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NEVADA DEPARTMENT OF CULTURAL AFFAIRS



Phantom and the Broomtail © by Paula Morin, Reno

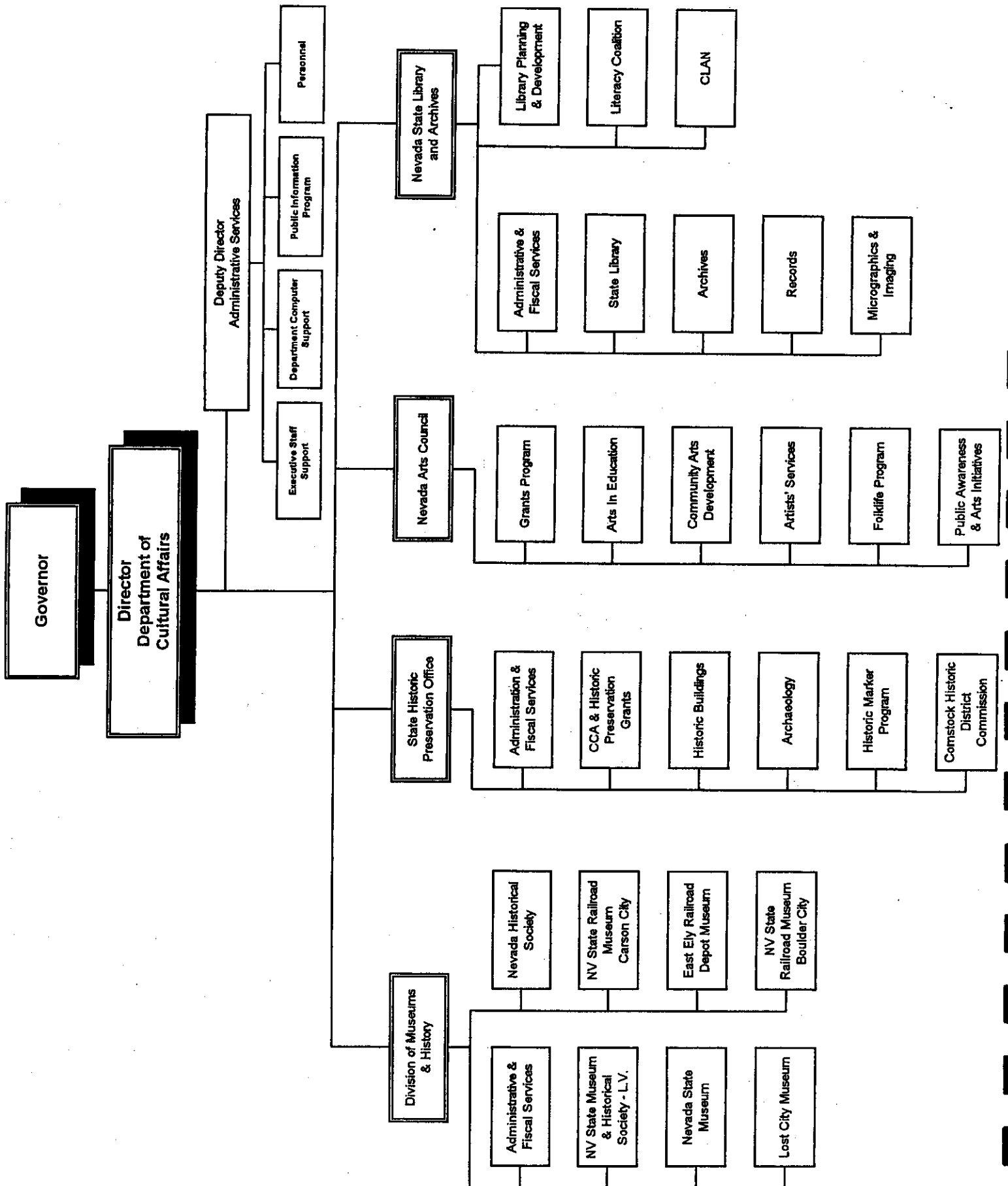
BUDGET PRESENTATION TO THE 2003 LEGISLATURE

