

**House Appropriations and Budget Committee
Common Education Subcommittee
Performance Review Agency Questions**

Objective: To gather information and gain insight into agency performance and strategies used to adjust to funding reductions and maintenance levels, and to ascertain the agency's perspective on strategies, measures, performance, inputs, outcomes, programs and fiscal needs to be used to develop the FY-14 agency budget.

Please provide the following information.

1. Agency mission statement, including program goals, cost and effectiveness, program and performance measures and objectives;

Mission - The mission of the Arts Council is to lead, cultivate and support a thriving arts environment, which is essential to quality of life, education and economic vitality for all Oklahomans.

Programs (FY13)

1. Community Arts Programs - \$2,795,156

Provides for cultural, organizational and individual professional development programs. Provides matching grants for performances, exhibitions and festivals.

2. Arts Education ins Schools - \$612,804

Provides grants and staff oversight for arts education programs that take place in schools during normal hours.

3. Arts Learning in Communities - \$704,590

Provides grants for arts instruction in community settings (summer arts camps, after school programs, senior citizen programs and programs for individuals with special needs.

4. Public Awareness - \$245,770

Provides for electronic and print publications, marketing, media relations and special events; allows the Council to manage over 300 works of art in the public spaces of the Capitol.

5. Administration - \$388,567

Provides for agency administration, telecommunication, mail services, information technology, fiscal management, equipment, office supplies, training, and records management.

Cost and Effectiveness -

- Our agency supports a \$314,000,000 arts and cultural industry in the state of Oklahoma that employees over 10,000; through grant programs, professional development opportunities and technical assistance,
- The state investment of \$4.1 million in appropriations to the Oklahoma Arts Council results in a return of \$29 million in state and local tax revenue.
- Grant funds distributed in FY12 helped generate \$51 million in arts programming across the state
- Geographic distribution of grants funds is broad based with approximately 60% awarded to OKC and Tulsa combined and 40% awarded to rural Oklahoma.

Goals -

1. Oklahoma's thriving arts and cultural industry is recognized as crucial to business, economic and community development.

Objective: Provide matching grants to eligible non-profits and entities of government to promote quality of life, community and economic vitality through public/private partnership.

- *Measurement:* 558 grants were awarded to 310 organizations and schools in 105 communities across the state. Grants must be matched with private dollars to ensure a public/private partnership.

- Public Funding investment through our grant programs seeds 1:12 return in private matching funds.
2. A robust cultural infrastructure is in place to ensure accountability, sustainability, and accessibility.
Objective: Provide professional development and leadership training services using the arts as economic, education and community development drivers.
 - *Measurement:* Over 350 individuals from 58 communities attended the Oklahoma Arts Conference.
 - Leadership Arts Program graduated 28 business and community professionals in FY12 for a total of 146 since 2008.
 3. Oklahoma has an educated creative workforce
Objective: Support arts education programs to develop creative thinking and problem solving skills.
 - *Measurement:* Nearly 195,000 students at 715 school sites were served through programs funded by Arts Education grants.
 - 2100 teachers received training in arts education and art integration curriculum and methodology.
 - Over 52,000 participants in 522 community sites were served through programs funded by Arts Learning in Communities grants. Programs include after school programs, summer art camps, adult art programs, programs for those with special needs and senior citizens programs
 4. Oklahoma's history and cultural heritage are recognized as relevant and valuable.
Objective: Preserve Oklahoma's history and cultural heritage by actively pursuing conservation and preservation of the Capitol Art Collections.
 - *Measurement:* Managed on-site conservator and historic structures architect reports to assess and prioritize needs for the Capitol collections.
 - Partnered with DCAM to conduct a light assessment by a conservator to identify the light sources affecting the long-term preservation of the Capitol Art Collection.

2. Authorized and actual FTE; FY-12 actual expenditures and FY-13 budgeted expenditures;

FTE

FY 12 - Authorized FTE 17.0 Actual FTE 13.5
 FY 13 - Authorized FTE 17.0 Budgeted FTE 14.5

Agency Expenditures

FY12 - Actual Expense \$4,807,630.86
 FY13 - Budgeted Expense \$4,746,887

3. Funding sources for each program;

Program FY13 Budget	State 193	Federal 440	Revolving 200	Total	Program by %
Arts Education in Schools	529,304	67,500	16,000	612,804	12.9
Arts Learning in Communities	534,590	170,000		704,590	14.8
Administration	388,567			388,567	8.2
Community Arts	2,311,856	483,300		2,795,156	58.9
Public Awareness	245,770			245,770	5.2
Total	4,010,087	720,800	16,000	4,746,887	100

4. Components of each program illustrating that it is unique, necessary and unduplicated by other agency services or programs.

