

ARIZONA STATE SENATE

RESEARCH STAFF



TO: JOINT LEGISLATIVE AUDIT COMMITTEE

DATE: January 21, 2022

SUBJECT: Sunset Review of the Arizona Commission on the Arts

Jason Theodorou

LEGISLATIVE RESEARCH ANALYST
COMMERCE COMMITTEE
Telephone: (602) 926-3171

Attached is the final report of the sunset review of the Arizona Commission on the Arts, which was conducted by the Senate Commerce Committee of Reference.

This report has been distributed to the following individuals and agencies:

Governor of the State of Arizona
The Honorable Douglas A. Ducey

President of the Senate
Senator Karen Fann

Speaker of the House of Representatives
Representative Russell Bowers

Senate Members

Senator J.D. Mesnard, Chair
Senator Sonny Borrelli
Senator Sean Bowie
Senator Rosanna Gabaldon
Senator Theresa Hatathlie
Senator David Livingston
Senator Tyler Pace
Senator Raquel Terán
Senator Michelle Ugenti-Rita

Arizona Commission on the Arts
Office of the Auditor General
Arizona State Library, Archives and Public Records

Senate Resource Center
Senate Republican Staff
Senate Democratic Staff
Senate Research Staff

Office of the Chief Clerk
House Republican Staff
House Democratic Staff
House Research Staff

**Senate Commerce Committee
of Reference Final Report**

Arizona Commission on the Arts

Background

Pursuant to [A.R.S. § 41-2953](#), the Joint Legislative Audit Committee assigned the sunset review of the Arizona Commission on the Arts (Commission) to the Senate Commerce Committee of Reference and the House Commerce Committee of Reference.

The Commission was established by law in 1967 to stimulate and encourage the study and presentation of the performing arts and fine arts throughout Arizona. In the form of grants, the Commission supports arts organizations and helps fund arts education programs and other artistic projects. The Commission also serves as the entity eligible to receive and disburse federal funding from the National Endowment of the Arts.

The Commission consists of 15 members appointed by the Governor that each serve three-year terms. The members must be qualified primarily for their demonstrated ability, good judgment and wide experience in fields related to the arts and be selected to ensure geographic representation to all areas of Arizona ([A.R.S. Title 41, Chapter 5, Article 6](#)).

The Commission is statutorily set to terminate on July 1, 2022, unless legislation is enacted for its continuation ([A.R.S. § 41-3022.10](#)).

Committee of Reference Sunset Review Activity

Pursuant to [A.R.S. § 41-2954](#), the Senate Commerce Committee of Reference met on Wednesday, January 12, 2022, to review and consider the Commission's responses to the statutorily-outlined sunset factors and receive public testimony.

Committee of Reference Recommendations

The Senate Commerce Committee of Reference recommended that the Commission be continued for eight years until July 1, 2030.

Appendices

1. Meeting Notice
2. Minutes of the Senate Commerce Committee of Reference
 - Attachment A: Handout from the Commission
 - Attachment B: Letter from Meals on Wheels
3. The Commission's response to sunset factors

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Interim agendas can be obtained via the Internet at <http://www.azleg.gov/Interim-Committees>

ARIZONA STATE SENATE

INTERIM MEETING NOTICE

OPEN TO THE PUBLIC

SENATE COMMERCE COMMITTEE OF REFERENCE

Date: Wednesday, January 12, 2022

Time: 2:00 P.M. or Upon Adjournment of Floor

Place: SHR 1

This meeting will be held via teleconference software. Members of the public may access a livestream of the meeting here: <https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2022011012>

AGENDA

1. Call to Order
2. Roll Call
3. Introductions
4. Sunset Review of the Arizona Commission on the Arts
 - Presentation by the Arizona Commission on the Arts
 - Public Testimony
 - Discussion and Recommendations
5. Sunset Review of the Arizona Department of Real Estate
 - Presentation by the Office of the Auditor General
 - Response by the Arizona Department of Real Estate
 - Public Testimony
 - Discussion and Recommendations
- 6. ~~Sunset Review of the Arizona Office of Tourism~~
 - ~~• Presentation by the Office of the Auditor General~~
 - ~~• Response by the Arizona Office of Tourism~~
 - ~~• Public Testimony~~
 - ~~• Discussion and Recommendations~~
- 7. ~~Sunset Review of the Arizona State Board of Funeral Directors and Embalmers~~
 - ~~• Presentation by the Office of the Auditor General~~
 - ~~• Response by the Arizona State Board of Funeral Directors and Embalmers~~
 - ~~• Public Testimony~~
 - ~~• Discussion and Recommendations~~
8. Adjourn

Members:

Senator J.D. Mesnard, Co-Chair
Senator Sonny Borrelli
Senator Sean Bowie
Senator Rosanna Gabaldon
▲ Senator Theresa Hatathlie
Senator David Livingston
Senator Tyler Pace
Senator Raquel Terán
Senator Michelle Ugenti-Rita

01/06/2022

01/10/2022

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For questions regarding this agenda, please contact Senate Research Department.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting the Senate Secretary's Office: (602) 926-4231 (voice). Requests should be made as early as possible to allow time to arrange the accommodation.

ARIZONA STATE SENATE

SENATE COMMERCE COMMITTEE OF REFERENCE

Minutes of the Meeting January 12, 2022 2:00 P.M., SHR 1

This meeting will be held via teleconference software.

Members of the public may access a livestream of the meeting here:

<https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2022011012>

Members Present:

Senator J.D. Mesnard, Chair
Senator Sonny Borrelli
Senator Sean Bowie
Senator Rosanna Gabaldon
Senator Theresa Hatathlie
Senator David Livingston
Senator Tyler Pace
Senator Raquel Terán
Senator Michelle Ugenti-Rita

Staff:

Jason Theodorou, Senate Research Analyst

Chairman Mesnard called the meeting to order at 2:00 p.m. and attendance was noted.

INTRODUCTIONS

Senator Mesnard requested staff to introduce themselves as follows:

Jason Theodorou, Senate Research Analyst
Caila Young, Senate Research Intern
Ashton McGee, Democratic Staff Intern
Brooke White, Senior Policy Advisor, Majority Staff
Tracey Gardner, Committee Secretary
Evan Handeland, Senate Page
Alyssa Koury, Senate Page
Ava Brown, Senate Page
Natalie Murphy, Senate Page

SUNSET REVIEW OF THE ARIZONA COMMISSION ON THE ARTS

Presentation by the Arizona Commission on the Arts

Alex Nelson, Director, Arizona Commission on the Arts, distributed and provided an overview on a handout entitled "Arizona Commission on the Arts" (Attachment A).

Public Testimony

Carrie Kelly, Executive Director, Arizona Association for Economic Development, spoke in support of the Arizona Commission on the Arts.

Rose Ann Forte, representing self, spoke in support of the Arizona Commission on the Arts.

Dianne McCallister, representing, Arizona Citizens for the Arts, spoke in support of the Arizona Commission on the Arts.

Ms. McCallister distributed a letter dated January 7, 2022 from Meals on Wheels (Attachment B) in support for the Arizona Commission on the Arts.

Discussion and Recommendations

Senator Mesnard requested a motion on the recommendation.

Senator Ugenti-Rita moved that the Senate Commerce Committee of Reference make the recommendation to continue the Arizona Commission on the Arts for eight years until July 1, 2030. The motion CARRIED by a voice vote.

SUNSET REVIEW OF THE ARIZONA DEPARTMENT OF REAL ESTATE

Presentation by the Office of the Auditor General

Marc Owen, Performance Audit Manager, Office of the Auditor General, distributed and explained a PowerPoint presentation entitled "Arizona Department of Real Estate" (Attachment C).

Response by the Arizona Department of Real Estate

Louis Dettorre, Commissioner, Arizona Department of Real Estate, distributed and explained a PowerPoint presentation entitled "Arizona Department of Real Estate Overview" (Attachment D).

Mr. Dettorre answered questions posed by the Committee.

Mr. Owen returned to the podium to answer questions posed by the Committee.

Public Testimony

No public testimony took place.

Discussion and Recommendations

Senator Mesnard requested a motion on the recommendation.

Senator Ugenti-Rita moved that the Senate Commerce Committee of Reference make the recommendation to continue the Arizona Department of Real Estate for eight years until July 1, 2030. The motion CARRIED by a voice vote.

Attached is a list noting the individuals who registered their position on the agenda items (Attachment E).

There being no further business, the meeting was adjourned at 2:36 p.m.

Respectfully submitted,

Tracey Gardner
Committee Secretary

(Audio recordings and attachments are on file in the Secretary of the Senate's Office/Resource Center, Room 115. Audio archives are available at <http://www.azleg.gov>)

ARIZONA COMMISSION ON THE ARTS

One of 56 state and jurisdictional arts agencies across the United States, the Arizona Commission on the Arts is a 54-year-old agency of the State of Arizona and a leading force in the creative and professional development of Arizona's arts sector. Through robust programs, research initiatives and strategic grantmaking, the Arts Commission catalyzes arts-based partnerships that strengthen Arizona communities through the arts.

BACKGROUND

Established in 1967

Reauthorized in 1982, 1992, 2002, and 2012

GOVERNANCE

15-member board of non-salaried, Governor-appointed commissioners.

PURPOSE & FUNCTION

Statutorily required duties

- Encourage the study and presentation of the arts
- Encourage public participation in and appreciation of the arts
- Encourage public interest in Arizona's cultural heritage
- Expand Arizona's cultural resources

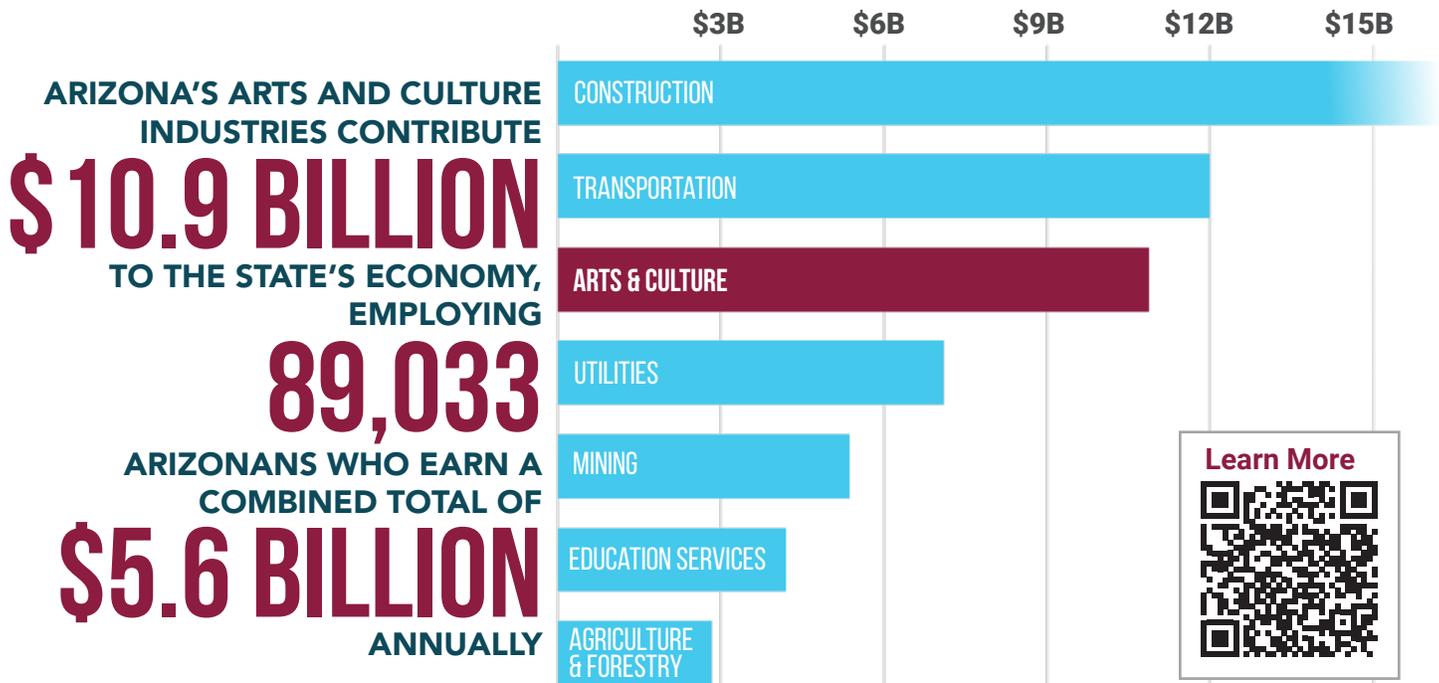
Primary Functions

- Provide Leadership
- Administer programs and services
- Award grants
- Compete for, receive, and disburse federal funding

SINCE 1967, THE ARTS COMMISSION HAS RECEIVED AND ADMINISTERED OVER **\$40 MILLION** IN FEDERAL ARTS FUNDING

ARIZONA'S ARTS & CULTURE SECTOR

The chart below measures the economic impact of Arizona's arts and cultural production, both commercial and nonprofit, in comparison to other industries in the state.