Kenny C. Guinn
Governor

Scott K. Sisco
Interim Director

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THE RESEARCH LIBRARY

PAGE 1012
ASSEMBLY GOVERNMENT AFFAIRS
DATE: 3/7/03 ROOM: 343 EXHIBIT E
SUBMITTED BY: SCOTT SISCO





DEPARTMENT OF CULTURAL AFFAIRS
BUDGET REQUEST

Overall Reductions to Budget - 5.20%

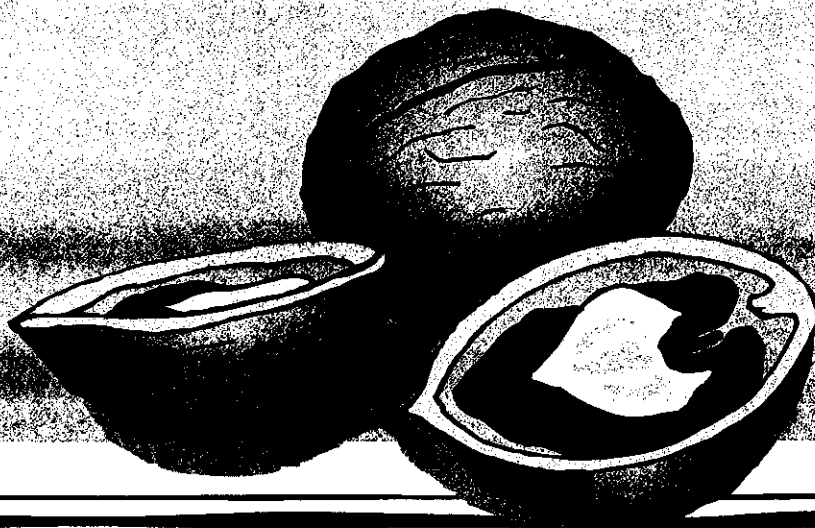
General Fund Budget Cuts - \$591,069

Restored by Governor \$92,964

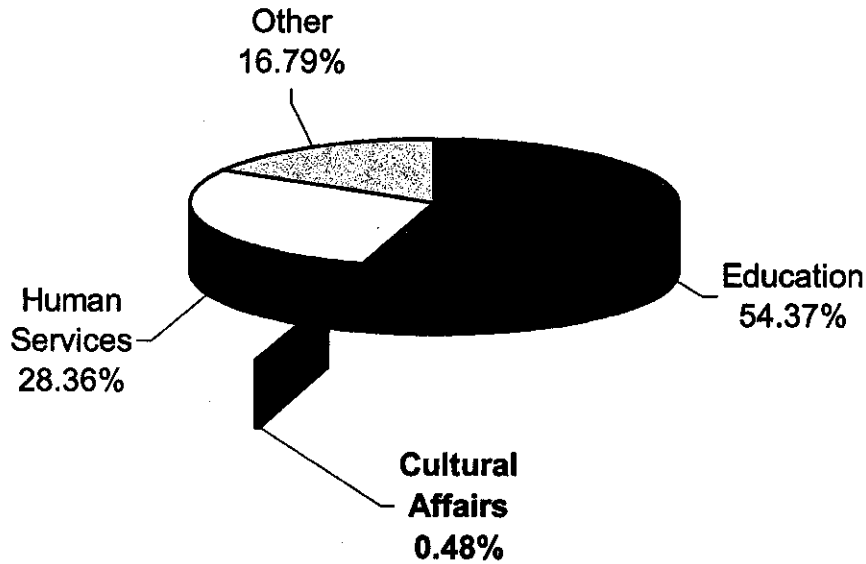
Reduction in Staff - 10.89 FTE

Enhancement Units

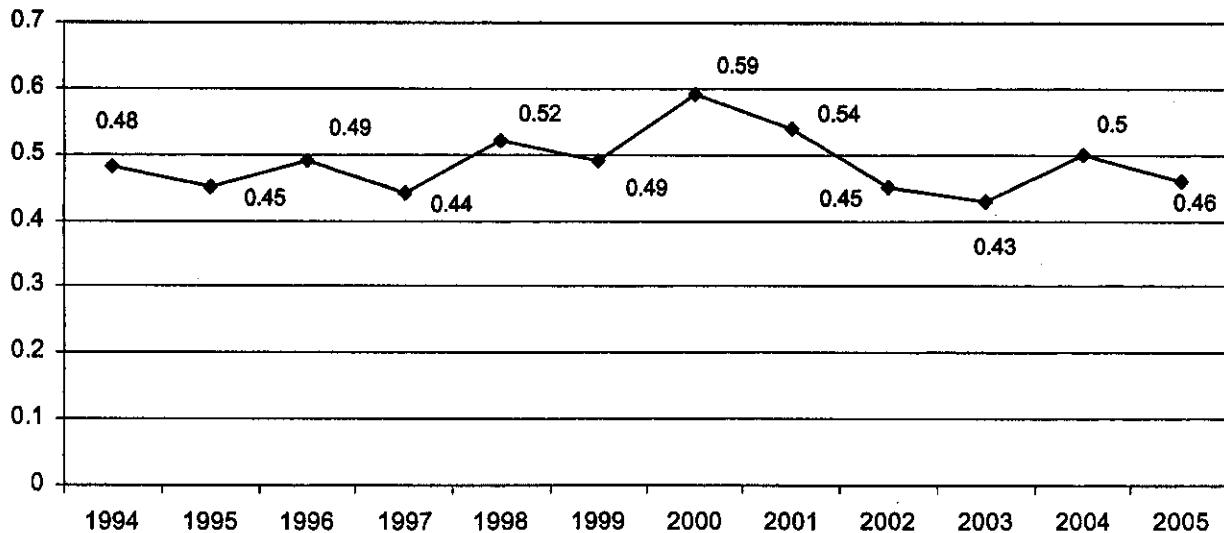
*Rent—LV Office, Library for the Blind &
Physically Handicapped Program (Annual)* \$39,600



