

# HISTORY OF ARTS FUNDING

➤ **1966.** An ordinance established the Wichita Fine Arts Council.

➤ **1983** The Arts Council assumed 501c3 nonprofit status charged with advising city commissioners on matters regarding the arts and quality of life in Wichita.

➤ **1994** The Arts Council was officially designated as the organization responsible for carrying out the Cultural Arts Plan

# The Mission of the Arts Council is:

**To advance and promote arts and culture in the  
Wichita community through advocacy, leadership  
education and collaboration.**

**March 16, 2004** The City Council approved the formation of an Arts Task Force to:

- Develop a funding mechanism for the arts groups that helps remove the political side of “who knows who” on the City Council.
  
- Develop a fair and equitable process that will protect the City’s investment in the existing organizations receiving city funds or in-kind services.

The Arts Task Force recommends that:

- All organizations wishing to receive funding be required to submit an application for funding.
- A subcommittee of the Arts Council made up of a diverse group of people be formed to make funding recommendations to the City Council.
- The subcommittee establish criteria to be used in reviewing applications for funding.
- Organizations must comply with the following criteria to apply for funding:
  - An appropriate financial plan
  - Tax exempt status
  - A mission that does not exclude any groups
  - A demonstrated record of producing and/or presenting arts (where applicable)

➤ **February 8, 2005.** The City Council approved the allocation of 1 mill of property tax for 1 year.

➤ Funds available over the then current Tier One funding levels would be allocated by the aforementioned Arts Council subcommittee – the Cultural Funding Committee.

## **May 2, 2006 The City Council:**

- Approved a resolution recommending the allocation of 1 mill to be distributed annually through the Cultural Funding review process to be reviewed by the City Council after 4 years.
- Adopted a resolution that establishes a funding formula for the arts and cultural community using performance-based criteria developed by the Arts Task Force and facilitated by the Cultural Funding Committee.

**November, 2008** The City of Wichita and Sedgwick County approved the Cultural Arts Plan update to:

- Develop strategies related to the governance of cultural arts organizations.
- Establish priorities related to the public investment and financial needs of cultural arts organizations.
- Serve as a guide to define local governments' role in supporting and promoting cultural arts in the community.

The intent of the update is:

- To ensure local government and cultural arts organizations **work together** to create a vibrant, successful and diverse cultural arts community.
- To promote improved financial stability and governing relationships among local governments and the nonprofit cultural arts organizations.
- To strengthen and cultivate cultural arts organizations in the community.

**August, 2009** A group of Wichita art's leaders appointed by Mayor Carl Brewer completed a report entitled "Strategy for the Arts" with:

- A goal of establishing criteria for performance evaluations and recommendations for improvement plans.
- An agreement that the city should try to fund those organizations who have met the criteria for excellence which was developed by the Arts Task Force and approved by City Council in 2004.
- A recommendation that the city should try to fund those organizations who have met these criteria.
- The Arts Council should have an annual review of the status of the Group 1 organizations with organizations that are under-performing having the opportunity to work with the City to develop improvement plans.

**October 2009** The City council approved the recommendations of the Cultural Funding Committee for:

- The five-year Operating Agreements for Group One organizations.
  
- Recommendations for supplemental funding for Group Ones and others along with requirements for the annual reports provided by the Group Ones that include:
  - Demonstration of financial growth over a 3-year time period.
  - Assurance of financial security.
  - Annual review of funding amounts identified in the Operating Agreement.
  - Submission of annual reports to the CFC.
  - Development of Improvements Plans for organizations that are underperforming based on the excellence criteria.
  - Accountability of funding expenditures to the City.
  - Inclusion of City representation on all boards.

# **OPERATIONAL AGREEMENT REPORTS**

Operational Agreements were signed in October 2009 and approved by the City Council on October 20, 2009.

Language in the contracts about  
annual reports;

## Wichita Historical Museum and Mid-America All-Indian Center

“(Name of entity) agrees to submit, on an annual basis, a State of the Organization report similar to a Board of Directors’ report that addresses financial stability, growth and strategic planning. The annual report should also address paid attendance, programming growth, capital improvements (if any) and the most current IRS 990 form. The organization agrees to undergo an annual review process. Any deficiencies in performance or stability will require the Board of Directors to work with the City to develop an improvement plan.”

We anticipate that the above language will be included in the Cowtown Memorandum of Agreement in 2010 as well.

## Wichita Art Museum

“The Director or President shall make annual reports to the City Council on the state of affairs of the Museum, business plan, financial reports, attendance and other critical statistics, and programming plans for the future. Additional periodic reports on the state of affairs of the Museum should be filed with the City Council in such manner and frequency as requested by the Council.”

The Wichita Art Museum addendum of 2009 adds the following:

“The Board shall endeavor to show continual positive growth in private financial support measured on a rolling average of the three past accounting years. “

## Botanica

“Botanica agrees that the Director, as a City employee, has specific reporting obligations to the City Council, the City Manager, and the Director of Parks and Recreation. In addition, Botanica agrees that the Director shall participate in all activities required by the City and will be subject to the City Ordinances and the City of Wichita Administrative Regulations.”

# Key elements of Operational Agreement Reporting

- List of Board of directors, officers and number of terms served on the board
- List of all staff and open or unfilled positions
- List of acquisitions, loans of collection and deaccessions
- List of exhibitions during the past three years and attendance at exhibitions

# Key elements of Operational Agreement Reporting

- Education and public programming
- Fundraisers and one-time special events
- Total paid attendance, membership, and volunteer hours
- Strategic and Long-range Planning

# Key elements of Operational Agreement Reporting

## Financial Support and Expenses

- Total City and County support
- Earned income (membership, admission, gift shop sales, fundraisers and special event and total other income)
- Total grant, foundation, corporate support

# Key elements of Operational Agreement Reporting

- Total expenses
- Total salaries
- Total building maintenance and repairs
- Total utilities
- Total marketing
- Total other expenses
- Total operational budget

# IMPROVEMENT PLANS

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- What criteria is used to determine when an organization needs assistance?
  - Committee uses the Operational Agreement report to make recommendations on the health and trends of the organizations.
- When is assistance offered?
  - Committee reviews Operational Agreements and identifies Group One organizations showing declining trends and stress on the organization.
- Indicators of Declines
  - Organizations who show declines in 3 or more years, lower board contributions, fewer paid memberships, fewer paid admissions, declining numbers in program participation, reduced number of programs, fewer rotations of exhibits, and reduced marketing plans.

## **Process for Improvement Plans**

- **Board approval of the offer for assistance from the City.**
- **Plans will be developed by the Division of Arts & Cultural Services.**
  - Data collection
  - Survey customers/clients
  - Board and staff interviews
  - Best practices from other organizations
  - Consultant consultations
  - Action plan for board to approve and implement
- **Board may choose to hire outside consultants.**

# GROUP ONE ORGANIZATIONS

**Future issues that will need to be discussed** by the City Council, the Cultural Funding Committee, the Arts Council, various arts organizations and the community:

➤ Exploring options for allocating the available funding.

➤ Ensuring that Group Two organizations i.e. Music Theater, Symphony, Grand Opera, Museum of World Treasures, etc. and Group Three organizations will be able to access city funding to continue to meet or move toward excellence.

➤ To explore the development of a funding process available for new and emerging organizations that may not yet meet, but are striving to meet, excellence.

Q & A