

AGENCY NAME:	Arts Commission		
AGENCY CODE:	H91	SECTION:	28



**Fiscal Year 2018-19
Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2018-19, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
	<input type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.
CAPITAL REQUESTS (FORM C)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input type="checkbox"/>	Not requesting any changes.
	For FY 2018-19, my agency is (mark "X"):	
PROVISOS (FORM D)	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Ken May	734-8689	kmay@arts.sc.gov
SECONDARY CONTACT:	Angela Brewbaker	734-8759	abrewbaker@arts.sc.gov

I have reviewed and approved the enclosed FY 2018-19 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:	Ken May	Henry Horowitz

This form must be signed by the agency head – not a delegate.

Fiscal Year 2018-19 Budget Request Executive Summary

Agency Code:
 Agency Name:
 Section:

BUDGET REQUESTS			FUNDING				FTES					
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Grant Funds to Support Community Arts Development	500,000				500,000					0.00
2							0					0.00
3							0					0.00
4							0					0.00
5							0					0.00
6							0					0.00
7							0					0.00
8							0					0.00
9							0					0.00
10							0					0.00
11							0					0.00
12							0					0.00
13							0					0.00
14							0					0.00
15							0					0.00
16							0					0.00
17							0					0.00
18							0					0.00
19							0					0.00
20							0					0.00
21							0					0.00
22							0					0.00
23							0					0.00
24							0					0.00
25							0					0.00
26							0					0.00
27							0					0.00
28							0					0.00
29							0					0.00
30							0					0.00
TOTAL BUDGET REQUESTS			500,000	0	0	0	500,000	0.00	0.00	0.00	0.00	0.00

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1 – Form #13280
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Grant Funds to Support Community Arts Development
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$500,000 Federal: Other: Total: \$500,000
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What is the net change in requested appropriations for FY 2018-19? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input checked="" type="checkbox"/>	Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority # _____	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input checked="" type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

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ACCOUNTABILITY OF FUNDS	<p>Goal 1: S.C. citizens and visitors have diverse opportunities for relevant and rewarding arts experiences, with emphasis on rural, high poverty and minority communities</p> <p>Strategy 1.1.1 Provide direct staff services in 7 opportunity counties</p> <p>Strategy 1.1.2 Focused planning work in the designated Federal Promise Zone</p> <p>Strategy 1.2.1 Pilot at least one new program to develop a cadre of artists to work in opportunity communities.</p> <p>Strategy 1.3.1 Increase utilization of Horizon Grants and other low-barrier access to small grants for opportunity counties</p> <p>Goal 4: S.C. arts providers have the capacity and resources to deliver quality arts experiences to citizens and visitors</p> <p>Strategy 4.1.3 Implement training and professional learning opportunities for arts organization staff and volunteers</p> <p>Strategy 4.3.1 Support local and statewide arts providers through grant making to local governments and nonprofits: operating support, projects support</p> <p>Grant funding and professional development materially support the organizational health and staff capacity of arts providers statewide. Grantees provide detailed reporting on funded activities. Pilot projects are independently evaluated.</p>
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>Funds will be distributed to grantees using existing competitive program processes and newly designed processes. Grantees will include local arts organizations, non-profit community organizations, faith organizations, local government entities such as recreation departments and libraries, and statewide service organizations.</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

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JUSTIFICATION OF REQUEST

The fundamental goal of the SC Arts Commission is to make it possible for **all SC citizens and communities to benefit from the arts**. One of the most important ways that we accomplish this goal is through our support of the statewide network of local arts providers. To that end, we are requesting new, recurring funds for grants to 1) increase investment in local arts organizations through Operating Support grants; 2) increase funds available for promising new approaches to grassroots arts development in economically distressed rural areas; and 3) provide support for professional development for staff and boards of arts organizations and career development and business training for artists.

Operating Support
For community arts organizations of all types, we offer Operating Support grants, which provide flexible, unrestricted funding to help with ongoing operations and programming. These grants allow the organizations to focus on *their* mission and goals, rather than the shifting priorities of funders. Operating Support grantees provide over 4 million individual arts experiences for SC citizens and visitors annually.

SCAC awards two types of operating grants: General Operating Support (GOS) and Operating Support for Small Organizations (OSS), which require minimum local matching funds at a ratio of \$3:\$1 (local:state) and \$2:\$1, respectively. Awards are determined by a rigorous, comprehensive review of operations and programming by a peer panel. During the last three application cycles, SCAC has received an average of 17 new applications for operating support each year (11% of an average 154 awards), resulting from increased efforts to engage all counties and communities. With the same amount of funding available for operating grants in FY2017 as in the previous fiscal year (\$1.4 million), the average award fell from \$10,063 to \$9,274. New funds appropriated for FY2018 (pending veto override) will increase the average grant to \$11,103.

Operating Support grant awards are calculated by a formula that sets a maximum award, based on budget size of the applicant organization, adjusted by a percentage determined by peer panel rating. If budget is insufficient to fully fund the formula, awards are reduced by a standard percentage across the board. The requested funds will allow us to fully fund the current formula, bringing the average grant to approximately \$12,000, and will accommodate expected new applications. This portion of the request is **\$340,000**.