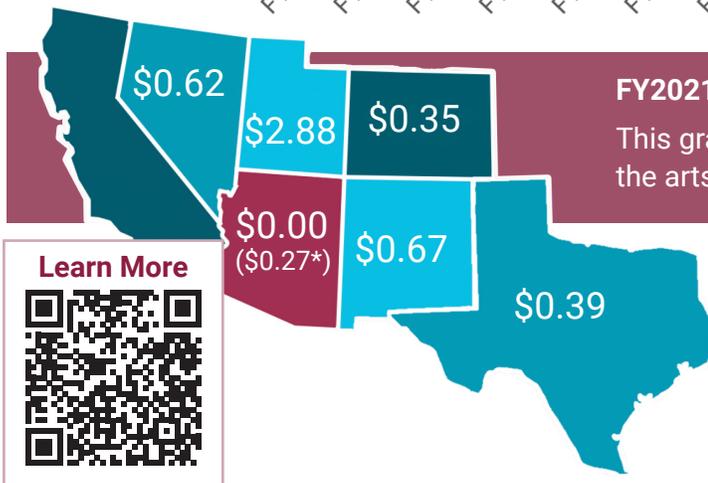
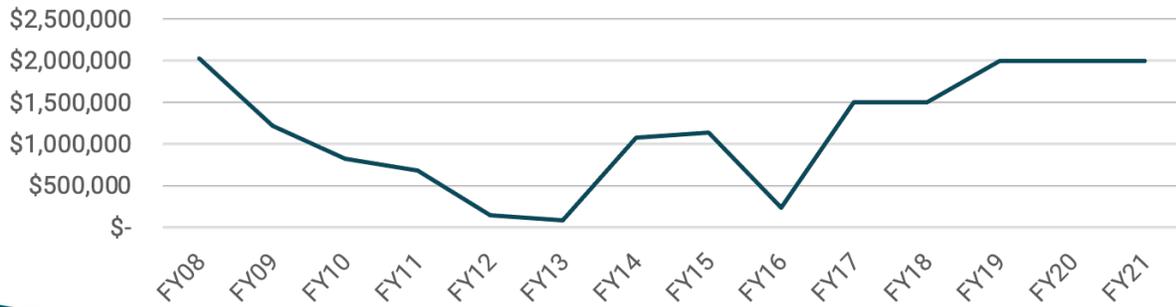


INCREASED EFFICIENCY AMIDST DIMINISHED RESOURCES

AGENCY BUDGET

Legislative appropriations, FY2008-FY2021

The graph below presents legislative appropriations and pandemic-era relief funds to the Arizona Commission on the Arts since the recession.



FY2021 Per Capita Funding: A Comparison

This graphic reports per capita legislative appropriations to the arts for each state in the southwestern United States.

* While the agency did not receive a legislative appropriation in FY2021, \$2 million in emergency relief funding was allocated to the agency, reflected here in parantheses.

Emergency relief funding is not included in the other state totals.

Learn More



AGENCY GRANTMAKING

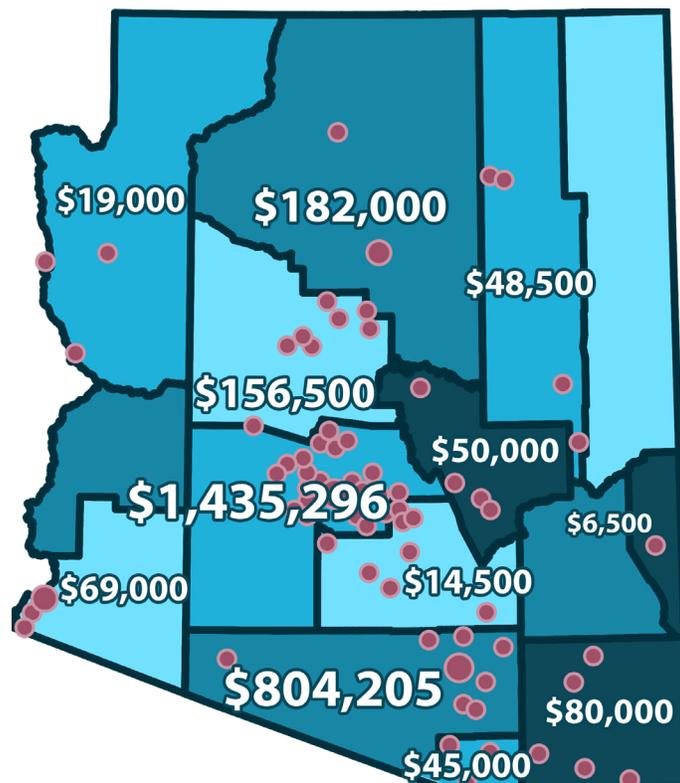
IN FY2021

497 GRANTS

TOTALING

\$2,910,501

WERE AWARDED THROUGHOUT THE STATE



GRANT PROGRAMS

Community Investment Grants

General operating support for nonprofit arts and cultural organizations

Festival Grants

Funding for community arts festivals

Youth Arts Engagement

& Lifelong Arts Engagement Grants

Funding for high quality arts programs for learners across the aging spectrum

Research and Development Grants

Funding support for Arizona artists as they work to advance their artistic practice and expand their creative horizons

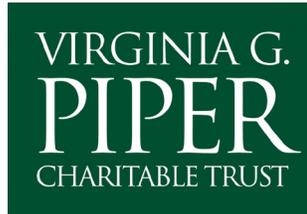
Artist Opportunity Grants

Professional development support for creative workers and entrepreneurs

PUBLIC PRIVATE PARTNERSHIPS



ARIZONA
COMMUNITY
FOUNDATION



FLINN
FOUNDATION



THE UNIVERSITY OF ARIZONA
POETRY CENTER

PUBLIC VERSUS PRIVATE FUNDING

PUBLIC FUNDING VALUES

Fairness

Public funding should reach all communities; we have a particular responsibility to rural, remote, and otherwise underserved communities.

Access

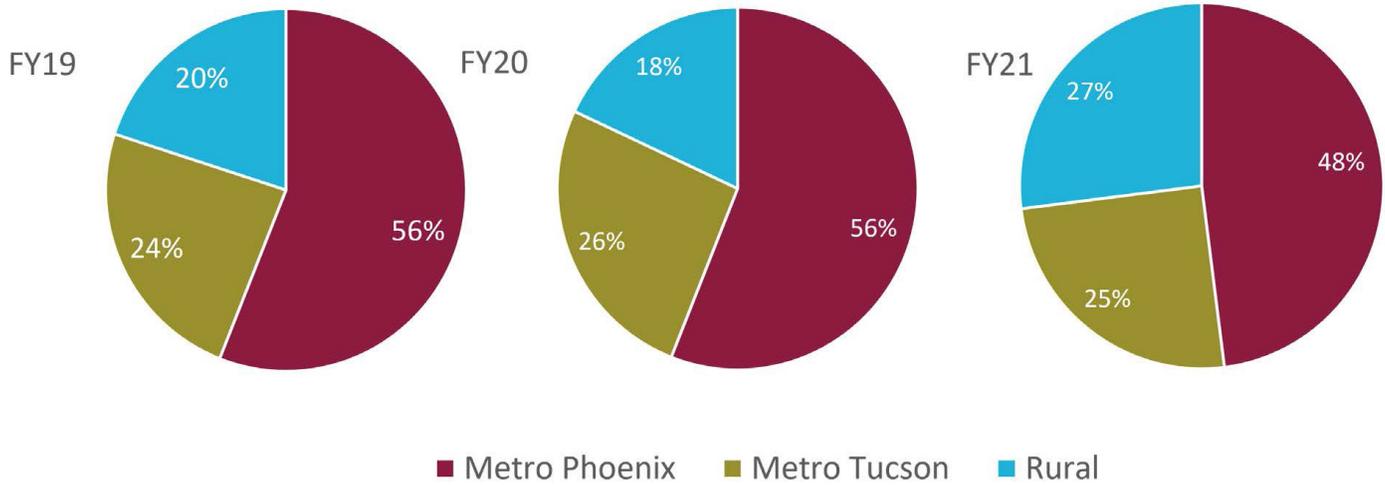
All Arizonans should have meaningful opportunities to participate in and experience the arts and public funding helps remove barriers to public engagement, such as those linked to socio-economic status, geographic isolation, disability, and age.

Transparency

Public funds should be distributed transparently and in accordance with the public interest.

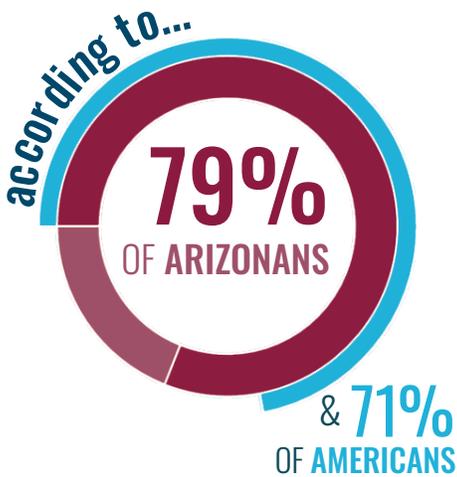
GRANT DOLLARS DISTRIBUTION, RURAL/METRO FY2019 - FY2021

The pie charts below illustrate how the Arts Commission has strategically adjusted its grantmaking in the past three years to ensure fairer distribution throughout the state. In FY2021, 27% of grant dollars were directed to communities outside Arizona’s major metros.

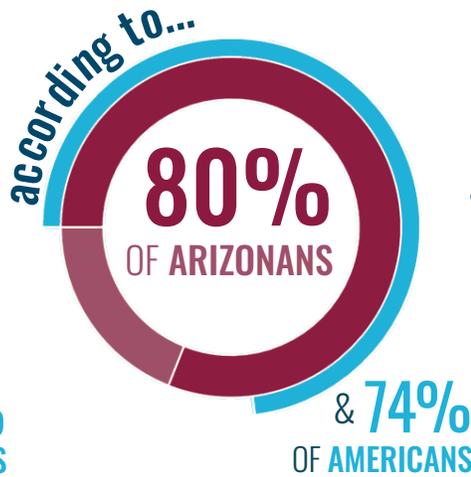


PUBLIC OPINION ON THE ARTS

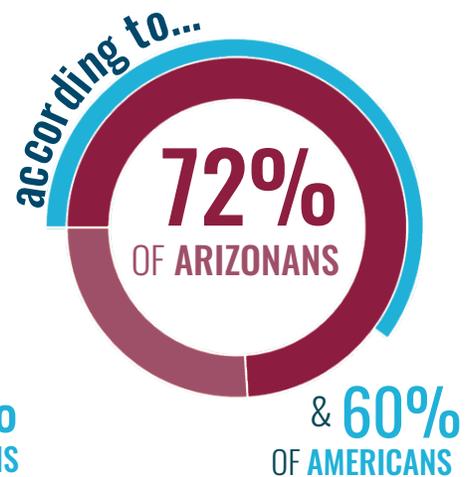
Recent polling reveals that a vast majority of Americans consider the arts a vital resource, contributing to personal well-being, professional success, and societal health. This overwhelmingly positive attitude toward the arts is especially evident in Arizona, where survey results exceeded national averages in all categories.



“THE ARTS HAVE A SOCIAL IMPACT, IMPROVING THE QUALITY AND LIVABILITY OF MY COMMUNITY.”



“THE ARTS HELP STUDENTS PERFORM BETTER ACADEMICALLY.”



“THE ARTS INDUSTRY IS GOOD FOR THE ECONOMY AND SUPPORTS JOBS.”

Learn more about how Arizonans view the arts





Prescott Meals On Wheels

1280A East Rosser Street

Prescott, AZ 86301

Telephone 928-445-7630 Fax 928-445-1725

www.PrescottMealsOnWheels.com

Please remember Prescott Meals On Wheels in your will and trusts.

January 7, 2022

1700 W Washington St
Phoenix, AZ 85007

To the membership of the Arizona Senate Commerce Committee:

I am writing in support of the reauthorization of the Arizona Commission on the Arts.

