
AGENCY OVERVIEW**Date:** 12/23/2014**709 Council on the Arts****Time:** 13:23:57

Statutory Authority

North Dakota Century Code 54-54.

Agency Description

The North Dakota Council on the Arts (NDCA) was established by state statute in 1967. Its board is comprised of nine citizens appointed by the Governor to serve five-year terms. The purpose of the Council is to establish policies, programs, and partnerships to encourage the study and presentation of the performing and fine arts and to encourage public interest in the cultural heritage of the state. The Council functions as a community partner and a catalyst for artists and organizations. The Council re-grants National Endowment for the Arts funds and state appropriated funds to North Dakota communities, schools, individuals, and organizations through its various grant programs. It offers educational opportunities and technical advice, collects and disseminates arts information, and acts as the state's foremost arts advocate.

Agency Mission Statement

The North Dakota Council on the Arts promotes, preserves, and perpetuates the arts in North Dakota.

Agency Performance Measures

The performance measurements that will be used by the NDCA includes tracking the:

1. number of grant applications received in each grant cycle and number of grants funded;
2. number of dollars each grant dollar generates as stated in grantee's final reports;
3. numbers benefiting from each grant program with a subset of a) children, b) artists;
4. number of grant dollars given by the NDCA;
5. final reports to determine any underserved areas of the state & any increase in counties served; and
6. increases in number of newsletter subscriptions (both hard copy and e-news) and social media followers.

Major Accomplishments

1. Produced *Under the Dakota Sky: An Exhibition Celebrating 125 Years of Statehood*.
2. Continued and expanded the Art for Life program, now reaching ten communities.
3. Developed 48 activity plans based on the agency *Sundogs and Sunflowers* book for use in assisted living centers.
4. Developed 48 articles/stories relating the impact of the Art for Life program on senior citizens and their families.
5. Revised the arts in education grant programs, making them more accessible and enabling NDCA to gather more in-depth information.
6. Expanded the *Sundogs and Sunflowers* exhibit to include traditional art objects and toured it through ND Art Gallery Association.
7. Produced an on-line newsletter (nine issues per year) and hard copy newsletter (three issues per year) and increased the number of subscriptions by over 10.0 percent.
8. Provided two international residencies, one held at Cavalier Public School with an Icelandic artist and one held in Iceland with Native American artist and storyteller Dakota Goodhouse.
9. Partnered with ND Parks and Recreation in establishing four residencies in state parks in the 2013-15 biennium.
10. Provided funding for four international music groups to perform in Grand Forks through the Arts Midwest Worldfest, performances by New York Kammermusiker at the International Music Camp, Ellendale, Wahpeton and Fargo, dance residencies in Dickinson and surrounding rural schools by the New York Elisa Monte dance troupe, and intense organizational professional development through the Arts Lab project.
11. Revised and updated a three-year strategic plan for the agency.
12. Conducted Poetry Out Loud, a national poetry competition that involved high school students from across the state competing for the chance to represent ND in the national competition held in Washington D.C.

Future Critical Issues

Along with the state of North Dakota, the National Endowment for the Arts (NEA), a federal agency, has been a major funding source for this agency. Each biennium there is concern regarding the funding levels that will be available through the NEA. The possibility always exists that Congressional action will decrease funding or even

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eliminate the agency that provides approximately one-half of the NDCA budget. These federal funds allow the NDCA to grant operating support to 55-60 major arts organizations each year, programming for community events, and pre-K - 12 arts activities. A new concern is the fact that the NEA no longer allows the agency to supplement its cash match with subgrantee dollars, meaning a loss of available federal funds if the state appropriation is less than the federal grant. In addition, the NEA requires their funds and the state matching funds can only be used for grants to organizations with a 501c3 status. If the state appropriation does not exceed federal funding, many smaller and more rural organizations would not meet grant guidelines. NDCA requires all organizational grantees to be registered as a non-profit with the ND Secretary of State's Office, but not all of those registered have federal 501c3 status which can be a costly and long process for small groups.

Rising operating costs for the agency are a concern, with robust growth and high demand travel expenses are constantly increasing. This is also a great concern to the organizations that the agency funds. While their expenses keep increasing, grant dollars are not increasing to assist with the pace of inflation and the greater needs that population growth creates. While rising wages overall is a good thing, it has created real concerns for small non-profits trying to find staff. North Dakota is a state with few foundations, especially those that focus on the arts and cultural sector. This makes it extremely difficult to obtain grants and foundation support that organizations in many other states rely on. What organizations are experiencing is higher demand for services and level funding to meet those demands.