State of Nevada General Fund Expenditures 2003 - 2005 Executive Budget

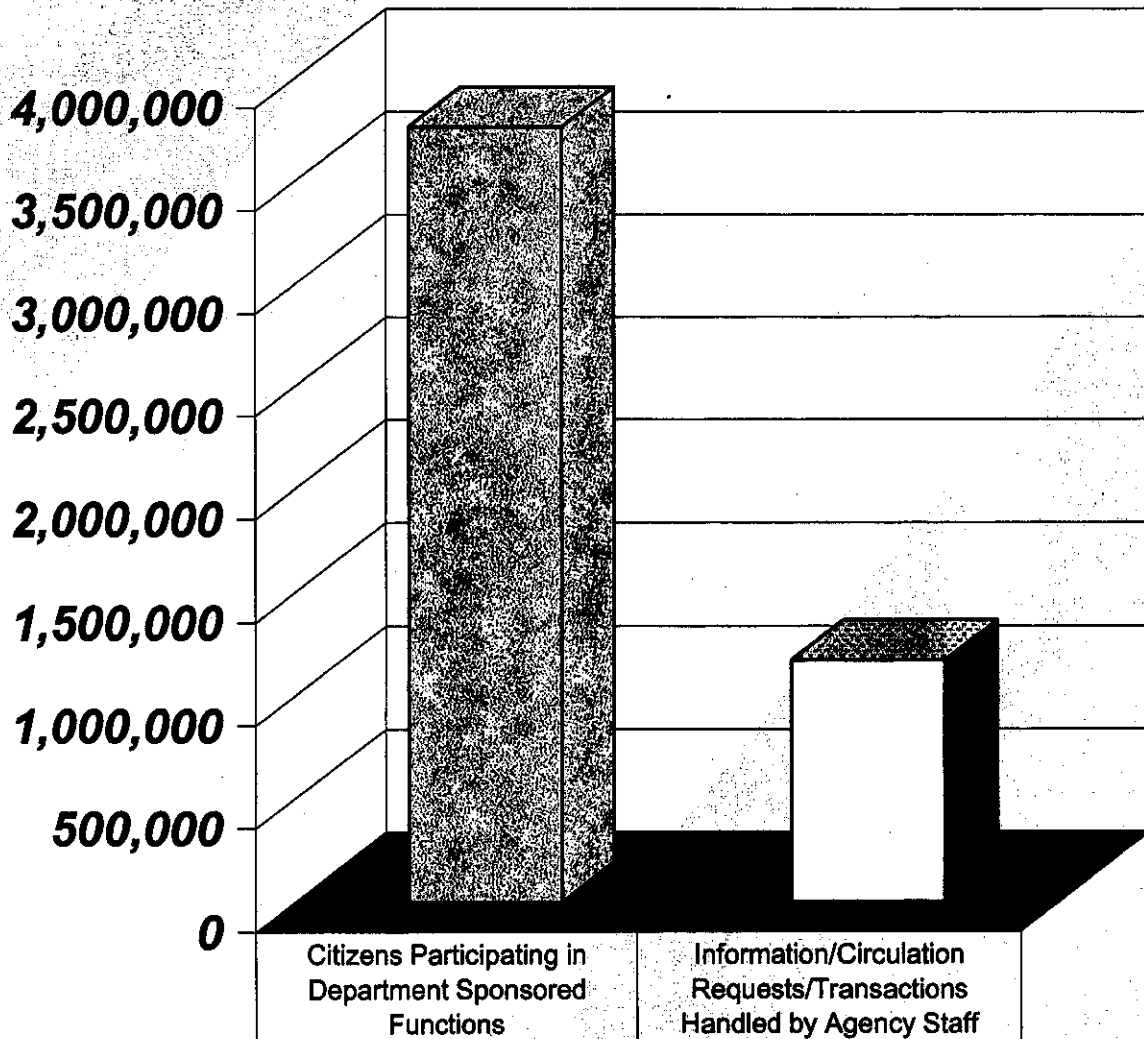


Department of Cultural Affairs Percentage of Total State General Fund Appropriations Tracked By Year Since Department Creation



Note: Increases in SFY 04 & 05 are attributable to replacement of Tourism funding transfers with general funds due to depletion of Tourism reserve. This increase in Tourism transfers had been approved to fill a budget gap in the 2001 Legislative session. Had the transfers continued, the biennium actual would have been a new general fund low point of .39%.

Department of Cultural Affairs
Citizens Use of Department Services
FY 2002: 4,938,831



Citizens Use of Department Services	Citizens Participating in Department Sponsored Functions	Information/Circulation Requests/Transactions Handled by Agency Staff
	3,764,037	1,174,794

Nevada Arts Council

"Mixing artistic vision with the public good is exactly what the arts community does."

-Robert Lynch, CEO, Americans for the Arts



The Artists' Services Program increases exposure and opportunity for Nevada artists.



The Community Arts Development Program encourages greater understanding of contemporary issues.



Funds raised through the *Rich in Art* license plate initiative support statewide art programs for pre-schoolers and youth at risk.



Arts in Education unlocks the creative potential in schools and communities.



The Folklife Program supports and preserves Nevada's diverse traditions, heritage and culture.