In my role as executive director of Prescott Meals On Wheels I am able to state from experience the positive role the Arts Commission has played in the wellbeing of the adults we serve through our program.

One of the greatest challenges our program, and others like ours in rural communities, face are those posed by social isolation. Social isolation is associated with adverse health consequences including depression, poor sleep quality, impaired executive function, accelerated cognitive decline, poor cardiovascular function and impaired immunity at every stage of life.¹ Additionally, loneliness and social isolation can be as damaging to health as smoking 15 cigarettes a day² and the senior suicide rate in Yavapai County trends higher than the national average.³

For several years, and in numerous ways, we have used creativity and the arts as an intervention for social isolation. Our efforts would not have been possible without the expertise, guidance and resources of the Arizona Commission on the Arts. The Arts Commission has been instrumental in initial funding, introductions to critical stakeholders and providing us with the guidance to imagine what is possible. Without the agency I doubt that we would have gotten our various creative aging programs off the ground.

These programs utilize visual arts, movement, dance, writing and poetry to engage homebound seniors, improving their quality of life through connection and creativity.

As one participant shared, they felt more engaged with others through the program:

¹ <https://www.apa.org/monitor/2019/05/ce-corner-isolation>

² <https://www.hrsa.gov/enews/past-issues/2019/january-17/loneliness-epidemic>

³ <https://sedona.biz/suicides-in-yavapai-county-significantly-higher-than-national-average/>



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"It means the world to me that that someone cared about what I had to say. It had been at least 10 years, since when I was working as a social worker, that that had happened. I was overwhelmed with joy and felt very connected to my peers."

From another participant, Bill, a veteran diagnosed with end-stage emphysema and COPD who chose to work with a writer/poet:

"I absolutely loved it. I had been writing my own eulogy and I completed it. I redid the whole thing with help from my arts mentor. I am really happy with it. This program is just wonderful and I hope they continue it."

The arts have never been discretionary. The arts are critical to the vitality and wellbeing of us as individuals, as communities, as regions and states.

The mission of the Arizona Commission on the Arts is bold, relevant and necessary; create opportunities for all Arizonans to participate in and experience the arts. Without the Arts Commission's hand of encouragement, resources and support for every single Arizonan who has a desire to participate in artistic engagement, programs like ours that reach vulnerable populations would be diminished.

In addition to the cultural richness the arts provide, it is very important to consider the economic impact the arts contribute in our state. The arts – concerts, museums, festivals, theatrical productions - are destination drivers that generate significant revenue for the communities in which they reside and the state as a whole. We see this especially in our rural Prescott community and the Arizona Commission on the Arts is a multi-faceted resource for many, if not most, of these endeavors.

As you consider the history, contributions and accomplishments of the Arizona Commission on the Arts, my hope is that you will reauthorize the agency to continue their work with the same dedication, high standards and vision that they have successfully demonstrated since 1967.

In the spirit of creativity,

Bert Elizabeth Ijams
Executive Director

Arizona Commission on the Arts

Submitted on September 1, 2021

Contents

- Responses to 13 Sunset Factors: Page 1-19
- Responses to 4 Agency Factors: Pages 20-23
- Attachment: *Agency Strategic Plan*

1. *The objective and purpose in establishing the agency and the extent to which the objective and purpose are met by private enterprises in other states.*

Background

All fifty U.S. states and six U.S. jurisdictions have state arts agencies. Most of these were seeded with federal funding following the establishment of the [National Endowment for the Arts](#) (NEA) in 1966. (A handful of states had already established arts agencies, such as Utah, which established its arts agency in 1899.) These structures were launched with fiscal incentives and “match requirements,” requiring that public funding be matched by other public and private funds sources in support of nationwide access to arts and cultural enrichment.

All of these are government agencies, with the exception of Vermont’s state arts council, a private nonprofit organization that receives, per Vermont state statute, an annual disbursement of funds from the State of Vermont’s general fund.

State arts agencies were created in recognition of arts and culture as a valuable resource. A thriving arts sector can fuel economic growth, reinforce community pride and cohesion, enhance education, and contribute to one’s sense of personal well-being. Just as importantly, the arts are the ultimate expression of our individual freedoms and the innovative spirit which make us uniquely American.

Indeed, the founding fathers of this great nation considered the arts fundamental to their vision of a more perfect union. As George Washington declared in 1781, “the arts and sciences, essential to the prosperity of the state and to the ornament and happiness of human life, have a primary claim to the encouragement of every lover of his country and mankind.” In 1780, John Adams, his brother Sam, and John Hancock founded the American Academy of Arts and Sciences “to cultivate every art and science which may tend to advance the interest, honor, dignity, and happiness of a free, independent, and virtuous people.”

In a letter to his wife Abigail, Adams positioned the peaceful study of the arts as an ultimate hope of the American Revolution:

“I must study politics and war that my sons may have liberty to study mathematics and philosophy. My sons ought to study mathematics and philosophy... in order to give their children a right to study painting, poetry, and music.”

It was in this spirit—a foundational belief that the arts are of tremendous general benefit to the country, its industry, and its people—that the [Arizona Commission on the Arts](#) was established as a permanent state agency in 1967.

Arts Commission Objective and Purpose

As established, the Arts Commission's primary functions include providing leadership, programs, services, and grants in support of a robust and diverse arts and culture sector, which can, in turn, deliver valuable services and benefits to Arizona's communities. These functions are coincident with the agency's statutorily required duties which include (ARS 41-982, 41-983):

- Stimulating the arts in Arizona by encouraging the study and presentation of the arts as well as encouraging public interest and participation;
- Working with arts organizations in the State to encourage public participation in and appreciation of the arts; and
- Encouraging public interest in the State's cultural heritage and expanding the State's cultural resources.

The Arts Commission's other significant function is to compete for, receive, and disburse federal arts funding from the National Endowment for the Arts (ARS 41-983). (60% of the NEA's grantmaking budget is delivered via direct grants to nonprofit organizations across the nation; 40% is delivered via a competitive grant process to state arts agencies, as Partnership Agreements.)

In keeping with the arts and culture sector's "matched investment" infrastructure, state arts agencies are required to match their annual NEA grant on a one-to-one basis with a guaranteed allocation of state funds. Since its inception, the Arizona Commission on the Arts has successfully competed for over \$40 million in federal funding, and delivered these funds through grants, programs, and services to the people of Arizona.

The Role of Public Funding in Arizona

Public funding, as delivered by the Arizona Commission on the Arts, is a small but critical component of the public/private partnership model upon which the American arts support system is built. **Most significantly, Arts Commission support serves the public**

interest as defined in Arizona Revised Statutes and ensures that all areas of the state receive the benefit of the arts. In this work we are bound to and guided by a set of values unique to our role as a state agency with a mandate to serve all Arizona residents:

What is a nonprofit arts organization?

A nonprofit arts organization is a business that pursues the development of creative product or provides arts-based services or enrichment to a community. Nonprofit arts organizations do not have owners and instead are governed by boards of directors or trustees. Like nonprofits of other types, a nonprofit arts organization does not exist to create profit for owners or members and instead uses its funds in pursuit of its creative mission and service to its community. On average, American nonprofit arts organizations demonstrate a "60/40" income ratio, meaning an organization's revenue is made up of 60% earned income and 40% contributed income.

- Earned income = Aggregate revenue from ticket sales, memberships, registrations, entry fees, and/or fees from purchases of artistic product, facilities rentals, or services provided.
- Contributed income = Aggregate public funding, private donations.

Arizona organizations historically outperform organizations in other states in the percentage of their annual revenue that is earned versus contributed, leaving them particularly vulnerable to volatility and disruptions in their operating environments, such as those brought forth by the COVID-19 pandemic.

Nonprofit arts organizations are distinct from most for-profit arts ventures as they are established to provide services in addition to artistic "product." Nonprofit arts organizations provide low-cost programs for families, arts education opportunities for youth, and other charitable community-based activities. These services are in many cases guaranteed by modest public investment.

Fairness: Public funding should reach all communities, not just a handful of elite institutions based in major metropolitan areas. We have a particular responsibility to rural, remote, and otherwise underserved communities, which have historically been ignored by private funders (such as private foundations and corporations' charitable arms).

Access: All Arizonans should have meaningful opportunities to participate in and experience the arts. We have a responsibility to remove barriers to public engagement with the arts, such as those linked to socio-economic status, geographic isolation, disability, age, and ethnicity.

Transparency: Public funds should be distributed transparently and in accordance with the public interest. In managing these funds, we are accountable first and foremost to the residents of Arizona.

Leverage Additional Investment: Relatively modest investments of public funding can leverage private investment, as recipients of Arts Commission support are seen by private donors to have earned a "seal of approval," given that Arts Commission grantees have competed successfully in an open public review process and have met the rigorous accountability standards required by Arizona's state arts agency.

Extent to Which Objective and Purpose are Met by Private Enterprise, Elsewhere

The Arts Commission's objective and purpose, as outlined in its statutes and specifically related to the four points listed above, are not met by private enterprise elsewhere in America. In addition, the Arts Commission's comprehensive focus on statewide access to arts and culture and the agency's accountability to the Arizona public make it unique among other funders within the state.

Because the American funding structure is built upon a public/private, matched investment system, state arts agencies like the Arizona Commission on the Arts offer that small but critical component of public funding which private entities cannot supply. (Though private funders also provide critical funding within their more limited jurisdictions.)

Private funders of the arts—whether organized as foundation funders, corporate charities, or individual donors—are not beholden to the same set of principles as public agencies with statewide purview, and rarely have the kinds of reciprocal constituent relationships required of public agencies, which render public agencies accountable to broad and diverse constituencies.

How does the American system of arts funding differ from other nations?

The American system is distinct from arts support in other nations, as every nation invests in its art industry in different ways, at varied levels.

The most perceptible difference is that the American funding structure requires **matched investment**: arts organizations are required to match public investment with private donations, and in addition, most often to earn up to 60% of their income through ticket sales, registrations, and fees.

As examples in other nations: in Mexico, many large arts institutions are funded, programmed, and managed directly by state governments and public sector employees. According to the NEA, "A theatre or orchestra in Germany will likely receive 80% or more of its budget from direct governmental support. In France and Italy, government support at various levels accounts for almost all of the funding for a typical museum. Even the Louvre, which was asked to find private funding as of 1993, raises less than half of its operating budget. In America, direct government support accounts, on average, for 13% of a non-profit arts organization's total budget."

Private funders’ rationales for supporting the arts complement, but do not encompass or fulfill, the objective and purpose of a state arts agency.

Private and family foundations fund the arts because they have identified arts support as a need in specific communities, because they know investing in the arts will impact their local economy and increase educational opportunities, or because the persons for whom a foundation was established identified the arts as a chief interest.

Corporate funders invest in the arts because they too have an interest in activities which support improved quality of life, and often fund arts initiatives as promotional or advertising tools in what is viewed as a family-friendly, positive industry.

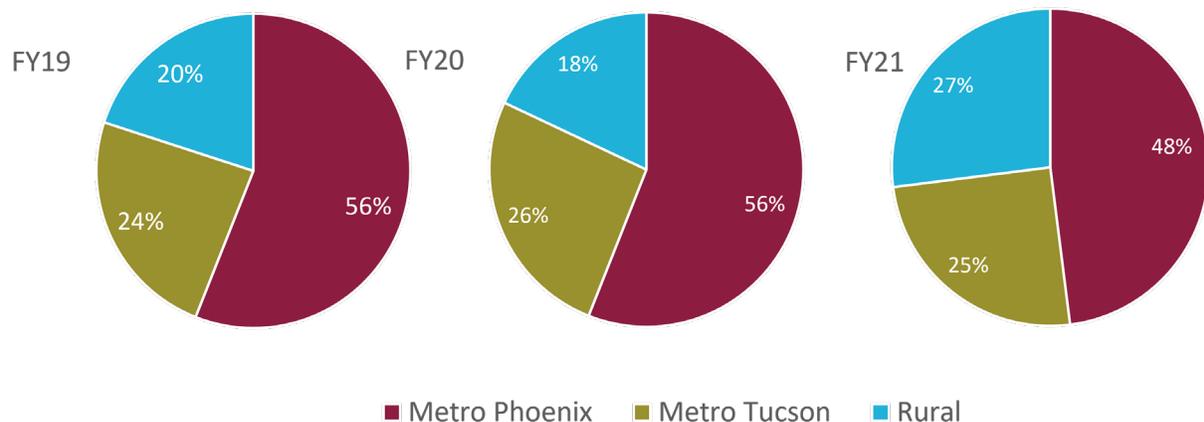
Individual donors’ reasons for supporting the arts are similarly diverse: they might have an interest in a specific creative product, they could be “giving back” to a community, or their motivation might be emotional and personal, resulting from positive, inspirational experiences. Other motivating factors for individual private philanthropy relate to tax benefits.

