Arts Endowment Fund. From FY 1998 - FY 2009, subject to legislative appropriation, the Arts Endowment Fund will receive all revenue from the Amusements Classification of the transaction privilege tax above that classification’s total FY 1994 revenues. These revenues shall not exceed \$2,000,000 in any fiscal year. The Arts Endowment Trust Fund received \$2,000,000 deposits in FY 1998 – FY 2001, and FY 2004 – FY 2005. Laws 2002, 3 rd Special Session, Chapter 1 suspended deposits in FY 2002 and FY 2003. Laws 2002, Chapter 1, 6 th Special Session transferred \$1,000,000 of the principal to the General Fund. The Arizona Commission on the Arts is only permitted to spend revenue earned from the investment of these funds. This interest income is deposited into the Arts Endowment Expendable Trust.		
Purpose of Fund: To award grants to mid-sized arts organizations for stabilization projects.		
Funds Expended	218,700	204,600
Year-End Fund Balance	9,025,300	11,000,700
Arts Special Revenues (HUA2116/A.R.S. § 41-983)		Non-Appropriated
Source of Revenue: Federal grants from the National Endowment on the Arts and other public and private grants, donations, exhibit rentals, admissions, and charges for services.		
Purpose of Fund: To award grants to arts programs in all areas of the state. Each grant awarded by the Arts Commission must be matched by the applicant organizations.		
Funds Expended - Federal	692,900	621,000
Funds Expended - Non-Federal	283,100	265,900
Year-End Fund Balance	314,700	138,600

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
Arizona Arts Trust (HUA3014/A.R.S. § 41-983.01)		Non-Appropriated
Source of Revenue: An annual report filing fee from domestic and foreign for profit corporations.		
Purpose of Fund: To award grants to organizations with the purpose of advancing and fostering the arts in Arizona. Portions of the fund are to be used as follows: 1) provide grants to organizations representing handicapped persons; 2) provide grants to racial or ethnic minorities; and 3) provide grants to organizations representing rural areas.		
Funds Expended	1,480,000	1,515,000
Year-End Fund Balance	146,800	146,800

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