**NEVADA ARTS COUNCIL
BUDGET REQUEST**

General Fund Budget Cuts - \$86,400
Restored by Governor \$0

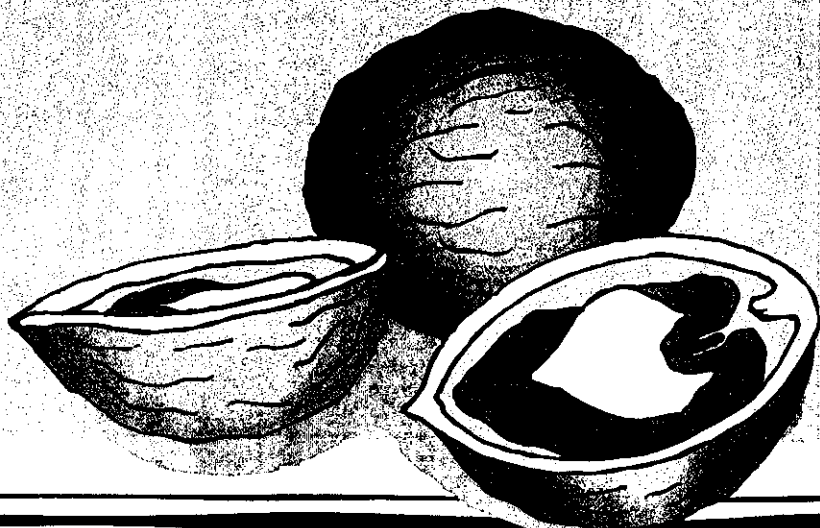
Reduction in Staff 0 FTE

Enhancement Units

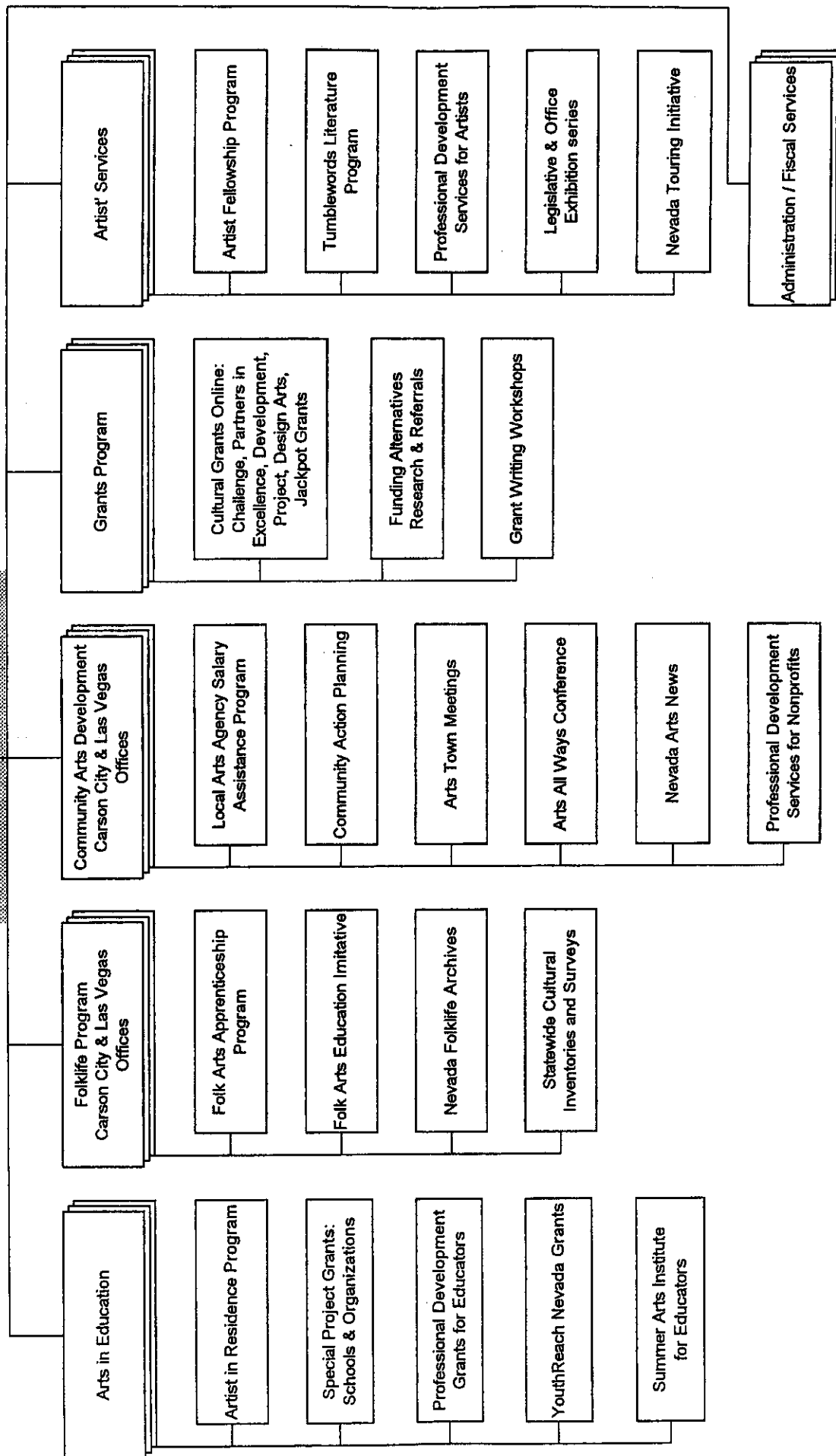
None

Replacement Equipment

Nevada Arts Council phone system



Nevada Arts Council



STATE OF NEVADA
2004-2005 BIENNIAL BUDGET REQUEST
EXPANDED PROGRAM NARRATIVE

Budget Account Title:	Nevada Arts Council
Budget Account Number:	2979
Name of Agency or Program:	Nevada Arts Council

SECTION 1 – STATUTORY MANDATE, PROGRAM DESCRIPTIONS, PUBLIC PURPOSE AND CRITICAL NEED

1A – Statutory Mandate

NRS 223C states: "It is the policy of the State of Nevada to join with institutions and professional organizations concerned with the arts to insure that the role of the arts in the life of the communities of the state will continue to grow and play an ever increasing part in the cultural development and educational experience of the citizens of the State of Nevada." The statute establishes the Nevada Arts Council and its policies and restates federal requirements outlined in the National Foundations on the Arts and Humanities Act of 1963, as amended, and mandates additional responsibilities.

