



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 25, 2013

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

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

The Department of Tourism, on behalf of the Arts Board, requests the transfer of \$10,400 GPR in 2012-13 from the Joint Committee on Finance supplemental GPR appropriation to the appropriation for state aid for the arts to match available federal funding.

BACKGROUND

The Arts Board provides grants-in-aid or contracts for the support of individual artists or arts organizations throughout Wisconsin. Grants are supported by a combination of general purpose revenues (GPR), program revenue (PR) received by the state under tribal gaming compacts, and federal funds (FED) from the National Endowment for the Arts (NEA). NEA grants require the state to provide at least an equal match on any federal funds received. Similarly, state statutes require grant recipients to provide at least an equal match on funds provided by the Arts Board (50% of the cost of a project). Grants may be used for various purposes, including development or performance of artistic works, and, in some cases, organizational operations and support. Statutes also require the Arts Board to award at least 5% of available grant funds each year to minority artists or organizations composed principally of members of minority groups. 2011 Act 32 transferred the Arts Board to the Department of Tourism, to which it had previously been administratively attached.

Currently, Arts Board grants are made under the following active programs: (a) Creation and Presentation, which are awarded to established nonprofit arts organizations to assist with their operations or creation and presentations of arts programming; (b) Creative Communities, which supports arts education, local arts initiatives within communities, and folk or traditional arts, but may not be used for a recipient's general operations; (c) the Wisconsin Regranting Program, which

provides funding to local arts organizations for further disbursement for support of the arts; (d) the Folk Arts Apprenticeship, which supports the teaching of traditional art forms by master artists to apprentices; and (e) the Arts Challenge Initiative, which provides potential additional state funding to organizations that increase fundraising from other sources.

ANALYSIS

In addition to placing the Arts Board in the Department of Tourism, 2011 Act 32 reduced Arts Board appropriations with the intention of aligning state funding with the expected amount of federal funding to be available in the biennium. However, the act reserved \$175,700 GPR annually in the Joint Committee on Finance supplemental appropriation, which Tourism and the Arts Board would be able to request for additional state aid for the arts, should federal funds exceed budgeted amounts.

NEA grants to the Arts Board for the 2012-13 state fiscal year are \$781,300, including: (a) \$590,900 for implementation of the state arts plan; (b) \$135,800 for arts in underserved communities; (c) \$29,600 for arts education; and (d) \$25,000 for folk arts activities. Most funds would be distributed under the grant programs previously described, although \$186,000 from the award for the state arts plan and \$1,000 from the award for folk arts would be allocated to Arts Board operations. Of the \$404,900 from the award for implementing the state arts plan reserved for grants, \$394,900 would be distributed as Creation and Presentation grants, while \$10,000 would be awarded as customized grants for development assistance services to Wisconsin arts organizations provided by Arts Wisconsin. The award for arts in underserved communities also would be granted through the Creation and Presentation program. Amounts awarded for arts education are to be distributed under the Creative Communities program, while \$24,000 awarded for folk arts would be distributed under the Folk Arts Apprenticeship.

State appropriations under Act 32 considered eligible for matching are \$770,900, or \$10,400 less than the total NEA grant. These appropriations include: (a) \$270,000 GPR for Arts Board operations; (b) \$359,300 GPR for state aid for the arts; (c) \$116,700 GPR for the Wisconsin Regranting Program; and (d) \$24,900 tribal gaming PR for Native American arts programming. The following table shows the amounts currently budgeted by the Arts Board for its grant programs, including the supplemental request of \$10,400 GPR. If supplemental funding were approved, the total of \$369,700 GPR for state aid for the arts would be divided as: (a) \$158,100 for Creation and Presentation grants; (b) \$118,300 for Creative Communities grants; (c) \$56,900 for Arts Challenge Initiative awards; and (d) \$36,400 for grants to Arts Midwest, which supports state and Midwest artists and arts organizations with grant programs and an annual conference for bookings and professional development.

Arts Board 2012-13 Budget Summary

<u>Program/Purpose</u>	<u>State Funding</u>	<u>Federal Funding</u>	<u>2012-13 Total</u>
Arts Board Operations	\$270,000	\$187,000	\$457,000
Grant Programs			
Creation and Presentation	\$158,100	\$530,700	\$688,800
Creative Communities	118,300	29,600	147,900
Wisconsin Regranting	116,700	0	116,700
Arts Challenge Initiative	56,900	0	56,900
Other Grants	36,400	10,000	46,400
Native American Arts Programs	24,900	0	24,900
Folk Arts Apprenticeships	<u>0</u>	<u>24,000</u>	<u>24,000</u>
Grants Subtotals	\$511,300	\$594,300	\$1,105,600
Arts Board Total	\$781,300	\$781,300	\$1,562,600

In 2011-12, NEA funding totaled \$839,800 FED. In March, 2012, the Committee approved an additional \$68,900 GPR from its supplemental appropriation to match 2011-12 state funding with the federal grant. The current request would be \$165,300 less than the amount set aside for supplemental requests in 2012-13. If additional state funding is not made available, any unmatched federal funding would be returned, and the amounts shown in the table above would be reduced to a total of \$1,541,800.

ALTERNATIVES

1. Approve the request to transfer \$10,400 GPR in 2012-13 from the Joint Committee on Finance supplemental appropriation to the Tourism appropriation for state aid for the arts to match available federal funding to the Arts Board.

2. Deny the request.

Prepared by: Paul Ferguson