The Arts Council is the only state agency supporting Oklahoma's thriving arts and cultural industry through grant programs; developing a robust cultural infrastructure through our professional development and training programs; educating Oklahoma's creative workforce through grant programs and partnerships; and preserving Oklahoma's cultural heritage by actively pursuing conservation and preservation of the Capitol art collections.

Supporting Oklahoma's thriving arts and cultural industry

- **Grants** - Provided 558 grants to 310 organizations and schools in 105 communities statewide. Funded programs must be matched with private dollars and are vetted through a rigorous review process. These programs provided access to quality arts and arts education programs to over 3.1 million individuals.

Developing a robust cultural infrastructure

- **Oklahoma Arts Conference** - Convened over 350 individuals from 58 communities and provided professional development training for community developers, business leaders, local government officials, arts managers and artists. Sessions included Diversifying your Support Base, Creating a Cultural Plan for Your City and Revitalizing Communities Through the Arts.
- **Leadership Arts** - Graduated 28 business and community professionals in 2012 for a total of 146 graduates since 2008. Participants learn strategies to use the arts in their own community to strengthen the local economy, enrich quality of life, and improve education.
- **Oklahoma's New and Emerging Arts Leaders Network** is a free, independent statewide network for arts leaders age 35 and under or those that have less than five years of experience in arts administration or the business of arts. This group of over 500 encourages the retention of our creative workforce and represents the next wave of leadership for the arts in Oklahoma.

Educating Oklahoma's future creative workforce

- In FY12 nearly 195,000 students in 715 school sites were served through programs supported by OAC grants. Grant programs also allowed 2,100 teachers to receive arts education and arts integration curriculum instruction.
- Developed by the Council, *Teaching with Capitol Art* resources are free online tools available to educators statewide. Through the Capitol artwork and the provided curriculum, teachers can make Oklahoma history come alive in the classroom. http://www.arts.ok.gov/Teaching_with_Capitol_Art.html
- Developed curriculum specifically for Black History Month using the Capitol Art Collection. This curriculum is distributed to over 15,000 students in more than 800 schools through The Oklahoman's Newspapers in Education.
- In FY12, over 52,000 participants in 522 community sites were served through Arts Learning in Communities grants. Programs include after school programs, summer art camps, adult art programs, programs for those with special needs and senior citizens programs.
- Agra School district, a district without any visual arts instruction, received matching funds for an arts education specialist. Agra's program was developed in compliance with legislation passed in 2008.
- The Council's partnership with the Oklahoma City Police Department through the Family Awareness and Community Teamwork (FACT) program provided arts instruction to at-risk youth. A positive alternative to gangs, this program teaches specific art disciplines and also enforces the values promoted by the police department such as respect for others and self.

Preserving Oklahoma's history and cultural heritage

- Organized and curated 22 rotating Capitol gallery exhibitions that provided access to exceptional art by Oklahoma artists at no cost to the visitor.

- The agency curates and maintains the State Art Collection of over 200 works of art in the Betty Price Gallery in the state Capitol.
- Provided technical assistance and expertise to the Capitol Preservation commission including:
 - Oversight of the Dr. John Hope Franklin portrait commission and acquisition.
 - Managed on-site conservator and historic structures architect reports to assess and prioritize needs for the Capitol collections.
 - Partnered with DCAM to conduct a light assessment by a conservator to identify the light sources affecting the long-term preservation of the Capitol Art.

5. What strategies would you employ in response to flat funding or a five percent reduction in appropriated funding? |

In order to provide the best service to constituents, the agency evaluates all programs and services to determine the most effective use of resources. As we are beginning our next strategic planning process, we will continue to seek feedback from the public, our governing body and other stakeholders regarding the most efficient and effective use of 1.)funds available for grant distribution to continue to support the arts and culture industry; 2.)resources available for professional development services to strengthen the cultural infrastructure; and 3.)resources for the management of the Capitol art collections.

While either scenario listed above would result in reductions in grant funding and/or reduced services, our goal would be to maintain the integrity of the programs and the service to the public.

