

0Indiana Arts Commission

Recommendations for Moving Forward in this Economic Environment

- 1) Administer AOS II (Arts Operating Support) grants centrally for the entire state with existing staff.

Economic Rationale: This strategy will save the fees we currently pay to partners to administer these grants. Based on FY2010 granting categories and historical estimates, this represents 12% of the anticipated grant pool for AOS II, or about \$18,000. It will allow us to put this saved money back into our granting categories statewide, lessening the affect of the current cuts and creating some needed efficiency. Applicants will also apply to our online system, rather than in a paper format (which is still how most of our regional partners administer the grants).

Strategic Rationale: This group of about 50 organizations statewide represents the next tier of arts organizations under the majors (which we administer centrally). It is important, for advocacy purposes that the IAC reestablish direct relationships with more arts organizations in the state, and a funding relationship is the most relevant relationship for organizations. These are arts organizations with cash budgets over \$200K, but which primarily operate in one region. They are our local symphonies, theatres, arts councils, museum, dance companies, presenters, centers, festivals, etc. Also, with the exception of region 7, most regions have a very few of these level organizations, and this makes the paneling of like organizations around the state more consistent and competitive. In addition, we can create evaluative criteria which competitively awards organizations who provide active outreach beyond their home counties, increasing our rural impact.

Benchmarking: Most of the state arts commissions which have regional programs of any sort mainly use them for project granting (for example Michigan prior to their cuts). Those that do give operating type grants still have organizations at this level centrally administered (for example, Pennsylvania centrally administers all organizations of \$250K annual cash budget and above).

Staffing and Logistical Issues: This will increase our staff commitment to grant administration. However, we have dropped our central project grant categories (about 20-25 grants annually) so this will only add a net 30 or so grants. It will also add 3 panels, but our “every other year” strategy with our Individual Artist grants will reduce the amount of panels by a like amount in the upcoming year.

Timeline: Start administering the grants centrally in the upcoming fiscal year, 2010-2011 (in the current year for application/paneling). We may also consider rethinking when paneling and announcement of grants occurs in the fiscal year cycle. We have also begun rewriting of the AOS guidelines as we are currently piloting our centralized electronic application system in regions 4, 8, and 12.

- 2) Using the IAC's online granting system, re-granting agents will continue to administer AOS I and a fewer number of project grants. Agents will also administer a new category called AOS 0 which will be developed to provide operating grants for the smallest of arts organizations.

Economic Rationale: This will focus the regional money on arts organizations and reduce the number of project grants to non-arts organizations to approximately 69 grants, which is 70 fewer than FY2009. This strategy will increase the statewide arts organization pool of money by \$266,000.

Strategic Rationale: Although, regrettably, this will impact the most rural arts project providers disproportionately (many times the organizations applying for an arts project grant in rural counties are non-arts organizations), we have made the decision to support artists and arts organizations primarily in this time of reduced funding. It should be noted that prior to the regional system being created, the IAC gave organizational and operational grants in 57 counties statewide in 1998. Currently we are reaching 66 counties with direct funding, and in the past year, some of our most rural grantees dropped out of the applicant pool for economic reasons, and at least one partner (Region 7, Indianapolis Arts Council) ceased to offer project grants. This strategy will also allow the IAC's electronic system to be consistent and statewide, when it fully comes online next year, standardizing grant categories for all providers.

Benchmarking: Many commissions throughout the country make grants available only to arts organizations, and more have gone solely in that direction in these economic times. The IAC's plan is to reduce, but not eliminate the project grants.

Staffing and Logistical Issues: This strategy should make it somewhat easier for regional providers to administer grants, since they will be dealing, primarily, with arts organization constituents. We are currently piloting our statewide electronic system with the intent that all will be using this system a year from now for all application processes, so this works from that standpoint.

Timeline: Application and categories proceed as is for this upcoming year, with a full transition for applicants who apply in the spring of 2011 for FY 2011-12.

- 3) Centralizing the majority of technical services for the state with central, higher quality technical assistance that **could be** delivered in conjunction with contracting organizations such as the Indiana Coalition for the Arts Foundation (INCAF), local arts councils, other cultural, civic and educational institutions, etc.; cultural planning centralized in our strategic planning process; and information referral residing primarily with local providers and organizations.

Economic Rationale: The economy of scale of this strategy will allow us to save significant administrative monies which are currently being paid to regional partners, and allow us to put these monies into the granting pool statewide. We can reduce our technical assistance budget by \$144,000 annually, and place that money in the granting pool for arts organizations.