Even still, [arts and culture represent only 6% of annual charitable giving in the United States](#)—a small slice of pie which is consumed almost completely by large arts institutions in a handful of cities. Smaller cities and rural communities see little if any of that private investment.

Though fourteen percent of the U.S. population resides in rural areas, a [U.S. Department of Agriculture analysis](#) found that only 5.5% of large foundations’ domestic grant dollars went to rural areas. Indeed, this is reflected in Arizona, where major foundation-funders of arts activities generally fund a cohort of approximately twenty organizations, with all but one located in the Phoenix and Tucson metro areas.

By contrast, [14% of both national and state funding for the arts goes to rural communities](#). The Arizona Commission on the Arts has taken their responsibility to the state’s rural communities significantly further, directing, on average, 19% of their grant funds to communities outside the Phoenix and Tucson metropolitan areas. In Fiscal Year 2021, the agency directed emergency funding strategically, prioritizing those organizations with the least access to relief. As a result, the percent of grant dollars delivered to Arizona’s non-metro communities rose to 27%.

Figure 1. Geographic distribution of grant dollars, rural versus metro communities, FY2019 – FY2021



Geographic distribution of grant dollars awarded by the Arizona Commission on the Arts as a percentage of total grantmaking in Fiscal Years 2019, 2020, and 2021.

In summary, with the exception of Vermont's state arts agency (a private nonprofit which, as enshrined in Vermont law, receives an annual disbursement of funds from its state government), **there are no examples of private nonprofit organizations or foundations which serve statewide constituencies and whose missions allow them to adequately provide equitable access to arts resources, ensure that funds are distributed according to the public interest, and assist nonprofit arts organizations in leveraging private investment.**

2. *The extent to which the agency has met its statutory objective and purpose and the efficiency with which it has operated.*

Fulfilling Our Mission

As previously noted, the Arts Commission's statutorily required duties (as outlined in ARS 41-982, 41-983) include the following:

- Stimulating the arts in Arizona by encouraging the study and presentation of the arts as well as encouraging public interest and participation;
- Working with arts organizations in the State to encourage public participation in and appreciation of the arts; and
- Encouraging public interest in the State's cultural heritage and expanding the State's cultural resources.

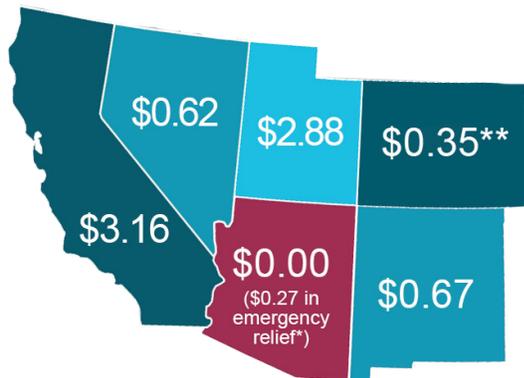
These objectives, assigned to the agency at its inception, are still central to the agency's mission. The Arts Commission remains dedicated to this work and has done it with exceptional efficacy for over half a century.

In the 54 years since the establishment of the Arts Commission, Arizona has experienced tremendous growth. This growth is reflected in the state's arts and culture sector. In 1967 the Phoenix Art Museum occupied a space less than half its current size, while the Arizona Theatre Company (then called Arizona Civic Theatre) was presenting their work in a Tucson hotel.

In 2019, Arizona's arts and culture industries contributed \$10.87 Billion to the state's economy, employing nearly 89,033 Arizonans. These creative workers earned a combined \$5.59 Billion. As an industry, arts and culture contributes more to the State's economy each year than mining, agriculture, and forestry combined ([Arts and Cultural Production Satellite Account \(ACPSA\) Report](#), produced jointly by the NEA's Office of Research & Analysis and the Bureau of Economic Analysis, U.S. Commerce Department).

Over the decades, public funding has not kept pace with the advancement of the arts and culture sector, with the State of Arizona routinely investing less in per capita arts support than any state in the union. Among its southwestern US neighbor-states, Arizona is an outlier: while the State of Utah will invest \$2.88 per resident in arts and culture in Fiscal Year 2022, Arizona will invest \$0.00 from the state’s General Fund and \$0.27 per resident in Federal emergency relief funding.

Figure 2. Per capita legislative appropriations in the Southwest, Fiscal Year 2021



This graphic reports per capita legislative appropriations to the arts for each state in the southwestern United States.

** Emergency relief funding is not included in the other state totals.*

*** Colorado’s per capita figure does not include \$50 million generated annually by the Scientific and Cultural Facilities District tax initiative supporting seven Colorado counties.*

That the state’s arts sector continues to grow and thrive in this funding environment is a testament to both the sector’s tenacity and the vital role that public funds play in supporting it. The success of both factors is evident in recent growth within the sector.

In March 2020, the Arts Commission saw a record number of nonprofit arts organizations apply for operating support, representing a 22% increase over 2019. Of the 46 new applicants, 72% had annual operating budgets below \$100,000 and 30% were located in rural and remote communities. Growth was also seen among large and well-established arts institutions, as the number of organizations with annual budgets exceeding \$550,000 increased from 46 in 2019 to 53 in 2020. (It should be noted that this batch of applications was submitted on March 12, 2020, and represents pre-pandemic realities.)

The COVID-19 pandemic exposed and exacerbated the structural weaknesses of the state’s arts funding infrastructure. In the absence of adequate private investment, the sector’s over-reliance on earned revenue rendered it especially vulnerable to a crisis that called for the immediate and long-term cancelation of large public gatherings and the shuttering of enclosed community spaces.

In a recent survey of Arts Commission grantees, a majority of arts and culture organizations reported earned revenue losses of 70%-100% from March-October 2020. With their primary sources of earned revenue cut off, arts organizations scrambled to solicit charitable contributions at a time of global crisis, competing for relief dollars in a time of unprecedented, almost universal demand.

From an administrative standpoint, the Arizona Commission on the Arts was well-positioned to support the sector, even as immediate monetary resources were extremely limited. [The agency responded with incredible speed, agility, and efficiency.](#)

Among the actions executed within the first 45 days of the pandemic, the Arts Commission:

- Delivered relevant and timely news and information throughout the sector,
- Directed organizations and creative sector workers to relief funding programs and resources,
- Helped build peer networks through which arts workers could collaborate, share resources, and develop innovative solutions to pandemic-era challenges, and
- Leveraged strong partnerships with local and regional funders to establish and administer an emergency relief fund specifically for Arizona artists and arts workers.

As the summer progressed, and federal relief funds were allocated to the arts sector, the Arts Commission adapted its existing grantmaking infrastructure to swiftly deliver more than \$2.7 million in emergency relief to 600+ arts organizations, arts-focused businesses, and creative workers throughout the state between April and August 2020.

We cannot yet measure the full impact of the ongoing pandemic nor of the Arts Commission's response to it. **We can say with certainty, however, that only an agency of state government could have responded with the speed, efficiency, authority, and statewide purpose with which the Arts Commission provided critical and timely support to Arizona's arts sector.**

Increasing Efficiency Amidst Diminished Resources

The Arts Commission was established to provide leadership, programs, services, and grants to serve the public interest as defined in Arizona Revised Statutes and ensure that all areas of the state receive the benefits of the arts. In support of this objective and purpose, the Arts Commission continues to increase efficiency amidst diminished resources, while maintaining superior constituent feedback ratings and exceptional praise from its federal funder, the National Endowment for the Arts.

The Arts Commission sustained sizable funding decreases during the long recession of 2009-2012. The agency's \$2.1 million General Fund appropriation was eliminated, the \$20 million publicly held Art-Share Endowment was swept, and the agency's remaining fund source, the Arts Trust Fund, endured several reductions.

What is the Arizona Arts Trust Fund? ARS 41-983.01, 41983.02

The Arizona Arts Trust Fund was established in 1989 as a supplemental statewide funding source for the arts.

In recognition of a vibrant arts industry's pivotal role in attracting lucrative corporate contracts to Arizona, as well as its role as an economic driver in local communities (rural communities in particular), Governor Rose Mofford and the Arizona State Legislature—with the support and encouragement of the statewide business community—sought to broaden state arts support.

Arizona businesses are required to file annual reports with the Arizona Corporation Commission at a rate of \$45 per year. With the establishment of the Arts Trust Fund, the Arizona State Legislature directed \$15 from every annual Corporation Commission filing fee to the Arizona Commission on the Arts.

Receipts are delivered monthly to the Arts Commission and disbursed statewide through existing operating support and arts learning grant programs.

From FY2014 to FY2022, the Arts Commission received between \$1 and \$2 million from the State of Arizona (apart from FY2016, when \$0 was allocated), appropriated as discrete one-time annual disbursements. The Arts Commission budget has not to date returned to pre-recession funding levels.

Nevertheless, the Arts Commission has consistently delivered superior service to its constituents and earned national recognition as one of the country’s most innovative and strategic arts agencies.

Measuring Our Success

The Arts Commission receives high satisfaction ratings in its annual surveys.

Sample Annual Performance Measure	FY2017	FY2018	FY2019	FY2020	FY2021
Overall constituent satisfaction rating, scale of 0 to 8	6.9	7.1	6.6	7.2	7.0

Similarly, the NEA has consistently ranked Arizona’s Arts Commission as one of the leading arts agencies in the country. Most recently the Arts Commission’s Partnership Agreement panel review, for funding in FY2021 through FY2023, was overwhelmingly positive.

Reviewers praised the Arts Commission’s focus on “asset-based frameworks and meaningful cross-sector partnerships,” and its “commitment to Arizona communities, its agility, and the ingenuity of its strategic planning process.”

The agency also received kudos for its data-driven approach and implementation of technological tools such as Salesforce and DataArts’ Cultural Data Profile.

One reviewer applauded the Arts Commission’s “fantastic work bringing in outside funding through mutually-beneficial partnerships,” while another called the agency’s Youth Arts Council “a national model,” and its work in the burgeoning field of Creative Aging “exemplary.”

Finally, the Arts Commission’s planning methods were cited as “inventive, comprehensive, flexible, and well-conceived.... adaptive processes that are nimble and responsive to meeting growing demands of a diverse and expanding population.”

3. The extent to which the agency serves the entire state rather than specific interests.

Service to the Entire State of Arizona

Sample Annual Performance Measure	FY2017	FY2018	FY2019	FY2020	FY2021
Individuals benefitting* from programs sponsored by agency (in millions)	8.90	8.62	8.93	10.18	9.05
Number of AZ youth served* by agency programs and initiatives (in millions)	2.0	1.7	1.8	1.8	1.5

* Figures are collected from grantee self-reporting in annual final reports and represent individual engagements. For example, a single person who attended five separate performances presented by a grantee counts as five individual engagements.

The Arts Commission takes very seriously its charge to serve the public interest and to ensure that all areas of the state receive the benefits of the arts. With this as its core philosophy, Arts Commission programs and services are constructed atop a foundation of long-term, reciprocal relationships with diverse constituencies and stakeholders. Through comprehensive surveying, assessment, and statewide planning, constituents have opportunities to articulate community needs, those needs are analyzed, and then programs are developed and delivered in service to statewide communities.

The Arts Commission also ensures service to the entire state as opposed to special interests by involving broad constituencies in agency planning and grantmaking, through open and transparent processes.