1B – Program Descriptions

The mission of the Nevada Arts Council (NAC) is to enrich the cultural life of the state through leadership activities that preserve, support, and make accessible excellence in the arts for residents and tourists alike. With the understanding that the public good is served by a creative population, diverse economies and vibrant communities, NAC animates a statewide cultural delivery system to reach populated cities and geographically isolated towns equally. In partnership with schools, arts institutions, artists, municipalities, and tribal organizations, NAC grants and programs support folklife festivals to youth artwork projects; concert series to urban murals; and K-12 arts curriculum development to the building of new cultural facilities.

A nine-member council appointed by the Governor advises NAC on cultural policies and makes final decisions on grant allocations. Staff develops and administers programs and projects that support the agency mission and goals in accordance with the NAC strategic plan, *The Nevada Cultural Blueprint*. Updated every three years, this document is guided by information gathered at statewide arts town meetings, through surveys and evaluations, and in synchrony with the Department's strategic plan. NAC's Las Vegas office, established in FY99 in response to identified constituent needs, is presently staffed by a Community Arts Development Associate and the Folklife Associate.

To provide effective services to a broad clientele, the NAC is divided into six programs as noted below. Although each provides distinct activities for its constituencies, emphasis on internal and external collaboration is a matter of course.

1. With its new web-based grant application system, *Culture Grants Online*, the Grants Program provides an accessible, competitive funding source for projects and programs that increase public access to a growing number of cultural experiences. Matching grants are awarded through a highly competitive process that utilizes a professional panel review system and is based on programming, accessibility, fiscal responsibility, and other factors that measure quality of product, planning and evaluation.
2. Founded on the belief that the arts have a crucial place in the lifelong learning process of all citizens, the Arts In Education program sponsors school and community artist residencies, grants for innovative education projects, and statewide partnerships to enhance arts curriculum and teacher training. In FY03, with funding from the National Endowment for the Arts, NAC launched an after-school arts education initiative, Youth ArtReach, designed to target at-risk youngsters in rural and urban environments.
3. At the grassroots level, the Community Arts Development Program provides organizational planning assistance, grants and technical assistance (site visits, research & referrals, skills-training) to ensure access and participation in the arts for all citizens and a strong cultural infrastructure for all communities.
4. The work of Nevada's growing population of independent artists in all disciplines (visual, literary, performing) and in all career stages is supported through the grants and professional development activities of the Artists' Services Program.
5. The Folklife Program honors the guardians of Nevada's traditional arts and cultures (Washoe basketry, Filipino dance, Taiko drumming, rawhide braiding) through exhibits, publications, school programs, apprenticeships, and the Nevada Folklife Archives.

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EXPANDED PROGRAM NARRATIVE

6. Constituent services such as Governor's Arts Awards, surveys, and planning documents are produced through the Public Awareness and Arts Initiative Program.

1C – Public Purpose and Critical Need

The Nevada Arts Council is the sole public or private agency in the state that provides citizens access to a broad range of cultural services, including grants, statewide initiatives and technical assistance on a statewide basis without geographic or social prejudice. Guided by its mission and goals, NAC supports the work of artists, organizations and communities as they endeavor to make the arts a part of everyday life; provides opportunities for citizens to experience the role of participant, patron or audience member in the arts; and promotes understanding of the role of the arts in the development of the human spirit.

Engaging students in the creative process, preserving traditional arts forms, supporting the creation of new music, dance and literature; bringing audiences and artists together...by providing services that honor the worth of creativity and intrinsic values of the arts for both the individual and society, NAC embraces its mission unequivocally. A commitment to the cultural policies enacted by the Nevada Arts Council, combined with ongoing educational and economic development, will, in the long term, advance economic diversification, sustainable communities, and generations of value-based, competitive students.

SECTION 2 – NEW PROGRAMS INCLUDED IN THIS BUDGET ACCOUNT

There are no new programs included in the Executive Budget for this budget account.

SECTION 3 – PERFORMANCE MEASUREMENTS

Performance Indicators

* See note below

Projected <u>FY 02</u>	Actual <u>FY 02</u>	Projected <u>FY 03</u>	Projected <u>FY 04</u>	Projected <u>FY 05</u>
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*Explanation of Performance Indicators, including Planned versus Actual

While previously detailed as "Performance Indicators," recent interpretations suggest that indicators previously tracked are more appropriately classified as "Workload Statistics" rather than outcome-based performance measurements. The work performed in the Department of Cultural Affairs as a whole is difficult to measure, as the true value may only be determined in as many as 20 to 200 years into the future. No one would argue that history must be preserved and citizens must have access to cultural services and activities. However, that future value is a missing link that prevents us from fully and accurately measuring the value (or outcome) of what we are now accomplishing. The continued popularity and use of Department services by the public is the best current measurement of our success.

