



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

February 10, 2016

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 665: Supplemental Funding for the Wisconsin Arts Board

Senate Bill 665 would provide the Wisconsin Arts Board supplemental funding of \$13,800 GPR in 2015-16 to match federal grants awarded for 2015-16. Senate Bill 665 was introduced February 1, 2016, and referred to the Joint Committee on Finance.

BACKGROUND

The Wisconsin Arts Board, which is part of the Department of Tourism, administers several programs in which it distributes state and federal funds as grants to Wisconsin arts organizations. State grant funding is primarily supported by general purpose revenues (GPR), as well as program revenue (PR) from tribal gaming receipts. Federal funding is provided by the National Endowment for the Arts (NEA). The Arts Board staff also provides technical assistance to Wisconsin arts organizations relating to fundraising, marketing, and other aspects of operations. The Arts Board is authorized 3.0 GPR and 1.0 FED positions.

Current Arts Board grant programs are: (a) Creation and Presentation grants, which are awarded to established nonprofit arts organizations to assist with their operations or creation and presentations of arts programming; (b) Creative Communities grants, which fund projects focused on arts education, development of local arts programming, or folk and traditional arts; (c) Folk Arts Apprenticeship grants, which support the study of an apprentice with a master of native or traditional ethnic arts or performance; (d) the Wisconsin Regranting Initiative, which provides funding for local arts agencies to disburse in turn to artists and local arts organizations in their regions of the state; (e) the Arts Challenge Initiative, which currently supports several minority-focused arts organizations in the Milwaukee area; and (f) the Woodland Indian Arts Initiative, which is intended to support events, facilities or institutions to practice and preserve the arts traditions of Wisconsin's Native American tribes.

The NEA requires states to expend at least an equal amount of state funding in conjunction with a federal grant. State statutes in turn require grantees to provide at least an equal match

(dollar-for-dollar) on Arts Board grant awards. Wisconsin has been awarded \$795,700 FED for the 2015-16 state fiscal year to allocate to its grant programs and operations. The total GPR and tribal gaming PR appropriations eligible to match NEA funds is \$781,900 annually in the 2015-17 biennium, or \$13,800 less than needed to match the \$795,700 FED on a dollar-for-dollar basis. (A PR appropriation budgeted at \$20,000, which is used for Arts Board publications, gifts and other grants, is not allowable as a state match.)

Table 1 shows the 2015-16 Arts Board budget with GPR, tribal gaming PR and FED funding under current law. State funds shown are those appropriations eligible to match NEA funding. For the Arts Board's general appropriation for state aid to the arts [s. 20.380 (3)(b)], which would be provided funding under the bill, the table also shows allocations by grant program. Arts Board staff report folk arts programming under the Creative Communities grant would be most likely increased by the bill's supplemental funding. Folk arts apprenticeships and some level of operational funding also would be most likely reduced if the bill were not enacted and the Arts Board were to relinquish \$13,800 FED.

TABLE 1

Wisconsin Arts Board Budget -- 2015-16

<u>Appropriation / Grant Program</u>	<u>State Funding</u>		<u>FED</u>	<u>Program Total</u>
	<u>GPR</u>	<u>Tribal PR</u>		
State aid for the arts	(\$359,300)	--	--	
Creation and Presentation	\$151,900	\$0	\$538,700	\$690,600
Creative Communities	114,000	0	34,400	148,400
Arts Challenge Initiative	57,000	0	0	57,000
Miscellaneous	36,400	0	12,000	48,400
Wisconsin Regranting	116,700	0	0	116,700
Folk Arts Apprenticeships	0	0	33,000	33,000
Woodland Indian Arts Initiative	<u>0</u>	<u>24,900</u>	<u>0</u>	<u>24,900</u>
Grants Subtotals	\$476,000	\$24,900	\$618,100	\$1,119,000
Operations	\$281,000	\$0	\$177,600	\$458,600
Totals	\$757,000	\$24,900	\$795,700	\$1,577,600

State funding for the Arts Board has been at approximately the same annual level since base funding for the Arts Board was reduced by 2011 Act 32. However, since that time the Joint Committee on Finance has occasionally supplemented Arts Board appropriations when budgeted state funding was insufficient to fully match an NEA grant. 2011 Act 32 set aside \$175,700 GPR annually in the Committee's supplemental appropriation in the event NEA grants exceeded the Arts Board's initial state appropriation levels. The Committee subsequently transferred \$68,900 in 2011-12 and \$10,400 in 2012-13, pursuant to Arts Board requests under s. 13.10, to align state funding with NEA grants for each year. No supplements were made in the 2013-15 biennium, as state funding exceeded NEA grant awards for 2013-14, and the 2014-15 state-federal funding difference

was negligible. Table 2 shows, by fiscal year since 2011-12, a comparison of the NEA grants awarded to the Arts Board and the amounts of state funding initially budgeted in those appropriations considered eligible to match the federal grant awards.

TABLE 2

NEA Funding and Arts Board Match-Eligible Appropriations

<u>Fiscal Year</u>	<u>Match-Eligible State Funding</u>	<u>Federal Funding</u>	<u>State Surplus/ (Shortfall)</u>
2011-12	\$770,900	\$839,800	(\$68,900)
2012-13	770,900	781,300	(10,400)
2013-14	779,800	768,600	11,200
2014-15	779,800	780,000	(200)
2015-16	781,900	795,700	(13,800)

FISCAL EFFECT

The bill would provide an additional \$13,800 GPR in 2015-16 under the appropriation for state aid for the arts [s. 20.380 (3)(b)]. Authorized expenditures for the appropriation would increase to \$373,100 on a one-time basis in 2015-16. The bill would not affect funding levels for state aids for the arts in 2016-17 (\$359,300), nor would funding continue in the Arts Board base budget for the 2017-19 biennium. The GPR would match total state funding for the Arts Board to an equal amount of federal funding. If supplemental GPR is not provided, the Arts Board would be required to forgo \$13,800 FED in 2015-16.

It should be noted that it is not yet known whether NEA grants will exceed state funding in 2016-17. Were this to occur, supplemental funding for 2016-17 could be considered through subsequent budget legislation or a request under s. 13.10 of the statutes, if made by Tourism and the Arts Board.

Prepared by: Paul Ferguson