6. If applicable, how will potential federal sequestration/reduced federal funds affect the agency and programs, and what contingencies are in place?

Potential reduction in federal funds would negatively impact our agency. Currently the funding from State Partnership grant that we receive from the National Endowment for the Arts is approximately 15% of our budget and is spread throughout our grant programs and professional development services. Any reductions would also be spread throughout our grant programs to minimize the impact to our constituents. However at this point our plan would be to maintain the existing programs by reducing grant award amounts rather than eliminating any grant program completely or eliminating any of our professional development services to constituents. While negatively affecting all of our constituent organizations, the greatest impact would be felt in the rural areas of our state. As stated in the previous response, we continue to evaluate and seek feedback from stakeholders to assist in determining the most effective use of all agency resources.

7. What are your personal services costs, including professional services, as a percentage of your total budget? Which positions have received salary increases in FY-12 – FY-13?

FY 12 Personal Service Costs \$924,849.69
 FY 12 Professional Services \$ 24,330.60
 Total \$949,180.29 19.7%

FY 13 Personal Service Costs Budgeted \$1,069,900
 FY 13 Prof. Ser. Bud \$21,000
 Total \$1,090,900.00 22.98%

No positions received salary increases in FY 12 or in FY 13.

*Note budgeted for FY13 was increased due to vacancies that we hoped to fill and to ensure that we were able to budget for adequate benefits costs that might be associated with these personnel. We anticipate that the actuals

will be less than budgeted, as the personnel hired will not be utilizing the maximum benefits for spouse and or children covered.

8. What are your vacancy and turnover rates? What have you done with any funds accumulated from vacancies? What strategy, if any, do you utilize to retain key personnel?

FY 11 Turnover rate -

During FY 11 there was one retirement, the Cultural Development Director.

FY 12 transitions -

During FY 12 there were three vacancies:

The Executive Director retired and this position was filled internally by the Deputy Director .

The vacated Deputy Director position was filled from the outside.

The vacated Cultural Development position was filled internally by the Community Arts Director leaving the Community Arts Director position vacant

The Community Arts Director position was filled in FY 13.

Strategies for retention include:

- Inclusion in the planning process for the agency
- Performance reviews for timely feedback
- Training and professional development
- Encouragement to look at the state and determine unique and positive solutions to societal trends or issues.

With the economic downturn, administration has opted not to offer salary increases that have not been legislatively mandated.

9. Please provide the status of any implementation activities related to the information technology reforms enacted in the last three years regarding your agency with the Chief Information Officer in the Office of Management and Enterprise Services (OMES)?

The Oklahoma Arts Council has had a strong and positive working relationship with OMES for over 10 years. They have managed our IT services for several years including data storage, server and pc maintenance and email.

10. Do you currently contract with OMES for shared services, or have you contacted or been contacted by OMES regarding their providing certain shared services to your agency that are currently accomplished in-house? Which services? Have you realized net savings?

We contract with OMES for our IT services, including data storage, server and pc maintenance and email. We have had this service contract for several years. However following a meeting with representatives from OMES, we were informed at the beginning of this year that our agreement would increase next year and again the following year which will result in nearly doubling our current budget for IT services by FY15. Although this negatively affects our overall budget, we continue to have a good working relationship with OMES.

11. Do you consult with other agencies to share strategies related to decreasing costs? If so, what have you shared and what costs have decreased and what has been the impact on programs, services, etc.?

Cost saving strategies included:

- The Oklahoma Arts Council's online e-grant system, developed in-house, saves staff time and paper, storage, printing and mailing costs for both the agency and for constituents
- Utilized teleconference service for panel meetings, reducing printing and travel costs
- Most publications are produced electronically to keep print and mailing costs at a minimum.
- Installed energy efficient LED lighting in the Betty Price Gallery and partnered with the DCAM to replace bulbs in the other Capitol galleries. Changes better preserve the artwork and save over 24,000 kWh and \$2,000 annually. Although not a direct savings to our agency, it is a savings for the state.
- The Office of State Finance provides all the Oklahoma Arts Council's IT needs including data storage, email and PC maintenance.
- The Oklahoma Arts Council distributes administrative services such as payroll, human resources, training enrollment, and accounting services among existing staff, keeping administrative costs to an average 8-9% of the total agency budget.

12. To what extent have you explored the cost effectiveness of initiating or expanding the privatization of certain functions, service delivery or programs of your operations?

