



## Legislative Fiscal Bureau

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March 14, 2012

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Tourism: Section 13.10 Request to Transfer Funding for State Aids for the Arts --  
Agenda Item II

### REQUEST

The Department of Tourism, on behalf of the Arts Board, requests the transfer of \$68,900 GPR in 2011-12 from the Joint Committee on Finance supplemental GPR appropriation to the state aid for the arts appropriation in order to match available federal funding.

### BACKGROUND

Under the state aid for the arts program, the Arts Board awards grants-in-aid or contract payments to groups, individuals, organizations, or institutions for the development of the arts and humanities, with a 50% matching requirement. The Board may also award operational grants to organizations, provided the sum of the grants does not exceed 50% of the total grants awarded in a given year. Under state law, the Board is required to award an amount equal to at least 5% of all state and federal funds received by the Board in a given year for grants to minority artists and arts organizations.

### ANALYSIS

2011 Act 32 transferred the state Arts Board from an independent agency to be a separately budgeted program under the Department of Tourism. The act eliminated the percent for art program, and significantly reduced remaining staff and funding for the Board, in part with the intent that remaining state funds would be used to meet federal matching requirements that allow Wisconsin to receive federal grants. The Board receives federal assistance primarily from the National Endowment for the Arts (NEA), whose grants must be matched by an equal amount of state funds. In the 2011-13 state budget, the Legislature set-aside \$175,700 GPR each year in the

Joint Finance supplemental appropriation to allow for additional state matching funds to be released, should actual federal assistance exceed initial budget estimates.

NEA awards to Wisconsin for the past two fiscal year have totaled \$818,100 and \$921,700. The NEA grant includes a basic grant for the state arts plan (\$625,900 for 2011-12), as well as supplemental awards for arts in underserved communities (\$142,200), folk arts partnership (\$40,000) and arts education (\$31,700). Therefore, the actual NEA grants for state fiscal year 2011-12 total \$839,800, while state funding to the Arts Board available for matching purposes totals \$770,900 (\$746,000 GPR and \$24,900 in tribal gaming PR). The difference of \$68,900 is requested by Tourism to allow the Arts Board to fully utilize available federal funds.

The requested amount is \$106,800 lower than the amount set-aside in the Joint Finance supplemental appropriation for this purpose in 2011-12. If the request is not approved the Arts Board would be unable to match \$68,900 of the NEA grant and would have to return this amount of federal funding.

## **ALTERNATIVES**

1. Approve the request to transfer of \$68,900 GPR in 2011-12 from the Joint Committee on Finance supplemental appropriation [s. 20.865 (4)(a)] to the Tourism state aid for the arts appropriation [s. 20.380 (3)(b)] to match available federal funding to the Arts Board.
2. Deny the request.

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