SECTION 4 – WORKLOAD STATISTICS

Workload Indicators

	Projected <u>FY 02</u>	Actual <u>FY 02</u>	Projected <u>FY 03</u>	Projected <u>FY 04</u>	Projected <u>FY 05</u>
Qty of grant apps received by all NAC programs	598	545	500	500	550
Qty of grant apps awarded through all NAC programs	355	292	300	300	300
Amount requested in grant apps to Grants program only	1,216,909	1,573,576	1,365,486	1,250,000	1,250,000
Amount awarded to Grants program grantees	841,501	833,990	821,812	790,000	790,000
Total project budgets of applicants to Grants program	21,723,119	36,258,718	39,176,200	30,000,000	30,000,000
# of citizens participating in activities funded by all NAC grants	n/a	2,324,579	2,250,000	2,250,000	2,250,000
# of K-12 students participating in activities funded by all NAC grants	n/a	566,881	600,000	600,000	600,000
# of communities/tribal governments served funded by all NAC grants	n/a	69	70	70	70

Explanation of Workload Indicators, including Planned versus Actual

Data is collected from grantees for a 90+ page annual report required by the National Endowment for the Arts (NEA). The slight variations in projections and actuals reflect the type of grantees or projects funded during a fiscal year. Similarly, certain NAC initiatives, such as arts town meetings or folk arts surveys, occur every other or every several years, thus varying the projections

**STATE OF NEVADA
2004-2005 BIENNIAL BUDGET REQUEST
EXPANDED PROGRAM NARRATIVE**

over time. This data exhibits front-end statistics—number of applications processed and number of funded grants—and final statistics—number of participants in NAC funded cultural programs, total project budgets of grantees, and leveraged matching dollars. Using the front-end statistics, we extrapolate agency caseloads. For example, each grant application requires a number of administrative duties: consultations in person or by telephone; logging postmark date; reviewed applications and support materials (slides, video & audio tapes, writing samples, by-laws, etc) for completeness; managing grant review panel and related correspondence.

The lower than projected figures for FY02 were caused by the delay of two initiatives, Youth ArtReach and the Nevada Touring Initiative, both funded by the NEA. Fewer dollars were awarded than projected as the start-up costs for the Culture Grants Online project required a one-time publication to introduce users to an e-grant application system.

Measurement indicators for FY03-FY05 are flat because of the imposed budget cuts. The ripple effect of cutting Arts Council grants and services is difficult to predict. It is possible that applications will drop because of fewer dollars in the Grants Program, causing grantees to cut back on programs, attracting fewer participants and generating lower revenues.

SECTION 5 – BUDGET REDUCTIONS

Reductions made by agencies and programs of the Department of Cultural Affairs in SFY 2003 differ from reductions included in the SFY 2004 and SFY 2005 Executive Budget Request. SFY 2003 cuts were implemented after almost a third of the year had passed, in some cases after full payment had already been made to certain recipients. Combined with the reality of certain fixed costs such as utilities, rent and employee salaries, this resulted in the need to make substantially more than 3% cuts in SFY 2003 from a much smaller array of possible expenditure categories. The budget instructions for SFY 2004 and SFY 2005 allowed for combining the 3% cuts with other budgeting requirements (i.e., the 2003 X 2 Base Rule). Reductions such as staff turnover that resulted in lower personnel services as well as other departmentwide reductions ultimately reduced the cuts to be made for the 2004/2005 biennium. In addition, having more time to plan and prepare for certain cuts in some cases resulted in different decisions than had been made for the shorter cut period in SFY 2003. The Department of Cultural Affairs met the combined 2003 X 2 rule and the 3% cut requirement, making General Fund cuts included in the Executive Budget in the amount of \$591,069. Of that, \$90,964 \$92,964 has been restored in the Executive Budget.