There is no private entity that serves the arts and cultural industry on a statewide basis. The Arts Council's programs and services rely on a strong public/private partnership, whether through matching funds or community sponsorship.

- Grant programs require matching funds. Our agency ensure that the public interest throughout the state is served by providing fair access to arts resources, especially among underserved populations.
- Grant programs require accountability through a stringent review by panels and the final report process ensuring that funds are distributed according to the public interest.
- Our services include accurately assessing the state's cultural needs and assets, then organizing efforts to help the state achieve goals that are relevant to its policy priorities such as business recruitment, development of creative workforce and economic development. Collaborations and input from the public as well as private organizations are vital in this process.
- The public/private partnership inherent in our programs and services are vital to ensuring accessibility and reducing barriers such as those linked to poverty, geographic isolation, limited education, lack of information, disability, age or ethnicity.

13. Identify specific revenue sources for each of your agency's revolving/disbursement funds and provide totals for FY-11 and FY-12. What have your carryover funds been the past two fiscal years? Please note any significant revenue trends regarding any specific funding source.

- (sub-acct 850) Legislation passed in 2008 established revolving funds appropriated by the State to specifically assist school districts without visual arts education. Schools are selected to participate on a three year declining funding model. No further funding has been appropriated since 2009.
 - Beginning balance FY11 \$258,331
 - Beginning balance FY12 \$234,631
- (sub-acct 875) In FY10 The Oklahoma Humanities Council provided a one-time \$20,000 grant specifically to be used for the "Teaching with Capitol Art" travel subsidies for school transportation costs to the Capitol.
 - Beginning balance FY11 \$15,616.50
 - Beginning balance FY12 \$2,942.63
- (sub-acct 443) A long-standing relationship with the State Department of Education had provided our agency with funds to be used specifically for arts programming in Alternative Education sites, historically \$175,000 per year. Due to budget shortfalls additional funding for this program was eliminated by SDE in FY11.
 - Beginning balance FY11 \$7,215.51

o Beginning balance FY12 \$2,942.63

Carryover funds result in part from unexpended grant funds by grantees and/or savings realized in administrative costs due to vacancies, reduced travel costs, fewer publications, use of electronic technology etc. Carryover funds are allocated directly to grant programs the following fiscal year.

FY 11 \$307,186 – allocated to FY12 grant categories

FY 12 \$319,458 – allocated to FY13 grant categories

14. What cost elements are included in your administrative program? Are certain administrative costs allocated throughout your budget?

Administrative cost elements include:

- Salaries, benefits, and travel costs for 3.5 FTE *Executive Director, Finance Director, Executive Assistant, PT Office Manager
- Copier rental, Service agreement with OMES and costs associated with IT equipment, and office supplies

Administrative costs allocated throughout other program budgets:

- Education – Salaries, benefits and travel costs for 3 FTE: Curator of Education and Capitol Galleries, Arts Education Director and *Assistant Director
- Community Arts Programs – Salaries, benefits and travel costs for 5 FTE: *Deputy Director, Grants Director, Cultural Development Director, Community Arts Program Director and Grants Fiscal Assistant
- Public Awareness – Salaries, benefits and travel costs for 3 FTE: Communications and Marketing Director, Web/Publications Director and Visual Arts and State Art Collection Director.

* Denotes supervisor.

15. Have you undertaken or contemplated the elimination of any programs and, if so, what do you perceive to be the impacts of such eliminations?

All programs and services are reviewed and evaluated regarding effectiveness of service towards the public good. Due to the elimination of the SDE funds for Alternative Education this program has been eliminated although we continue to work with Alternative Education sites to offer assistance in arts education programs. Students served are at risk for high school failure due to a variety of reasons including academic deficiency, behavioral difficulties, excessive absences, pregnancy or parenting, adjustment problems or juvenile justice involvement. Arts education is one of the 17 Research-Based Components according to 70 O.S.§ 1210-568. Alternative Education arts programs are critical as they provide a discipline based performance structure, encourage team work, enhance students self-confidence, and provide a mechanism to allow students to be presented in a positive manner to their respective communities. Because of the importance of these programs in promoting those characteristics listed above, we have requested specific funding for this program to be reinstated in our FY14 budget request.

16. Please add any other information you believe to be essential for the Legislature to know concerning your agency's budget structure, performance, inputs and outcomes.