In the field of arts education, the agency must surface and make visible to legislators, school officials, parents and teachers the importance of providing a full and complete education that includes the arts. To do this would require a statewide assessment of the status of arts education in North Dakota. Of concern is the disparity in access and quality in current arts education programs in schools across the state. Many school districts have eliminated arts educators at the elementary level, in spite of all the current research that indicates the many benefits the arts provide to students: increased academic performance, reduced absenteeism, greater communication skills. It is critical that the Council continue to advocate and provide opportunities for children and teachers to participate in arts education.

Many art forms based on cultural heritage and traditional are at risk of being lost as the older generation passes on. NDCA believes it is critical to preserve and cultivate these various art forms so that they live on for future generations to participate in and appreciate. The NDCA traditional arts apprenticeship program is consistently one of the best in the nation and continues the art traditions of our Native American artisans, homesteaders, and immigrants to our state. This program, usually funded through a portion of the agency federal funds, is at risk. In the past year the federal funds for NDCA in this program dropped from \$38,800 to \$25,000 reducing the number of applicants that can be funded.

REQUEST SUMMARY

709 Council on the Arts
Biennium: 2015-2017

Bill#: HB1010

Date: 12/23/2014

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
By Major Program					
Council on the Arts	2,829,049	3,249,019	4,549	3,253,568	10,396,144
Total Major Program	2,829,049	3,249,019	4,549	3,253,568	10,396,144
By Line Item					
Salaries and Wages	717,165	790,756	25,719	816,475	23,561
Accrued Leave	0	7,933	(7,933)	0	0
Operating Expenses	269,530	348,023	(13,237)	334,786	172,583
Grants	1,842,354	2,102,307	0	2,102,307	10,200,000
Total Line Items	2,829,049	3,249,019	4,549	3,253,568	10,396,144
By Funding Source					
General Fund	1,327,296	1,504,102	4,000	1,508,102	10,396,144
Federal Funds	1,480,321	1,681,402	549	1,681,951	0
Special Funds	21,432	63,515	0	63,515	0
Total Funding Source	2,829,049	3,249,019	4,549	3,253,568	10,396,144
Total FTE	5.00	5.00	0.00	5.00	0.00

REQUEST DETAIL709 Council on the Arts
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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
Salaries and Wages					
Salaries - Permanent	512,002	605,588	(18,404)	587,184	23,561
Temporary Salaries	9,075	0	14,500	14,500	0
Overtime	10,299	0	0	0	0
Fringe Benefits	185,789	185,168	29,623	214,791	0
Total	717,165	790,756	25,719	816,475	23,561
Salaries and Wages					
General Fund	707,397	775,354	25,170	800,524	23,561
Federal Funds	9,768	15,402	549	15,951	0
Special Funds	0	0	0	0	0
Total	717,165	790,756	25,719	816,475	23,561
Accrued Leave					
Salaries - Permanent	0	7,933	(7,933)	0	0
Total	0	7,933	(7,933)	0	0
Accrued Leave					
General Fund	0	7,933	(7,933)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	0	7,933	(7,933)	0	0
Operating Expenses					
Travel	76,275	78,000	0	78,000	22,000
Supplies - IT Software	6,291	11,000	0	11,000	0
Supply/Material-Professional	572	2,000	0	2,000	5,000
Food and Clothing	73	0	0	0	0
Miscellaneous Supplies	1,054	2,000	0	2,000	4,000
Office Supplies	2,469	6,000	0	6,000	0
Postage	10,597	13,000	0	13,000	0
Printing	10,761	24,900	0	24,900	2,000
IT Equip Under \$5,000	1,227	5,000	0	5,000	0
Other Equip Under \$5,000	531	1,200	0	1,200	0
Office Equip & Furn Supplies	1,633	9,500	0	9,500	0
Insurance	1,954	3,000	0	3,000	0
Rentals/Leases-Equip & Other	130	100	0	100	0
Rentals/Leases - Bldg/Land	42,660	41,000	0	41,000	3,783
Repairs	944	2,523	0	2,523	0