Strategic Rationale: Partners, with some exceptions, have either been unwilling or unable to engage in cultural planning in their regions. The geographic scale of regions and the lack of

continuity of arts communities across the geographic spectrum make this very difficult, and most plans, if they exist, are realistically for a single municipality or small region. Since we are already engaged in a statewide strategic planning process, and since our organizational survey administered with the Indiana University School of Public and Environmental Affairs finds no significant differences in needs for the northern, middle and southern tiers of the state, this strategy seems reasonable in this reduced funding environment. Also almost all local communities and organizations are very involved in local information referral, and the IAC, in the reduced funding situation, simply cannot afford to pay for services which are already happening in communities, many times, at least in part, by non-partner providers. Central information referral (such as a statewide arts information site) would be beneficial, but with tourism in an even more reduced state, the target market for this service (people looking for “what to do” on a state level), is somewhat reduced, and this additional investment by the IAC at this time cannot be afforded and does not seem timely.

The centralized technical assistance will allow us to deliver higher-quality product of common interest/importance to the field in conjunction with INCA, our state’s advocacy organization. It will also allow us to help INCA attract organizational and individual members, by offering reduced or in certain instances, free access to services in exchange for membership in INCA. This will bring a much-needed membership to our state’s advocacy organization and effort. Other statewide organizations and re-granting agents may also be considered for partnership in these efforts where strategically appropriate.

Benchmarking: Almost all states (including all states in the Midwest region) have much stronger, more professional, and more influential advocacy organizations. Most times these statewide organizations have a significant piece of technical assistance to help organizations and artists in many ways as they engage them for advocacy. Also, all state arts commissions have most of the technical assistance for the state in their primary deliverable services, and regional programs, if they exist at all, are focused primarily on re-granting activities.

Staffing and Logistical Issues: This will certainly tax the capacity of our central staff, and a skilled use of partnership and redirection of existing effort in this category will be the primary objectives. These strategies in conjunction with other recommendations listed below will make it difficult for regional providers to fund, with IAC money, anything other than part-time or contract employees for the reduced services they will continue to provide on our behalf.

Timeline: Begin in this fiscal year with no or reduced technical assistance money through the regional service system for next fiscal year.

- 4) Change name of Regional Arts Partner system to Regional Grants Administration system. “Open up” system for other organizations to apply to be re-granting agents with a “term limit.”

Economic Rationale: At this level of service, regional providers have the responsibility of mid and smaller grants and perhaps some targeted technical assistance. Currently partners receive Community Arts Partner (CAP) grants well above the level of AOS grantees which are similar-sized organizations. Beyond the contracted amount for services, these organizations would be eligible to apply for AOS funds for their own operations, but at a level/category commensurate with their budgetary size (not counting re-granting dollars). Again, this will distribute money

(approximately \$160,000) in the granting pool for all organizations in a fairer fashion. Opening up the current “grandfathered” partnership as an open, competitive regional granting provider system will make all organizations more accountable for taxpayer dollars. It will also provide for greater accountability to the taxpayer by the IAC itself, which is one of our primary charges. All grants will be done through the IAC’s central electronic system, which, over time will be an additional cost-saving.

Strategic Rationale: This scenario will focus the IAC’s monies to regional providers on the services contracted for. It will increase accountability, fairness, and openness. Potential regional providers will be given a Request for Proposal (RFP), and they will apply to us based on their capacity to make grants on our behalf, and their connection with communities who receive grants in their region. This selection process could happen every 4 years (2 budget cycles). Through the process, the IAC could also selectively fund specific, technical assistance workshops proposed by the regional providers rather than providing a lump sum of money for unspecified services. It will also help to increase connections among many organizations in the state over time, as well as relationships between the IAC and additional organizations. Especially in this economic climate, it will increase fairness, efficiency and accountability. It will also keep intact local input into the grant decision making process, reach out into the state in a reasonable fashion given limited resources, and give the IAC more direct management oversight in the grant making process, which is essential to assure accountability.

Benchmarking: This will bring the IAC in-line with the field as to its degree of decentralization (it will still be one of the more decentralized commissions). Currently only 16 of the 54 state/territory arts commissions have any kind of decentralization, with almost all of them targeting the smallest grants in their states.

Staffing and Logistical Issues: Again, as stated before, regional re-granting agents will only be able to pay for part-time personnel time with fees paid for services. Central staff, with the commission, will need to take a greater leadership role in determining and implementing appropriate strategies, programs and services for the state. There will need to be a reassignment of duties for IAC staff internally to reflect the new system and its internal and external requirements.

Timeline: RFP for all regions will go out this spring, with regions 8 and 12 being implemented for this upcoming fiscal year, and the remainder being implemented for the following fiscal year. This will allow a year of adjustment for our current partners.