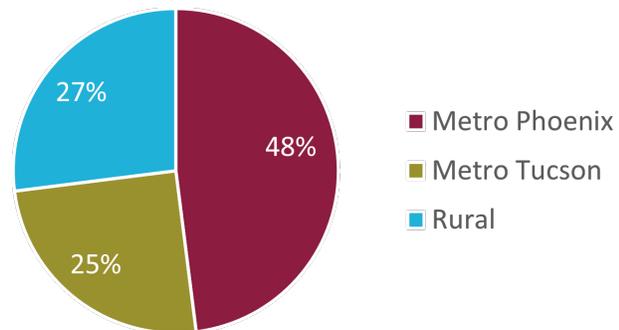
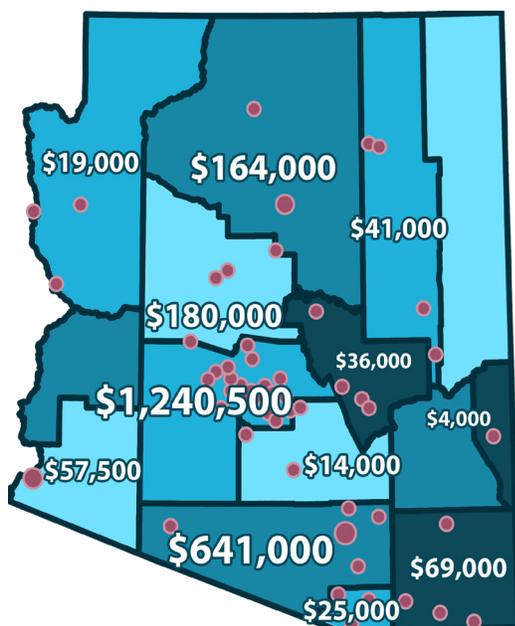
As one example, agency grants to arts organizations and schools are reviewed in open public processes, by panels of residents from across Arizona. Panels' recommendations are ultimately approved by the Arts Commission's 15-member, Governor-appointed Commission (ARS 41-981). Indeed, the grantmaking process is open to the public at every stage of review: applications are solicited from communities statewide, the applications themselves are a part of the public record, and panel meetings (as well as meetings wherein Governor-appointed Commissioners approve the panel recommendations) are promoted and open to the public.

Service to the Entire State, through Grantmaking

On average, the Arts Commission makes 400+ grants annually, a number that far exceeds the reach of any other arts funder in the state. For many arts organizations providing service outside of Arizona's metro areas, Arts Commission support might be the only institutional support to which they have regular access.

In Fiscal Year 2021, the Arts Commission delivered \$3.12 million in funding support throughout Arizona, to nonprofit arts organizations, artists, and creative sector workers. 27% of those dollars went to communities outside the Phoenix and Tucson metropolitan areas.

Figures 3 & 4. Distribution of grant dollars, rural versus metro communities, FY2021



The pie graph (above) presents the relative proportions of total grant dollars delivered to communities within and outside the metropolitan areas of Phoenix and Tucson. Here, "rural" is used to describe any community outside metropolitan Phoenix and Tucson.

The map (left) reports on the distribution of grant funding, by county, delivered throughout the state by the Arizona Commission on the Arts in FY2021. Red dots represent specific communities where funding was delivered.

The Arts Commission serves the entire state through its diverse slate of grant programs.

Grants to [non-profit arts organizations](#) provide critical operating support which leverages public benefit. [Arts Learning Grants](#) support arts education opportunities for young people, as well as access to participatory, meaningful arts experiences for people of all ages. [Festival Grants](#) support cultural events, most often in rural communities, which draw tourism and create economic benefits, and grants for artists and arts-focused businesses support [entrepreneurial activities and public engagement](#).

Additionally, special funding initiatives throughout the years have been successful in opening up new avenues of service for Arizonans. As one example: in Fiscal Years 2014-2015, the Arts Commission supported the development of arts programs for veterans through the Honoring Our Servicemembers Grant. With this initial, modest project grant, arts organizations were able to develop partnerships and garner private funding to sustain and grow these programs. Today, programs such as Arts in Service at the Mesa Arts Center and the AZ Veterans Art Program, which takes place in 10+ locations across the state from Prescott to Apache Junction, provide free classes and other services for Arizona veterans.

Service to and within Remote and/or Underserved Populations

Additionally the Arts Commission operates in the statewide public interest through its service to and within remote and/or underserved populations. Examples include:

Service to Arizona's Indigenous Peoples/Sovereign Nations: The Arts Commission delivers service to this diverse constituency through grantmaking to tribal museums and cultural organizations and by supporting tribal cultural tourism. The agency also [supports tradition-bearers and Native Artists through its partnership with Southwest Folklife Alliance](#) and through direct programs, such as AZ ArtWorker, which included the Tohono O'odham Nation capital of Sells as one of its four geographic communities. To guide and shape its service to Indigenous Peoples and Sovereign Nations in Arizona, the Arts Commission has adopted policies in alignment with the Governor's Office on Tribal Relations.

Service to Rural and Remote Communities: The Arts Commission provides leadership in service to rural and remote communities through exclusive eligibility or priority consideration in grant funding, and dedicated programming, such as AZ Creative Communities' (AZ CCI) multi-year engagement with the rural communities of [Casa Grande](#), [Douglas](#), [Flagstaff](#), [Globe](#), and [Yuma](#).

Through AZ CCI, small teams (made up of community and business leaders, education professionals, and various non-arts-sector representatives) worked alongside artists to consider each community's unique creative assets and design arts projects to increase public engagement. Rural projects for this discrete program engaged 10,000+ residents, and overall the program [increased philanthropic investment in the arts in rural Arizona](#).

Arts Commission staff participate as speakers for annual Rural Policy Forums and routinely select rural communities for agency convenings, to alleviate travel barriers for constituents and to provide direct access to professional development offerings meant to develop economic opportunities and honor the history and potential of rural Arizona communities.

Service to People of all Abilities: In the last decade, the Arts Commission conducted a multi-year initiative to bring grantees into compliance with Americans with Disabilities Act (ADA) law and to ensure the reduction of physical and social barriers for Arizonans with disabilities, and maintains ADA requirements within its grantmaking. Constituents may request publications

in alternative formats and the agency integrates accessibility accommodations into its public programs to model best practices. In partnership with ARTabilityAZ, the agency encourages Arizona's arts organizations to aim beyond mere ADA compliance to provide better, deeper, more relevant services to Arizonans with disabilities, maintains a network of accessibility coordinators at arts organizations across the state, provides free workshops and reference materials, offers guidance on best practices, and advises on new technologies and techniques.

Service to Older Adults: Engagement in arts and culture has many proven benefits for older adults, including fewer doctor visits and less medication use, improved cognitive measures, and self-reported higher morale and less social isolation ([The Creativity and Aging Study](#)). One of the Arts Commission's most ambitious programs to date, AZ Creative Aging aims to build a creative aging infrastructure to enhance quality of life for older Arizonans. In the first 3 years (FY2016-2018), with funding from Virginia G. Piper Charitable Trust, AZ Creative Aging provided training to teaching artists, arts organizations, and aging/healthcare service providers; supported the development of high-quality arts programs for older adults; and embedded creative aging knowledge and best practices in communities. The expansive learning platform included direct programming with aging/healthcare service organizations, and seeded many programs and partnerships between arts organizations and the aging services sector, resulting in robust offerings for older adults.

With another two years of support from the Piper Trust, AZ Creative Aging 2.0 launched in January 2019 with a 5-part comprehensive strategic visioning process that convened teaching artists, arts organizations, and older adult/healthcare organizations. AZ Creative Aging 2.0 gathered information from local leaders and creative aging experts to articulate a set of values and strategies to advance the creative aging movement in Arizona. Currently, the initiative is focused on a yearlong engagement with organizations serving older adults in rural and remote Arizona communities.

Service to the Entire State, through Partnerships

As previously articulated, in the midst of the global pandemic crisis, the Arts Commission was able to distribute relief funds broadly, swiftly, and efficiently thanks largely to its expansive network of partnerships. The Arts Commission relies on these long-term and productive relationships with local partners and other state agencies to complement and deepen the statewide impact of the agency's work.

Partnerships which have an impact on statewide service include:

Southwest Folklife Alliance (SFA): Through the State Partnership Grant, the National Endowment for the Arts provides state arts agencies with support for stable, professionally directed programs that are responsive to a state's diverse folk and traditional arts heritage. Since 2014, the Arizona Commission on the Arts has partnered with the Southwest Folklife Alliance (SFA) [to serve as the state's official folk arts partner](#). SFA is the first dedicated folklife organization in the region focused solely on uplifting, supporting, and presenting the work of traditional artists year-round. Their mission is to build more equitable and vibrant communities by celebrating the everyday expressions of culture, heritage, and diversity in Arizona and the Greater Southwest. Through this partnership, the Arts Commission serves folk and traditional artists, particularly in Tribal Nation communities, with grant funding, technical assistance, and other resources to support their cultural traditions and entrepreneurial work.

Local Arts Agencies (LAAs): A [local arts agency](#) is a nonprofit or government entity that is created to meet the cultural needs of a community and to foster an environment in which artists and arts organizations can flourish. LAAs may provide services; coordinate, present, and run programs; fundraise; administer and distribute grants; and educate, stimulate, and nurture the cultural life of the community. The Arts Commission works closely with local arts agencies in cities throughout the state to connect their communities with Arts Commission funding and programs.

Private Funders and Foundations: The Arts Commission partners with many private funders and foundations, such as the [Arizona Community Foundation](#), [Community Foundation for Southern Arizona](#), [Virginia G. Piper Charitable Trust](#), and the [Flinn Foundation](#), to expand the reach of both public and private investments. As described previously, most of these foundations have a narrower scope than the Arts Commission, and depend on/engage the Arts Commission as a trusted partner to a) access the Arts Commission's various networks of artists, arts workers, organizations, arts education programs, and community-based arts and cultural programs, and b) help broaden the scope and reach of foundations' investments, again by leveraging the Arts Commission's breadth of service and the strength of its diverse statewide relationships.

Service to the Entire State, through Statewide Data Collection and Analysis

Arizona Cultural Data Project (AZ CDP): The Arizona Commission on the Arts believes that superior service begins with solid data. AZ CDP is central to our efforts to better understand the health and needs of the arts sector. Using SMU DataArts' Cultural Data Profile, AZ CDP collects and synthesizes financial information from hundreds of nonprofit arts and culture organizations each year. Organizations may also use CDP to explore their own financial data to diagnose areas of concern and guide decision making. AZ CDP launched in January 2011 and has remained a strong example of public/private partnerships, as local private foundations contribute financial resources, and public agencies provide technical assistance to make this a powerful tool for a broad set of organizations, including small and rural arts organizations.

Arizona Department of Education (ADE): The Arts Commission maintains a close partnership with ADE, allowing each agency to deepen its service to its core constituencies. Among other activities, the entities collaborate on [statewide arts education research](#), under the title Arizona Arts Education Data Project, which provides data on availability and access to arts education opportunities in Arizona schools. The first full Census, released in 2010, was conducted via survey and followed by an update in 2012/13. Beginning in 2016, the Arizona Arts Education Data Project began utilizing existing state department of education data sets to present year-over-year data via an [online interactive dashboard](#).

4. *The extent to which rules adopted by the agency are consistent with the legislative mandate.*

The current rules adopted by the Arts Commission are consistent with its statutory mandate.

5. *The extent to which the agency has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.*

Encouraging Broad Public Input in All Agency Work

While the agency doesn't promulgate rules, the Arts Commission regularly engages the public in its long-term planning processes and as part of its regular, statutorily indicated activities. As articulated within the responses to Sunset Factor 2, within its most recent annual NEA application review, the Arizona Commission on the Arts received superior marks for its comprehensive public outreach efforts and strategies.

The agency solicits broad public input through annual surveys and through local arts agency partners, collects survey feedback at the end of every grant application and through final reports, and regularly conducts focus groups and input sessions to inform programs and practices. Additionally, as mentioned in Sunset Factor 3, agency grants are reviewed in open public processes, by panels of residents from across Arizona.

The agency takes care to ensure individuals from underserved communities are represented on grant panels and in program planning by focusing listening sessions and survey work with identified constituencies and partnering with organizations that have established relationships with said constituencies. Because the Arts Commission considers qualitative data to be as instructive as quantitative data, where appropriate during planning processes, constituent anecdotes and inquiries are categorized and reviewed by staff and governor-appointed Commissioners to examine common themes and trends.

How does the Arts Commission comply with Arizona's Open Meeting Law?

In compliance with Open Meeting Law requirements, the Arts Commission takes the following actions related to meetings:

- Notification statements are filed with the Secretary of State's Office;
- Meeting notices are posted in the proper locations at least 24 hours before agency meetings;
- Meeting minutes are maintained for all public meetings, including quarterly Commission meetings, listening sessions and grant review panels; and
- Meeting notices are catalogued on the agency's [online calendar](#).

Engaging the Public in Agency Planning

The Arts Commission's most recent strategic planning process is indicative of the agency's longstanding listening and evaluative culture.

Constructed during the depths of the Great Recession and in response to the era's substantial Arizona impacts, the Arts Commission's previous plan, *Building an Artistic Future for Arizona* (BAFA), concluded in FY2016. The BAFA plan was significant in its scope, experiential engagement strategies, and the ways it changed the agency's operating ethos: to consider engagement, evaluation, and analysis holistically and at the center of services.