REQUEST DETAIL

709 Council on the Arts

Biennium: 2015-2017

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
IT - Data Processing	11,654	13,500	0	13,500	8,000
IT - Communications	7,484	11,000	0	11,000	0
IT Contractual Srvcs and Rprs	2,433	17,500	(3,237)	14,263	15,800
Professional Development	53,708	58,000	0	58,000	0
Operating Fees and Services	10,201	13,800	0	13,800	0
Fees - Professional Services	26,879	35,000	(10,000)	25,000	112,000
Total	269,530	348,023	(13,237)	334,786	172,583
Operating Expenses					
General Fund	156,683	145,205	(13,237)	131,968	172,583
Federal Funds	101,464	159,303	0	159,303	0
Special Funds	11,383	43,515	0	43,515	0
Total	269,530	348,023	(13,237)	334,786	172,583
Grants					
Grants, Benefits & Claims	1,842,354	2,102,307	0	2,102,307	10,200,000
Total	1,842,354	2,102,307	0	2,102,307	10,200,000
Grants					
General Fund	463,216	575,610	0	575,610	10,200,000
Federal Funds	1,369,089	1,506,697	0	1,506,697	0
Special Funds	10,049	20,000	0	20,000	0
Total	1,842,354	2,102,307	0	2,102,307	10,200,000
Funding Sources					
General Fund	1,327,296	1,504,102	4,000	1,508,102	10,396,144
Federal Funds	1,480,321	1,681,402	549	1,681,951	0
Special Funds	21,432	63,515	0	63,515	0
Total Funding Sources	2,829,049	3,249,019	4,549	3,253,568	10,396,144

CHANGE PACKAGE SUMMARY

709 Council on the Arts
Biennium: 2015-2017

Bill#: HB1010

Date: 12/23/2014

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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
One Time Budget Changes						
A-E 3 Remove Cultural Guide		0.00	(10,000)	0	0	(10,000)
Total One Time Budget Changes		0.00	(10,000)	0	0	(10,000)
Ongoing Budget Changes						
A-A 1 Change in Agency Needs		0.00	(3,237)	0	0	(3,237)
Base Payroll Change		0.00	17,237	549	0	17,786
Total Ongoing Budget Changes		0.00	14,000	549	0	14,549
Total Base Budget Changes		0.00	4,000	549	0	4,549
Optional Budget Changes						
One Time Optional Changes						
A-D 7 Cultural Endowment Contribution	1	0.00	10,000,000	0	0	10,000,000
A-D 8 Arts in Education Research	2	0.00	90,000	0	0	90,000
A-D 12 Economic Impact Study	3	0.00	10,000	0	0	10,000
A-D 9 Exhibition Preparation/Touring	4	0.00	30,000	0	0	30,000
Total One Time Optional Changes		0.00	10,130,000	0	0	10,130,000
Ongoing Optional Changes						
A-C 10 Employee Health Insurance Funding	1	0.00	23,561	0	0	23,561
A-C 5 Inflationary Increases	2	0.00	26,783	0	0	26,783
A-C 4 Grant Funding Increase	3	0.00	200,000	0	0	200,000
A-C 11 ITD Desktop Support/Service	4	0.00	15,800	0	0	15,800
Total Ongoing Optional Changes		0.00	266,144	0	0	266,144
Total Optional Budget Changes		0.00	10,396,144	0	0	10,396,144

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Change Group: A	Change Type: A	Change No: 1	Priority:
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Change in Agency Needs

The NDCA's need for services in the area of IT Contractual Services and Repairs during the current biennium has been less than anticipated. We believe this as an area where we could manage with a reduced appropriation in the 2015-17 biennium.

Change Group: A	Change Type: C	Change No: 4	Priority: 3
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Grant Funding Increase

Federal funding from the National Endowment for the Arts now requires that our 1:1 match only include grants to organizations that have a 501c3 non-profit status. Because NDCA state funds that can be used for this match are insufficient, NDCA requests an increase in the state funds allocated to grants. Many of the rural organizations funded in the past have only had nonprofit status approved at the state level due to the expenses of obtaining a 501c3. The NDCA will be forced to either reduce funding to small, rural organizations or be forced to not accept all of the federal funding available and reduce funding to the more established organizations.

The NDCA would also like to do a statewide professional dance tour during the next biennium featuring the New York City based Elise Monte Dance Troupe. This group has previously conducted residencies in North Dakota, but lack of funding has limited the reach to only a small region of the state.

Change Group: A	Change Type: C	Change No: 5	Priority: 2
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Inflationary Increases

The NDCA is located in rented office space in the Workforce Safety & Insurance building. Rental rates have not increased since July 2011, but we have been notified by WSI that our rent will increase from \$1,606.63/mo to \$1,764.25/mo in the 2015-17 biennium. This approx 9% increase amounts to \$3,783 of additional cost in the upcoming biennium.