Description of Cuts Made/Proposed:	Actual Cuts Made SFY 2003	Budget Reductions SFY 2004	Budget Reductions SFY 2005
Arts in Education program	17,000	2,000	2,000
Challenge grants	18,000	32,200	32,200
Grants program	16,500	0	0
Community Arts Development program	6,500	4,500	4,500
Artists' Services	2,000	0	0
Public initiatives	5,000	1,500	1,500
Folklife program	<u>7,000</u>	<u>3,000</u>	<u>3,000</u>
Total Cuts This Budget Account:	\$72,000	\$43,200	\$43,200

These cuts represent: 1. A reduction of funding for arts education projects, new cultural organizations, and capital campaign projects. To economize on printing and mailing, the majority of NAC program and grants guidelines are produced and distributed every two years. Because the agency's mailing list is quite extensive, the grant categories reduced in funding were those whose primary applicants/grantees could be informed of the cuts in a timely and cost-effective manner.

2. A decrease in outreach services provided by staff and/or consultants to constituents and grantees in rural or geographically isolated communities.
3. A delay in the development and implementation of a database conversion compatible with Culture Grants Online, NAC's new web-based grants application process.

SECTION 6 – MAINTENANCE UNITS

**STATE OF NEVADA
2004-2005 BIENNIAL BUDGET REQUEST
EXPANDED PROGRAM NARRATIVE**

The following maintenance units are included in the Executive Budget for this budget account (excluding standard or Budget Division prepared units):

M 400 Restoration of Travel and Training Funds Reverted

SFY 2004: \$3,165

SFY 2005: \$3,165

This decision unit restores travel and training funds that were frozen and reverted in the base budget year specifically due to the Governor's directive to curtail travel and training as a result of the budget crisis. While travel and training were temporarily curtailed to meet this directive, failure to restore these funds would be detrimental if continued indefinitely.

SECTION 7 – ENHANCEMENT UNITS

The following enhancement units are included in the Executive Budget for this budget account:

E 600 Budget Reductions

SFY 2004: <\$43,200>

SFY 2005: <\$43,200>

3% & Combined 2003 X 2 Rule Budget Cut Requirements: This decision unit is detailed in section # 5 above.

E 711 Replacement Telephone Equipment

SFY 2004: \$18,195

SFY 2005:

\$0

This decision unit provides funding to replace an antiquated telephone system for the Carson City office of the Nevada Arts Council. The agency is currently utilizing a hand-me-down system secured by DoIT several years ago. DoIT recommends this system be replaced as parts are no longer readily available, and maintenance costs are increasing while options are diminishing.

E 805 Reclassification Request

SFY 2004:

\$0

SFY 2005:

\$0

This decision unit provides for reclassification of position # 0007, Cultural/Natural Resource Specialist II, to the III level due to an increase in the scope and complexity of duties including the responsibility to supervise staff and oversee the Las Vegas office. Costs are covered through elimination of an existing +5% being paid and a reduction to other programming areas.

SECTION 8 – ONE SHOT REQUESTS

There are no One-Shot requests included in the Executive Budget for this budget account.

SECTION 9 – PROGRAM CHALLENGES

With an understanding of the intrinsic value of the arts for citizens and communities alike, and the impact of the arts on new economy development, NAC remains committed to the creation of a statewide cultural infrastructure that boasts stable arts organizations. Nevada has the potential to lead the nation in the development of new models for participation in, and support for the arts. Considering our diverse new resident population, the demand for increased arts and cultural activities statewide, the momentum present in both Reno and Las Vegas to develop integrated community-wide cultural systems, and the interests of the gaming industry in using the arts to attract tourists—the timing couldn't be better.

With that said, NAC faces the following challenges: a) increased requests for grants, training and statewide programs; b) maintaining professional development of staff to serve a growing client base; c) growing need for cultural facilities statewide; and d) developing a professional website to serve all users.

Without arts education, our children won't develop the currency needed in the 21st century—creativity. Without adequate job opportunities, our best artists will leave. Without the best artists, the quality of arts experiences may lessen. If appropriate funding isn't forthcoming for our major arts institutions and new generation arts organizations, doors may close. Without appropriate facilities and cultural centers, where will audiences and artists come together? If we can't provide cultural amenities to our newest residents, will they and their businesses leave?

Our citizens deserve high quality-of-life amenities, well-planned cities and towns, and rich and diverse cultural experiences in their own communities. The arts have a rightful place in the mosaic of our state marketing image and economic profile. With the leadership of the Nevada Arts Council and in partnership with its sister agencies and organizations and local governments across the state, preserving our cultural history, supporting contemporary artistic endeavors, and developing new arts audiences for future generations can be achieved sooner than later.