At the close of the BAFA plan, the Arts Commission took stock of its progress and began to envision the contours of a new community-engaged plan that could be co-created with myriad constituencies.

The agency also had to consider what had become its new operating environment: For nearly a decade, the majority of state funding received by the Arts Commission has been positioned as one-time, fiscal-year-limited allocations. Without certainty in funding or scope from year to year, the agency shifted its focus to versatile approaches, relationships built on trust, and intra- and cross-sector partnerships within its strategic plan methodologies. As a result, the agency develops plans that are adaptive, shaped by Arizonans' participation and contributions, and that lead to service implementation that can expand, deepen, or contract depending on resource realities in a given year.

It was with this understanding that the Arts Commission launched the *Next50* initiative in its 50th anniversary year, conceived as “a series of engagements designed to empower communities to activate creative assets and co-create ideas to fuel Arizona’s next 50 years.” **The *Next50* initiative was a one-year period of listening, learning, story-gathering, and research, which ultimately led to the current *NextAZ* plan.**

The *NextAZ* plan is a direct response to feedback and engagement driven by participation in the initiatives and planning strategies listed in the sidebar. Language and approaches were workshopped at quarterly board meetings, open to the public, as well as within public-facing activities.

Methods for communicating results to the public mirrored strategies employed during plan development, with ongoing public engagement and input at the core. Tactics included connections with local radio, television, community/neighborhood newspapers, and various social media campaigns. These engagements were treated as ongoing invitations for public participation, as opposed to conclusive or promotional in nature.

After the *NextAZ* plan was released and sent to contributors, the Arts Commission shared the new plan during community meetings and presentations. That year, FY2018, Arts Commission staff achieved a record number of engagements with “other-sector public policy forums, in order to integrate the arts,” as articulated in the agency’s State of Arizona performance metrics. Forums included presentations to other public agencies, community organizations and foundations, business associations, mayors’ conferences, education policy summits, et cetera. At over 150 such presentations that year, staff solicited additional engagement on *NextAZ* plan elements, formed relationships, and promoted Arts Commission services.

Next50 Planning Strategies

Launched in FY2017 and predicated on a desire to make the process itself valuable to Arizonans, **Next50** engaged a broad array of stakeholders in “actively imagining and devising ways for the arts and culture sector to position arts, culture, and creative practice at the center of a new, productive narrative about the future of Arizona.”

Sample strategies employed to ensure statewide public input in the construction of the agency plan include:

- *Creative Spark*: One of several engagement efforts that generated broad participation via [stories](#) and shared work. As in other strategies of the period, engagement was solicited through radio, television, social media, and a raft of community newspapers. Community voices and contributions were considered by staff, board, and partners as plan drafts were developed.
- *First50 Research*: A comprehensive scan and analysis of extant research and engagement that resulted in 50 individual interviews. [First50](#) explored goals articulated by the Governor, State Legislature, and arts, education, and business leaders at the time of the agency’s establishment, against sector outcomes achieved in the subsequent 50-year period.
- *Planning strategies within service delivery*: Within *Next50* engagements, the Arts Commission heard from arts sector representatives that standalone planning methods were not viable or desired after long periods of financial uncertainty. The agency therefore endeavored a) to build out relevant planning strategies as part of service delivery, and b) to center planning and relationship-building with artists, educators, public officials and agencies, community groups, and businesses in new initiatives.

Additional planning strategies included but were not limited to: community feedback sessions, constituent consultation in program renovation, and survey instruments.

In this strategic planning process as in all of its processes, the Arts Commission solicits constituent feedback to shape and improve programs and services. To advance plan goals, the agency utilizes program-focused survey tools and other evaluative methods that align with the current plan and the State of Arizona's required data collection. The strategic plan and annual workplans are published to the agency website for public review each fiscal year, then evaluated and updated with agency results at fiscal year-end. Plan-specific initiatives and programs are revealed and explained in detail on the agency website and social media sites, as well as during statewide meetings and site visits.

6. *The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction and the ability of the agency to timely investigate and resolve complaints within its jurisdiction.*

This factor does not apply since the Arts Commission does not have investigative or regulatory authority.

Though the Arts Commission does not have investigative or regulatory authority, the agency takes great care to ensure its grantmaking processes and services provide value to and are accountable to the public.

In tandem with [open public grant review processes](#), the Arts Commission has constructed an efficient, sophisticated grantmaking system which requires grant recipients to provide proof of eligibility, compliance, and accountability at several procedural stages. These systems are routinely evaluated by grant recipients, agency staff, and the agency's Governor-appointed Commission, who then implement improvements and efficiencies to ensure the most prudent stewardship of public funds.

7. *The extent to which the attorney general or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation.*

This factor is not applicable as the Arts Commission is not a regulatory agency with enforcement or oversight responsibilities.

8. *The extent to which agencies have addressed deficiencies in their enabling statutes that prevent them from fulfilling their statutory mandate.*

The Arts Commission has not sought any recent changes to its enabling statutes.

9. *The extent to which changes are necessary in the laws of the agency to adequately comply with the factors listed in A.R.S. § 41-2954.*

The Arts Commission has not requested statutory changes related to the fulfillment of these factors.

10. The extent to which the termination of the agency would significantly affect the public health, safety, or welfare.

Allowing the Benefits of the Arts to be Provided to All Areas of the State

Through the Arts Commission, the State of Arizona serves the public interest, enhances the depth and reach of other government services, and ensures all areas of the state receive the benefits of the arts.

Most practically, without an Arts Commission, Arizona would be ineligible to receive or distribute federal funding from the NEA. Since its inception, the Arizona Commission on the Arts has successfully competed for over \$40 million in federal funding, which was delivered statewide through grants, programs, and services.

In addition, without an Arts Commission, Arizonans would suffer in the following areas:

- **Harm to Statewide Economic Development Efforts, Through the Arts and Culture Sector:**

- » Annual Arts Commission grants to an average of 250 nonprofit arts businesses would be eliminated.

- » Because Arts Commission grants serve as a catalyst to raise other types of funds, and because most funding opportunities are based on public/private matched investment systems, arts organizations and arts-based businesses would become less competitive for other public, private, corporate, and donor funding. (Most Arts Commission grants require recipients match their state contributions with other funding sources.)

On Leverage

Over the last five fiscal years, the State of Arizona invested an **average of \$2.8 million** annually in statewide arts participation opportunities. This investment has been **matched by an average of \$205 million** annually in earned revenue plus other public, private, corporate, and donor funding.

Data collected within grant recipients' annual final reports

- » Critical professional development and technical assistance provided by the Arts Commission—for thousands of statewide artists, educators, and arts professionals on an annual basis—would be eliminated. For small and rural Arizona communities in particular, these services are the only such services available, which provide development and training to increase professional acumen and competitiveness for private funds.

- » Nonprofit arts organizations and arts-based businesses, receiving less support, could eliminate jobs, terminate public programming, and/or be forced to shutter their doors. This negative effect would be felt most in small and rural communities where public funding has a more significant per capita investment and impact.

- **Harm to Statewide Economic Development Efforts, Beyond the Arts and Culture Sector:**

- » Local economies would lose critical tax revenue generated by arts activities in cities and towns.
- » Local businesses and vendors (hotels, restaurants, gas stations, fabric shops, hardware stores, et cetera) would lose essential revenue generated by arts businesses and patrons.
- » Arizona would significantly inhibit its ability to attract businesses seeking to locate in states which offer a variety of recreational and cultural amenities to employees and their families.

- **Harm to Community Wellbeing:**

- » People who participate in the arts are more inclined to participate in other forms of public engagement, and public engagement fosters civic health and community pride. Without support from a state arts agency, public/private partnership opportunities and “creative sector solutions” which result in increased civic involvement, and increased new business development, could be missed.

- **Harm to Statewide Access to Arts and Culture:**

- » Arizona’s rural residents could lose access to arts programming and arts education opportunities.
- » Arizona would lose its ability to support and protect that which is uniquely Arizonan, our state’s cultural treasures, traditions, and institutions.

Further, compared to Americans on average, Arizonans are particularly inclined to view the arts as a vital and valuable component of personal, social, and civic life.

According to polling conducted by Ipsos Public Affairs on behalf of Americans for the Arts in May 2018, 80% of Arizonans believe the arts help students perform better academically; 70% believe that the arts improve healing and the healthcare experience; and 54% agree that the arts are helpful to military personnel transitioning back to civilian life.

Economic Impact of Nonprofit Arts & Culture Organizations

Nonprofit arts and culture organizations are valuable contributors to the business community. They attract audiences, spur business development, support jobs, generate government revenue, and are key promoters of their cities and regions.

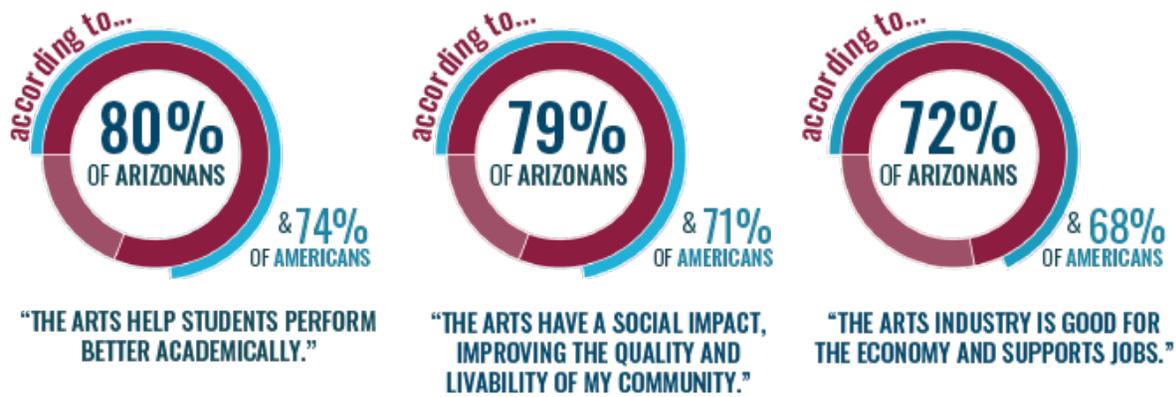
Total Annual Expenditures by Audiences and Organizations

(most recent study, 2015)

Flagstaff	\$89,796,542
Mesa	\$29,638,169
Phoenix	\$401,780,785
West Valley Region	\$22,984,470

[Americans for the Arts, Arts & Economic Prosperity V: Economic Impact of Non-profit Arts and Culture Organizations and their Audiences](#)

Figure 5. Public opinion on the arts, Arizona versus National results



The graphics above depict polling originally reported in [Americans Speak Out About The Arts in 2018](#) and conducted by Ipsos Public Affairs on behalf of Americans for the Arts in May 2018. The percentage of Arizonans who responded in agreement with each statement is presented alongside the percentage of Americans who responded in agreement.

Arizonans are also especially likely to agree that the arts provide meaning to their lives (82%) and that creativity enhances success in the workplace (74%), compared to the national sample (73% and 60%, respectively). Arizona residents agree that the arts have a social impact and improve the quality and livability of their community (79%), and in Arizona, there is consensus when it comes to how the arts impact tourism and the economy, with almost nine-in-ten adults in agreement that the arts attract travelers and are good for tourism (87%) and that the arts industry is good for the economy and supports jobs (72%). Loss of these benefits would be felt deeply by Arizonans.

It is because America's forefathers recognized the benefits of arts and culture on local economies and quality of life, and because Arizona's elected leaders chose to extend those benefits to all Arizonans, that the Arts Commission was established, and why it continues to serve.

11. The extent to which the level of regulation exercised by the agency compares to other states and is appropriate and whether less or more stringent levels of regulation would be appropriate.

Since the Arts Commission is not a regulatory body, this factor does not apply.

12. The extent to which the agency has used private contractors in the performance of its duties as compared to other states and how more effective use of private contractors could be accomplished.

Though the Arts Commission does not employ private contractors in the performance of the agency's core duties, it effectively utilizes partnerships and has outlined several already in this report.

Additionally, private entities often engage in partnerships with the Arts Commission to expand the depth and reach of their programs and services.

Mutually Beneficial Partnerships in Service to Arizona

The Arts Commission has longstanding partnerships with local community and family foundations to manage collaborative grantmaking programs of varying sizes and scopes. These collaborations yield additional funds and resources for Arizona artists, educators, arts organizations, and schools, and allow private foundations the opportunity to accomplish their arts-based goals more efficiently in partnership with the Arts Commission, as opposed to developing and staffing grantmaking processes of their own.