Necessary changes to the NDCA's system of Information Technology back-up and disaster recovery systems will increase the agency's ITD fees by approx \$333/mo for a net increase of \$8,000 in the 2015-17 biennium.

Due to the significant increases in in-state travel expenses, it has become increasingly difficult to work with communities in the western half of North Dakota on any major projects requiring overnight travel. In addition, even the increased state rates for hotels and mileage in the rest of the state have made things challenging. Currently the agency covers travel for five FTE's, nine board members, panelists for seven grant programs, and participants in committee meetings. By statute the agency must conduct four board meetings annually. Participation at national conferences by board and staff members has also been hampered, with most staff limited to one conference per biennium and only one board member able to attend annually. To address the rising costs without further limiting outreach to constituents and professional development for staff, the NDCA is requesting an additional \$15,000 in travel funding.

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Change Group: A	Change Type: C	Change No: 10	Priority: 1
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Employee Health Insurance Funding

This request relates to funding of health insurance premiums for one of the NDCA's employees who was previously covered through the state agency that employed her husband. When the employee's spouse left state employment, the NDCA was required to begin covering the health insurance premium. This change necessitated that the NDCA seek Emergency Commission approval for additional general funds during the current biennium. While the Emergency Commission action resolved the issue presently, the agency's requirement for premium payment will continue into the new biennium.

The requested amount of \$23,561 for the biennium was calculated using the current premium rate of \$981.69/mo.

Change Group: A	Change Type: C	Change No: 11	Priority: 4
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ITD Desktop Support/Service

The NDCA is a small state agency without trained IT staff and, in past years, has relied on outside vendors for desktop support. The quality, timeliness, and cost of this support varies, as does each desktop support person's familiarity with the state's network, processes, security, etc. As a result, the NDCA is interested in participating in ITD's Client Technologies Services/Support option beginning with the 2015-17 biennium. ITD has provided a rate for these services to the NDCA of \$26,064 for the upcoming biennium. The NDCA's base budget contains funds that [would](#) cover \$10,264 of this cost, leaving a request of \$15,800 in this optional package. We are hopeful that the change will provide us with an increased level of service and the ability to be more proactive regarding our IT needs.

Change Group: A	Change Type: D	Change No: 7	Priority: 1
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Cultural Endowment Contribution

The ND Council on the Arts (NDCA) and the ND Humanities Council (NDHC) request a one-time addition of \$10 million to the state's Cultural Endowment Fund. This is a unique time in ND history and is the opportune time for the state to invest in organizations, events, and activities that improve the quality of life for citizens of all ages in all regions of the state. During this time of immense growth and change in the state, it is crucial to strengthen communities by investing in their cultural and educational infrastructure. The councils improve quality of life in North Dakota by providing targeted opportunities for school children, families, veterans, teachers, senior citizens, young professionals, business leaders and more to engage in lifelong learning through the arts and humanities. Communities, both rural and urban, that improve their quality of life can attract businesses and a highly skilled workforce.

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Grantees to both agencies have experienced tremendous increases in operating costs while also experiencing increases in the number of residents they serve. While small, rural organizations in the western half of the state have especially been impacted by wage increases, travel expenses, and increased community needs, many organizations across the state have felt the changes as well. Through this addition to the Cultural Endowment Fund, both agencies hope to provide assistance that would increase the capacity for schools, libraries, museums, arts centers, and other educational and cultural organizations to expand their program offerings and create more vibrant, attractive communities. For examples of cultural organizations whose communities have had increased visitation and economic activity through their programming, look at the Dakota Prairie Regional Art Center in New Rockford, the Dakota Buttes Museum in Hettinger, the Nelson County Arts Council in Pekin, or the Velva School and Community Library.

In the last biennium, NDCA and NDHC funded over 1,100 grants, most in partnership with local schools, libraries, historical societies, museums, and other nonprofit organizations. The state has gone to great lengths to create funding sources for programs for those who enjoy the outdoors and North Dakota's rich natural resources. It is important that the state also recognize and support our cultural opportunities and resources as well. Everyone in the state is touched by the arts and humanities programs in our state - through community programs, student activities, or individual participation. Grantee final reports show a total of over 1,000,000 individuals participating in their programs each fiscal year.

Change Group: A	Change Type: D	Change No: 8	Priority: 2
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Arts in Education Research

Arts Education – Equal Access and Impact Study

The North Dakota Council of the Arts (NDCA) joins other state agencies in a desire to best serve the citizens of the state of North Dakota. Our current students are the future voters, job holders, tax payers, and overall contributors to the success of our state. As such, these students deserve access to a full and complete education – one that recognizes and utilizes the arts to develop learners into the type of citizen that can best serve our state in the future.