New Approaches
For several years the Arts Commission has targeted “Opportunity Counties”—defined as counties that have received less than one grant, on average, during the previous three years. We began with a list of 8 counties and have pared the list down to 4. These are generally high-poverty, rural counties with little established arts infrastructure that face many challenges.

In 2016 the Arts Commission launched a new project called *The Art of Community: Rural SC*, which is a systematic effort to support grassroots cultural asset identification and development in the 6 counties of the federally designated Promise Zone in the SC Lowcountry: Allendale, Bamberg, Barnwell, Colleton, Hampton, and Jasper. We are working with local teams in each county, who have identified opportunities to expand or develop arts assets in their communities. The Arts Commission is providing grant funding to support these projects. This new approach is showing great promise, and the requested funds will allow us to continue this work in these counties and expand to other parts of the state that face similar challenges. The Arts Commission has secured start-up

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funding for this project from the US Department of Agriculture, but we need recurring funds to sustain and expand our efforts. The next target area will be in the Pee Dee. This portion of the request totals **\$120,000**.

Professional Development

SC arts organizations, like most small businesses in our state, have very small staffs that are called upon to manage all aspects of their work. Of the organizations currently receiving Operating Support grants, only 58% have one or more full-time staff positions. Among those that do, the median number is 3. Only 6% of Operating Support grantees report more than 10 full-time employees. More organizations—79%--have part-time employees.

Most of these employees do not have degrees or specialized training in arts management or business administration. Like many small business people, most of their training has been “on the job,” but they are expected to function at a high professional level in multiple job functions.

There is a wave of Baby Boomer retirements that is just beginning to break in the state’s arts community. Remaining staff and new staff filling vacancies will be in particular need of in-service learning opportunities to ensure continuity of operations.

The Arts Commission has an opportunity to partner with the Donnelley Foundation (Lowcountry), Together SC (statewide), and the SC Arts Alliance (statewide) to create a series of affordable, accessible learning opportunities for arts leaders on topics such as finance and capitalization, fundraising and grant-writing, marketing and community engagement, planning and evaluation, etc. A portion of the requested funds will support this effort.

The Arts Commission currently provides start-up grants for artist-driven businesses (Artists Ventures) and career development workshops and coaching for artists (Artists U). Currently, funding for start-ups is limited to 4 per year, and Artists U is supported on a small scale by a non-renewable private grant. Requested funds will allow expansion and continuity for these programs.

Requested funding for this comprehensive program of professional development for arts professionals is **\$50,000**, which will be matched by funding from the Donnelley Foundation and Together SC.

Without the funds requested for these three integrated grantmaking programs, we will either have to spread existing resources even thinner or fail to respond to increased demand and identified needs. We have not identified or secured any other sustainable source to support this work at this time.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION
CONTINGENCY PLAN**

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$90,478 <i>What is the General Fund 3% reduction amount (minimum based on the FY 2017-18 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.</i>
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ASSOCIATED FTE REDUCTIONS	N/A <i>How many FTEs would be reduced in association with this General Fund reduction?</i>
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PROGRAM/ACTIVITY IMPACT	Statewide Arts Services would be reduced by the calculated amount. Specifically, funds for Other Operating and Distribution to Subdivisions would be affected.
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What programs or activities are supported by the General Funds identified?

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SUMMARY	<p>Other Operating: (\$3,150)</p> <p>This cut would reduce funds for the agency’s in-state travel to meet with constituents and/or professional development for staff.</p> <p>Distribution to Subdivisions: (\$87,328)</p> <p>This cut would reduce funds available for grants to community arts providers and arts education programs in schools and community organizations, which would reduce programming available to the public from these local entities statewide.</p>
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS	<p>The commission works consistently to identify cost savings in all aspects of our operations. However, with minimal funds allocated for operations, we do not anticipate that we will achieve savings of more than \$50,000.</p>
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What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Waived grant match requirement for Title 1 schools
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	Waiving the required local match for Teacher Standards Implementation (TSI) grants will save eligible Title 1 schools an average of \$375 per grant-funded project.
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What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark “X” for all that apply:</p> <table border="1"> <tr> <td><input type="checkbox"/></td> <td>Repeal or revision of regulations.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Reduction of agency fees or fines to businesses or citizens.</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Greater efficiency in agency services or reduction in compliance burden.</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Other</td> </tr> </table>	<input type="checkbox"/>	Repeal or revision of regulations.	<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.	<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.	<input checked="" type="checkbox"/>	Other
<input type="checkbox"/>	Repeal or revision of regulations.								
<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.								
<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.								
<input checked="" type="checkbox"/>	Other								

METHOD OF CALCULATION	The maximum award amount for a TSI grant is \$750. The normal required match ratio for this program is 1:2, so the required match for \$750 is \$375. The waived match eliminates that required local contribution to the project.
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	N/A
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	N/A
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

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SUMMARY

TSI grants support the efforts of K-12 arts teachers to meet SC Visual and Performing Arts Standards in their classrooms. Through a very simple application process, teachers propose specific projects that will help them address particular learning standards for their students, and grant funds support these projects. Grants are awarded to the schools in which the teachers are based. For schools in high poverty areas, a required match may be a barrier to accessing grant funds, and this waiver seeks to eliminate that barrier.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?