Private foundations find the Arts Commission to be a valuable partner as the agency has demonstrated:

- Broad reach and longstanding relationships with statewide stakeholders;
- The capacity and infrastructure to support statewide communications with arts and culture constituencies;
- A history of professional, constituent-focused service and proven efficiency in grantmaking procedures;
- And often most importantly, because the Arts Commission conducts agency business via open and transparent public processes.

These public/private partnerships extend and enhance the service of government and private industry, such that common goals are accomplished for the utmost public benefit.

13. *The extent to which the agency potentially creates unexpected negative consequences that might require additional review by the committee of reference, including increasing the price of goods, affecting the availability of services, limiting the abilities of individuals and businesses to operate efficiently, and increasing the cost of government.*

The Arts Commission staff and Governor-appointed Commissioners do not believe the Arts Commission creates negative consequences to the State of Arizona. As mentioned above, the agency does not have regulatory or other such authorities.

On the contrary, the Arts Commission is a lean, efficient operation, which serves the public interest as defined by Arizona Revised Statutes, enhances the depth and reach of other government services, and ensures the entire state receives the benefits of the arts.

Furthermore, the Arts Commission staff and Governor-appointed Commissioners are unequivocally dedicated to prudent stewardship of public funds. The Arts Commission provides exceptional statewide service with comparatively limited resources. This high regard for public service and the state's taxpayers reflects the Arts Commission's longstanding commitment to efficient government.

Additionally, far from creating negative consequences, the arts and culture sector has a profound positive economic and social impact on Arizona and its residents, as outlined throughout this report.

1. Identify the problem or the needs that the agency is intended to address.

The Arizona Commission on the Arts' primary functions, as established in ARS 41-982 (and as outlined within Sunset Factor 1, pages 2 through 5), include providing leadership, programs, services, and grants to support the availability and sustainability of arts and arts education programs, in service to the public interest.

In a rapidly changing world, creativity is an increasingly vital resource. The creative skill set—investigation, adaptation, improvisation, and innovation—is fundamental to success in the 21st century. The arts offer a space and a structure to develop these skills. From social cohesion to economic vitality, from community pride to individual success, a thriving arts and culture sector fuels all manner of growth and development.

Arizona has experienced incredible growth in the past half century. In just the last decade, the state has emerged as a widely acknowledged hub of innovation, industry, and opportunity. And yet the state's arts and culture sector remains undercapitalized when viewed against comparable regions, with limited private investment disproportionately concentrated in a handful of arts institutions based in metropolitan Phoenix and Tucson. Meanwhile, rural, remote, and otherwise under-resourced communities throughout the state see little if any private investment in their local arts and culture resources.

Because the Arts Commission offers statewide service, it takes great care to prioritize the availability and sustainability of arts and culture resources in Arizona's rural, remote, and otherwise isolated communities. Such communities are often rich with local creative and cultural assets but hampered in their ability to employ those assets to their full potential due to insufficient funding, exposure, and access to resources.

The Arts Commission is uniquely positioned to address these problems, ensuring more fair and equitable distribution of funding throughout the state, connecting diverse and disparate communities with regional and national networks of support, and leveraging its position as a state agency to encourage additional investment in the arts.

Further, representing a growth sector with vast potential for positive and social and economic impact, the arts and culture sector adds value to other industries' investments—from technology to education, from real estate development to upscale retail and fine dining. And, as we have seen in communities such as Jerome, Sedona, Bisbee, and Ajo, the presence of a robust and vibrant arts scene can transform a remote community into a destination—a weekend get-away, a place to settle down, or a viable market to set up shop.

Pre-pandemic, in 2019, Arizona's arts and culture industries contributed **\$10.87 Billion to the state's economy and employed 89,033 Arizonans.**

[2019 Arts and Cultural Production Satellite Account \(ACPSA\) Report](#), produced jointly by the NEA's Office of Research & Analysis and the Bureau of Economic Analysis, U.S. Commerce Department

Finally, after decades of service, the Arts Commission is embedded in Arizona communities, and through its programs, the agency leverages creative investments in support of community partners and other-sector leaders who are addressing some of the most pressing challenges facing Arizona. This commitment to the common good is best articulated in the words of the Arts Commission's Governor-appointed Commissioners, who have dedicated themselves to creating "both internal and external financial and intellectual synergies, through collaboration, leadership, and partnership with diverse stakeholders (including government, businesses, charitable organizations, and the arts and culture sector) to strengthen the position of the sector and of Arizona."

2. State, to the extent practicable, in quantitative and qualitative terms, the objectives of the agency and its anticipated accomplishments.

The Arts Commission’s objectives and anticipated accomplishments are best outlined as “Goals/Desired Outcomes” and “Strategies” within the NextAZ plan, which follows (has been attached to) this document. Additionally, the agency keeps annual work plans which contain quantitative and qualitative evaluation measures for each grant, program, and service.

The NextAZ plan covers six years, FY2018 through FY2023. The plan is designed to be adaptive, shaped by Arizonans’ participation and contributions, and leading to service implementation that can expand, deepen, or contract depending on resource realities in a given year.

“It is clear NextAZ comes after hard work already invested in visioning, planning, agency operations review, and staff/board development... the plan’s commitment to community and place, agility, and the planning process as a program is palpable.”

Transcript of NEA panel review comments

In quantitative terms, agency objectives and accomplishments are assessed through annual performance measures. Examples from its most recent Arizona Integrated Planning System (AZIPS) submission include:

Sample Annual Performance Measure	FY2022 (anticipated)	FY2023 (anticipated)
Individuals benefitting* from programs sponsored by agency (in millions)	8.0	10.0
Number of AZ youth served* by agency programs and initiatives (in millions)	1.2	1.5
Number of Arizonans impacted by outreach activities	180,000	185,000
Number of grant applications for community-driven projects received/number funded	450/380	500/450
Number of applications submitted by rural applicants	185	200
Percentage of applications submitted by rural applicants funded	75	80

* Figures are collected from grantee self-reporting in annual final reports and represent individual engagements. For example, a single person who attended five separate performances presented by a grantee counts as five individual engagements.

3. Identify any other agencies having similar, conflicting, or duplicative objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.

Within Arizona state government, other state agencies do not exist which have objectives similar to, conflicting with, or duplicative of those of the Arizona Commission on the Arts.

Further, the Arts Commission avoids duplication or conflict by maintaining long-term and productive relationships with other state agencies, to maximize the positive impact of agencies’ collective work on behalf of the Arizona public.

4. Assess the consequences of eliminating the agency or of consolidating it with another agency.

The Benefits of Maintaining the Arts Commission as an Independent Agency

As outlined within Sunset Factor 10, through the Arts Commission, the State of Arizona serves the public interest as defined in Arizona Revised Statutes, enhances the depth and reach of other government services, and ensures all areas of the state receive the benefits of the arts. In addition, the Arts Commission supports a growth sector which leverages investment in other private-sector industries and provides critical revenue to every level of government.

Without an Arts Commission, Arizona would be ineligible to receive or distribute federal funding from the NEA. Since its inception, the Arizona Commission on the Arts has successfully competed for over \$40 million in federal funding, which was delivered through statewide grants, programs, and services.

Within Arizona's state government, other state agencies do not exist which meet the objective and purpose of the Arizona Commission on the Arts. Because of this, consolidation with another state agency could render the Arts Commission ineligible for federal funding from the NEA.

As outlined on pages 16 through 18, **the loss of the Arts Commission would cause injury to the State of Arizona, in the following areas:**

- Thwarted statewide economic development efforts, through and beyond the arts and culture sector;
- Significant reduction of funding support for arts and culture businesses in rural and remote communities;
- Even greater inequity in funding distribution between elite, metropolitan cultural institutions, and small community arts organizations throughout the state; and
- Decreased opportunities for Arizonans to participate in and experience the arts.

According to the NEA's guidelines, in order to remain eligible for NEA funding, a state agency must:

- Be domiciled within the State.
- Be designated by its State government as programmatically and administratively responsible for developing a statewide arts plan and establishing arts and cultural policy having a statewide impact.
- Be designated as officially responsible for coordinating and administering all financial support received from the NEA and the State in conjunction with the state arts agency Partnership Agreement.
- Have designated staff with relevant experience; a designated budget; and an independent board, council, or commission whose members serve in an advisory or policy-making capacity.
- Be financially supported by its State government.
- Match NEA Partnership Agreement funds at least 1 to 1.
- Use Partnership Agreement funds to supplement and not supplant non-federal funds. (Non-federal funds cannot be replaced with federal funds with the intention or effect of reducing State financial support for the state arts agency.)

According to the NEA's guidelines, the state arts agency must also have developed a state arts plan that:

- Resulted from an inclusive, public process that solicited and represented the perspectives of arts constituencies throughout the State.
- Reflects the state arts agency's operating environment, mission, goals, strategic directions, action plans, recommendations from the public process, and timelines and metrics for both accomplishing goals and measuring progress.
- Demonstrates the state arts agency's commitment and its capacity to implement the arts-related programs and services reflected in the plan.
- Bases program funding decisions on criteria that rely primarily upon artistic excellence and merit.

Arts Commission support serves the public interest and ensures that all areas of the state receive the benefits of the arts. Arts Commission support also provides fair access to arts resources, provides accountability, reduces barriers to public participation in the arts, and helps nonprofit arts organizations leverage private investment.

Because no state agency exists at this time whose objective and purpose intersect with the Arts Commission's objective and purpose in any meaningful way, consolidation does not seem in the best interest of the State of Arizona, its economic development efforts, its unique identity and traditions, or its citizens.

In Closing

As the state's arts agency, the Arizona Commission on the Arts has provided exceptional leadership and service for 54 years, and continues to foster relationships which promote positive outcomes for Arizona communities and families.

Beyond its support of an innovative and growing sector, the Arts Commission's services augment the value of other state services to taxpayers, and provide arts expertise when it is required by state and local government. Additionally, the Arts Commission is committed to future partnerships with other areas of government as well as private industry, to continue providing the most useful and meaningful services to Arizona businesses, schools, individuals, and communities.

The Arizona Commission on the Arts plays a critical role in supporting arts and culture in Arizona. By continuing to support the work of the Arts Commission, the State of Arizona can help fortify the myriad long-term economic, educational, social, and civic benefits of the arts for all residents of Arizona.

Agency Strategic Plan

Issue 1 Arts and culture delivery agents need increased capacity to sustain quality service to residents of Arizona and the taxpaying public.

Description: PLAN METHODOLOGY:

- This plan covers Fiscal Years 2018-2023.
- Strategic Issues 1-5 briefly outline key challenges facing the arts and culture sector.
- Goals/Desired Outcomes 1-5 are developed as ideal results for the Arizona arts and culture sector.
- Strategies (numbered "a" through "e-f") are developed as methods of action to address strategic issues.

Each Strategy is "coded" with any of the following which apply:

Leadership and Partnerships – LP

The Arizona Commission on the Arts is best known, statewide and nationally, as a leader in arts administration, a pacesetter in research and analysis, and as a catalyst for innovative partnerships in support of Arizona's arts and culture sector. Leadership and Partnerships reflects the Arts Commission's role as a leading arts policy and information source and as a catalyst brokering cross-sector and intra-sector partnerships.

Programs and Services – PS

The Arizona Commission on the Arts continually develops and offers professional development training and learning opportunities meant to enhance the skills of statewide delivery agents of arts and cultural programming, including individuals working in arts organizations, schools, and community service organizations as well as individual artists, educators, and arts patrons. Programs and Services support participation and learning in, through, and about the arts, meet identified needs, and positively impact agency grantmaking activities.

Strategic Funding – SF

The Arizona Commission on the Arts provides funding support to the Arizona arts industry through several established grantmaking processes. Grants are delivered to support applicant learning, promote artistic quality and authenticity, encourage responsible business practices, reach a broad range of Arizona citizens, and increase public participation and public benefit. Strategic Funding is distributed through transparent public processes constructed to ensure efficiency and accountability.

STRATEGIC ISSUE 1:

As stated in the Agency Description, the Arts Commission's primary functions include providing leadership, programs, services, and grants to support the availability and sustainability of arts/culture and arts education programs. These functions are coincident with the agency's statutorily required duties which include (ARS §41-982, §41-983):

- Stimulating the arts in Arizona by encouraging the study and presentation of the arts as well as encouraging public interest and participation;
- Working with arts organizations in the State to encourage public participation in and appreciation of the arts; and
- Encouraging public interest in the State's cultural heritage and expanding the State's cultural resources.