The arts are at work in North Dakota every time a new building is built, new fashions are worn, pictures appear on the walls of businesses and public spaces, and music is listened to on the radio, in concert, or at church. The arts can enhance all fields of study as they foster creative thinking, exploration, experimentation, reflection, and collaboration - tools that are vital for careers such as science, medicine, architecture, math, writing, business, communications, education and more. Exposure to the arts assists in building the creative thinking and discipline needed to succeed in all academic fields and future careers.

With this in mind, NDCA requests \$90,000 to hire a research consultant to conduct a study that will create a never-before available picture of the status of art education in North Dakota.

Questions driving this study pertain to the status of arts education in our state including:

- What access do students have to arts learning in our schools?
- What data can be collected on the impact of the arts on ACT scores, overall learning in ND, and graduation rates?
- How are schools addressing the state education standards for the arts? How well are they doing?
- What are we doing well as a state? Where are the gaps in arts education?

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Information and data for this project will be gathered through a voluntary, statewide school survey combined with other information and data from NDCA, local arts agencies, and the North Dakota Department of Public Instruction. The data will be collected by a professional organization with expertise in conducting such statewide arts education research.

The final summary resulting from this project will be shared with decision makers and the public through an interactive, online dashboard that will be linked to NDCA and North Dakota Department of Public Instruction websites. Once established, updated and new data can be applied at a greatly reduced cost, thus allowing trends to be tracked. Information resulting from this study will provide guidance and lay the groundwork for future programs, best practices in teaching and learning, and policy decisions.

Change Group: A	Change Type: D	Change No: 9	Priority: 4
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Exhibition Preparation/Touring

Within its previous regular budget appropriations, the NDCA has completed five years of preliminary research on a multi-experiential exhibit featuring traditional American Indian stories related to specific geographic sites considered *wakan* (sacred or powerful) by tribal groups in North Dakota. The exhibit will include stories related to such sites as Spirit Lake, Thunder Butte, Butte St. Paul, and the Burning Coal Vein area.

The NDCA is seeking funding to undertake the production phase of this exhibit during the 2015-17 biennium. When complete, the exhibition will be available to tour throughout the state.

Change Group: A	Change Type: D	Change No: 12	Priority: 3
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Economic Impact Study

In 2007, the North Dakota Council on the Arts (NDCA) funded "Arts & Economic Prosperity III: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the State of North Dakota." The study was conducted by Americans for the Arts (AFTA) and offered data to assist communities when making decisions about investing in the arts, such as data on the jobs the arts foster, the economic growth impacted by the arts, and the quality of life that positions communities to compete in the 21st century. The data from the 2007 report is now long overdue for an update; an update will cost approximately \$10,000 -14,000. The NDCA requests \$10,000 to help cover the costs of the study and feels it is imperative that North Dakota's legislators, community leaders, businesses, and the NDCA itself all have up-to-date, credible data on the economic impact of the arts in order to make well informed decisions concerning the future of the arts in North Dakota.

Change Group: A	Change Type: E	Change No: 3	Priority:
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Remove Cultural Guide

This change package reflects the removal of the one-time funding in the 2013-15 biennium for the production of an updated statewide cultural guide.

Change Group: R	Change Type: A	Change No: 1	Priority:
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Funding for health insurance

Provides funding for employee health insurance that was not included in current biennium.

Change Group: R	Change Type: A	Change No: 2	Priority:
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Inflationary increases

There have been increases in rent and IT data processing charges and also an increase in travel expenses. This provides funding to cover those charges.

Change Group: R	Change Type: A	Change No: 3	Priority:
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Increase in grant funding

Provides an increase in money to be used for grant programs.

Change Group: R	Change Type: A	Change No: 4	Priority:
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ITD Desktop support

Provides funding to cover the costs of the ITD desktop support service.

Change Group: R	Change Type: A	Change No: 100	Priority:
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Executive Compensation Package Adjustment

Provides funding for recommended 2015-17 compensation adjustments.

Change Group: R	Change Type: B	Change No: 1	Priority:
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Economic impact study

Approves funding to complete an updated study on the economic impact that the arts has. The last study was done in 2007.

Change Group: R	Change Type: B	Change No: 2	Priority:
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Exhibition/Preparation touring

Provides one-time funding to show an exhibition featuring traditional American Indian stories. Preliminary research was done over five years to create this multi-experiential exhibit.