As a result of reductions to the Arizona Commission on the Arts' overall budget, which occurred during the recession and have since been sustained, available state grant funding in support of these duties diminished greatly.

Arts organizations currently receiving grant support – 400+ nonprofit organizations across the state – now receive 50% to 80% less support than in pre-recession years, when even at its peak level of funding Arizona's state arts agency funding support was far below the national average. The Arts Commission is focused on meeting the tremendous needs of these "delivery agents" of arts and cultural services in both monetary and non-monetary ways, as reductions in funding have given birth to other acute needs: for technical support, counsel, accountability training, and crisis management guidance, all of which the agency provides as a part of its core charter.

Through this work with and on behalf of Arizona's arts and culture sector, the Arts Commission seeks to increase the capacity of these delivery agents in service to the primary beneficiary of the whole of these efforts: residents of Arizona, the taxpaying public.

GOAL/DESIRED OUTCOME 1:

Creativity as a living natural resource within each Arizona resident and community: Arizonans can access vibrant, quality arts and cultural activities that nurture and celebrate the creative potential of individual Arizonans, as well as the creative assets and promise of every Arizona city, town, and neighborhood.

Solutions:

- a. Provide learning opportunities to delivery agents of arts and cultural programming to help them leverage assets, procure funding, develop and maintain audiences, improve the quality of products and services, honor Arizona's diverse cultural heritage, and deepen and expand their mission-focused service of communities through the arts. Example programs: Arts Learning Field Training, AZ Creative Aging, Cultural Data Project, artist and organization cohort programs, annual workshops and convenings. – LP, PS
- b. 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 fiscal practices. Example grant programs: Community

Investment Grants, Arts Learning Grants, Festivals Project Grants, Lifelong Arts Engagement Grants, Opportunity Grants, Artist Research and Development Grants. – SF

c. 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. Example programs: Arts Learning Grants, AZ Creative Aging, AZ Creative Communities, Festivals Project Grants, artist and organization cohort programs. – LP, PS, SF

d. 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. Example services: Comprehensive website content and participatory social media efforts, newsletters, searchable website portals, interactive online technical assistance. – LP, PS

e. Work to maintain, and grow, existing levels of public funding for the arts in Arizona, while developing more protected private funds sources supported by Arizona foundations, corporations, and individual donors. – LP, SF

Issue 2 Community-focused arts and cultural partnerships across Arizona must be nurtured and fortified.

Description: STRATEGIC ISSUE 2:

Arizona arts and culture organizations have long provided great value to neighborhoods in rural, urban, and suburban communities, through increased civic engagement, improved community vitality, creative and aesthetic benefits, and increased local economic activity. Because of decreased financial investment from the public sector, local businesses, foundations and individuals, arts and culture organizations are seeking new partners, programmatic opportunities, and sources of revenue to allow them to continue co-creating positive outcomes in Arizona communities.

The Arts Commission seeks to build value for community-focused arts and cultural partnerships across Arizona; to demonstrate and showcase best practices; and to provide opportunities for intra- and cross-sector networking, resource-sharing and mutually-beneficial community outcomes.

GOAL/DESIRED OUTCOME 2:

Arts and culture as essential: Arts and cultural programs and organizations are considered societal cornerstones; their vital role is demonstrated and lifted up in myriad contexts.

Solutions:

a. Conduct, aggregate, and provide access to best-practices research related to partnerships between arts delivery agents and community-based initiatives, government agencies, and other-sector local businesses. Counsel arts organizations, community organizations, and artists to utilize resources to fullest advantage. Example programs and services: AZ ArtWorker, AZ Creative Aging, AZ Creative Communities, partnerships nurtured through ongoing research and by counsel and leadership provided by Arts Commission staff; funding required for statewide travel, investment in research, related materials; resources aggregated, contextualized, and disseminated through communications vehicles. – LP, PS

b. Activate and expand agency relationships with existing and nontraditional partners in order to facilitate collaborations between Arizona arts programs and other-sector initiatives. Example programs and services: AZ ArtWorker, AZ Creative Aging, AZ Creative Communities, partnerships nurtured by counsel and leadership provided by Arts Commission staff; funding required for statewide travel, and participation in sector-wide and other-sector initiatives. – LP

c. Deliver grant funding to collaborative projects which employ quality arts and cultural programming in the pursuit of community-led outcomes. Deliver funding for this purpose in every Arizona county. Example grants and programs: AZ Youth Arts Council, AZ ArtWorker, AZ Creative Aging, AZ Creative Communities, Arts Learning Grants, Festivals Project Grants. – LP, SF

d. Provide opportunities for arts leaders, in particular next-generation arts leaders, to network with community officials, diverse cultural leaders, faith leaders, and local businesspeople. Example services: networking and integration opportunities provided through participation in other-sector initiatives and existing Arts Commission programs such as community workshops and trainings, artist and organization cohort programs. – PS

Issue 3 Statewide investment in arts learning (lifelong learning in, through and about the arts) is inadequate and must be strengthened.

Description: STRATEGIC ISSUE 3:

Because of increased financial pressures on education at all levels, access to quality arts education opportunities within Arizona's in-school and out-of-school settings is at considerable risk. In addition, though Arizona students are expected to meet the Department of Education's Academic Standards in the Arts for preK-12 Arizona students, a significant number of Arizona schools are not financially prepared to provide adequate instruction in arts-based learning, and/or lack instructors qualified/prepared to provide satisfactory arts-based learning opportunities to students. Finally, arts and culture organizations (which provide significant arts learning opportunities to both preK-12 students and lifelong learners) face a dearth of funding support for arts-based education programs.

The Arts Commission seeks to build value for investment in lifelong learning in, through, and about the arts; to educate, prepare, and deliver critical funding to diverse statewide delivery agents of arts education programs and opportunities; and to incentivize engagement in innovative, current, and sequential arts learning opportunities for all Arizonans.

GOAL/DESIRED OUTCOME 3:

Quality arts learning opportunities in a variety of locations and across the age spectrum: Arizonans of all ages have access to quality, robust arts learning opportunities, whether in-school, out-of-school, or in community settings.

Solutions:

- a. Develop and provide innovative and current learning opportunities to delivery agents of statewide arts learning programs. Offer practical training to diverse arts education stakeholders and cultivate the next generation of arts educators. Example services: continue to provide training to teaching artists; develop additional formal professional development offerings for classroom teachers and representatives of arts organizations, focus on asset-based and creative youth development frameworks. – LP, PS
- b. 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. Example services: partnerships nurtured through ongoing research and by leadership provided by Arts Commission staff such as the Arizona Arts Education Data Project; funding required for statewide travel, investment in research, and related materials. – LP, PS
- c. Continue to deliver grant funding to quality arts programming which supports lifelong learning in, through, and about the arts, and to quality youth-centered arts programming. Example grants and programs: Arizona Youth Arts Council, Arts Learning Grants, Lifelong Arts Engagement Grants, AZ Creative Aging, Creative Youth Development Cohort. – SF
- d. 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. – LP, SF
- e. 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. Example grants and programs: Arizona Youth Arts Council, Arts Learning Grants, Lifelong Arts Engagement Grants, AZ Creative Aging, Creative Youth Development Cohort. – LP, PS, SF

Issue 4 The contributions of Arizona's arts and culture sector workers are undervalued.

Description: STRATEGIC ISSUE 4:

Artists, arts administrators, and arts educators provide substantial value to Arizona communities and are part of a significant labor market sector. According to Americans for the Arts' 2017 Creative Industries Report, Arizona is home to 14,522 arts-related businesses and 74,688 people employed in the arts sector. However, as a subsector of creative sector jobs, jobs in Arizona's nonprofit arts and culture sector, though increasing in numbers, are chronically undervalued and underpaid according to regional benchmarks.

The Arts Commission seeks to rebuild value for the contributions of Arizona residents working in the arts and culture sector; to demonstrate and showcase best practices; to provide opportunities for innovative, sequential professional development opportunities; and to foster a sector in which Arizonans can more successfully pursue their artistic goals.

GOAL/DESIRED OUTCOME 4:

Artists as vital contributors: Arizona residents can make healthy livable wages working in myriad facets of the arts. Support artists, makers, and tradition-bearers of all experience levels, living and working across Arizona to extend their valuable contributions.

Solutions:

- a. Continue to develop and deliver adaptive, sequential skills-building programs to Arizona artists and arts administrators to help them compete for local and national funding, increase professional capacity, promote their creative contributions to Arizona communities, and build support for the arts and arts education. Example programs: Arts Learning Field Training, Artist Investment Cohort, AZ Creative Aging, AZ Creative Communities, Cultural Data Project, annual workshops and convenings. – LP, PS
- b. Deliver grant funding and work to develop new funding programs in support of individual artists and administrators. Example grants: Opportunity Grants, Artist Research and Development Grants, Master-Apprentice Awards in partnership with Southwest Folklife Alliance. – SF
- c. Introduce incentives within grantmaking processes to challenge Arizona arts organizations to meet regional benchmarks for artist and administrator pay and benefits. – LP, SF
- d. Promote and provide visibility to individuals working in the arts; connect Arizona arts professionals to other professional sectors to encourage partnership, mutual benefit and employment. Example services: providing visibility through AZ ArtWorker, AZ Creative Aging, AZ Creative Communities, artist and organization cohort programs, and myriad communications vehicles; formal networking opportunities. – LP, PS
- e. Nurture existing arts service organizations based on artistic disciplines and cultural initiatives; support the development of independent arts service organizations in geographic and programmatic areas where service organizations are scarce, nonexistent, or vulnerable. Example services: service organizations can be nurtured and incubated through strategic consulting services delivered by Arts Commission staff; funding required for statewide travel. – LP, PS

Issue 5 Statewide investment in arts and culture is inadequate must be strengthened.

Description: STRATEGIC ISSUE 5:

Arizona arts organizations have long provided great value to Arizona corporate and small-business constituencies through individuals' and families' engagement in arts and cultural activities, improved quality of life indices, and measurable on-the-ground revenue-generating partnerships. However, the sector remains undercapitalized and resources are most often concentrated in urban centers. In Arizona, major foundation-funders of arts activities generally fund a cohort of approximately twenty organizations, with all but one located in the Phoenix and Tucson metro areas, the result being that for many arts organizations providing service in rural communities, Arts Commission support might be the only institutional support to which they have regular access.

The Arts Commission seeks to build value for arts and cultural investment with myriad constituencies; and to provide opportunities for intra- and cross-sector networking, resource-sharing, and mutually-beneficial community and financial outcomes to support increased access to resources statewide.

GOAL/DESIRED OUTCOME 5:

Strengthen statewide distribution of resources: Recognizing the arts industry's role in economic viability and enhanced quality of life, policies and practices are developed and implemented across the public and private spectrum to ensure arts-based resources and opportunities reach every part of the State.

Solutions:

- a. Work to maintain, and grow, existing levels of public funding for the arts in Arizona, while developing more protected private funds sources supported by Arizona foundations, corporations, and individual donors. – LP, SF
- b. Conduct ongoing evaluation of agency programs alongside community partners and those most affected by Arts Commission services, as part of a comprehensive commitment to an equitable distribution of resources and opportunities in better alignment with Arizona demographics and the geographic location of residents. – LP, PS, SF
- c. Serve as leading reliable resource for information and research related to cultural policy, emerging and hybrid business models, economic impact of the arts and culture industry, and public support for arts and culture. Promote opportunities to share research with Arizona's elected officials, small businesses, and corporate leaders. Example services: partnerships nurtured through ongoing research and by counsel and leadership provided by Arts Commission staff; funding required for statewide travel, investment in research, related materials; resources aggregated, contextualized, and disseminated through communications vehicles. – LP, PS
- d. Introduce incentives within grantmaking processes to encourage Arizona arts organizations to develop mutually beneficial and mission-supported partnerships with for-profit entities. Example initiatives: include the development of funding incentives within primary grants to arts organizations; AZ ArtWorker, AZ Creative Aging, AZ Creative Communities. – LP, SF
- e. Facilitate opportunities for arts leaders to participate in other-sector policy forums, convenings, and initiatives. Example services: networking and integration opportunities provided through participation in other-sector initiatives and existing Arts Commission programs such as community workshops and trainings; AZ ArtWorker, AZ Creative Aging, AZ Creative Communities. – LP, PS
- f. Develop communications strategies to focus and adapt agency messaging based on the needs and interests of diverse audiences and authorizers. Example services: Comprehensive website content and participatory social media efforts, newsletters, searchable website portals, interactive online technical assistance. – PS