

Five-Year-Review Report

A.A.C. Title 2. Chapter 2, Articles 1 and 2

Arizona Commission on the Arts

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Five Year Review Summary

The Arizona Commission on the Arts ["Commission"], is established by A.R.S. § 41-981. The statute outlines the powers and duties of the Commission. In addition, this statute describes the role of said Commission. A.R.S. § 41-981 provides for the establishment of the Commission and describes appointments, terms, compensation and attendance.

Agency Mission: *Imagine an Arizona where everyone can participate in and experience the arts.* The Arizona Commission on the Arts is an agency of the State of Arizona which delivers grants and technical assistance to promote statewide access to arts and cultural activities, and to support and cultivate a sustainable arts and culture sector.

Unless otherwise noted, the information discussed below is identical for all six rules.

1. The rule's effectiveness in achieving its objectives, including a summary of any available data supporting the conclusions reached.

All six rules are effective in achieving the objectives of the agency.

2. Written criticisms of the rule received during the previous five years, including any written analyses submitted to the agency questioning whether the rule is based on valid scientific or reliable principles or methods.

We have not received any criticisms regarding the six rules in the last five years.

3. Authorization of the rule by existing statutes.

Authorizing statute: A.R.S § § 41-982(B)(5), 41-983.02(B) (Arizona Arts Trust Fund, Article 2), 41-986(E) (Arizona Arts Endowment Fund, Article 1)

4. Whether the rule is consistent with statutes or other rules made by the agency and current agency enforcement policy.

All six rules are consistent with state statutes and agency enforcement policy. The Commission uses definitions in R2-2-101 and follows R2-2-102 in Matching Private Monies. The rules are being enforced and there have been no problems with enforcement in the past.

The Commission uses criteria and procedures in R2-2-201, Definitions; R2-2-202, Eligibility; R2-2-203, Criteria; and R2-2-204, Process for Obtaining a Grant from the Arizona Arts Trust Fund. These rules are enforced only to the extent that failure to follow one or more of the procedures can result in denial of grant funds.

5. The clarity, conciseness and understandability of the rule.

All six rules are clear, concise, and understandable. They are readable and grammatically correct.

- 6. The estimated economic, small business and consumer impact of the rules as compared to the economic, small business and consumer impact statement prepared on the last making of the rules.**

Through our rules, the Arizona Commission on the Arts provides critical leadership and support to Arizona's arts and culture sector, a sector comprised of 17,876 arts-related businesses, which employ over 56,000 people, deliver arts experiences to 1.4 million youth, and has an economic impact of over half a billion dollars annually. In Fiscal Year 2016 nearly 10 million individuals participated in Commission supported events. Grantee organizations hosted over 6,600 field trips and school engagements. Creative industries in Arizona account for 4.64 percent of the 384,866 total business located in Arizona and 2.01 percent of the 2,795,000 total people they employ. (Figures according to Americans for the Arts, Creative Industries Report for Arizona, 2012, and Arts and Economic Prosperity IV, June 2012)

Through the Arizona Commission on the Arts, the State of Arizona and the National Endowment for the Arts make strategic investments of public dollars to support our state's arts industry, helping Arizona communities to attract and retain skilled workers and creative businesses. This public investment leverages additional contributions from the private sector, increasing the sustainability of Arizona's arts and culture industry and thereby promoting statewide economic growth.

- 7. Any analysis submitted to the agency by another person regarding the rule's impact on this state's business competitiveness as compared to the competitiveness of businesses in other states.**

There has been no outside analysis by another person regarding this area. We as an agency regularly compare our programs and related rules to other states and find that ours are regularly and significantly less complicated and onerous.

- 8. If applicable, that the agency completed the previous five-year review process.**

The Commission completed a successful five-year review in 2012. No necessary actions were identified in the Agency's previous 5 Year Report.

- 9. A determination that the probable benefits of the rule outweigh within this state the probable costs of the rule, and the rule imposes the least burden and costs to persons regulated by the rule, including paperwork and other compliance costs, necessary to achieve the underlying regulatory objective.**

The Commission has reviewed all six rules and determined that they all impose the least burden and cost to our applicants.

- 10. A determination that the rule is not more stringent than a corresponding federal law unless there is statutory authority to exceed the requirements of that federal law.**

The Commission has reviewed all six rules and determined that they all less stringent than federal law. One federal agency used to compare is the National Endowment for the Arts.

- 11. For rules adopted after July 29, 2010 that require the issuance of a regulatory permit, license or agency authorization, whether the rule complies with section 41-1037.**

No rules require the issuance of a regulatory permit, license, or agency authorization.

The Arizona Commission on the Arts is not planning any proposed action in the next five years.

Enabling and Related Statutes

41-986. Arizona arts endowment fund

A. The Arizona arts endowment fund is established consisting of monies appropriated annually to the fund.

B. The Arizona commission on the arts shall administer the fund. On notice from the commission, the state treasurer shall invest and divest monies in the fund as provided by section 35-313. Monies earned from investment:

1. Shall be credited to the fund.
2. Are a continuing appropriation to the commission.

C. The commission may not spend any monies in the fund except monies earned from investment of fund monies.

D. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

E. The commission may enter into contracts with private charitable, nonprofit organizations that qualify for tax exemption under section 501(c)(3) of the United States internal revenue code to administer monies that are donated by the organization for use in conjunction with monies from the Arizona arts endowment fund. The commission shall adopt rules regarding matching private monies with monies from the Arizona arts endowment fund in a manner consistent with the intent of the fund.

F. The commission shall include in its annual report an accounting of the private monies that are donated for use in conjunction with the monies from the Arizona arts endowment fund.

G. Notwithstanding any law to the contrary, no monies from the Arizona arts endowment fund may be spent for payment to any person or entity for use in desecrating, casting contempt on, mutilating, defacing, defiling, burning, trampling or otherwise dishonoring or causing to bring dishonor on religious objects, the flag of the United States or the flag of this state.

41-983.02. Arizona arts program

A. There is established an Arizona arts program to be administered by the Arizona commission on the arts. The purpose of the program shall be to advance and to foster the arts in Arizona through grants from the Arizona arts trust fund.

B. The commission shall establish rules for the administration of the program including grant applications and criteria to be utilized when evaluating applications. Such criteria shall include but shall not be limited to artistic quality, creativity, potential public exposure and public benefit, and the ability of the recipient to properly administer funds granted. The commission shall further establish criteria to assure all of the following:

1. A portion of the funds is granted to organizations representing persons with disabilities.
2. A portion of the funds is granted to artists who are members of racial or ethnic minorities.
3. A portion of the funds is granted to organizations representing rural areas.
4. Recipient arts organizations include on their governing boards members of racial or ethnic minorities.

C. All grants shall be authorized by a majority vote of the members of the commission.

D. Each grant recipient shall submit a detailed report at least annually to the commission outlining the uses and expenditure of any funds granted from the Arizona arts trust fund. Recipients shall agree to any auditing requirements relating to the use of grant funds as set forth by the commission.

41-982. Powers and duties

A. The commission may:

1. With the consent of a majority of the commission, employ, subject to chapter 4, article 4 of this title, such personnel as may be required within the limits of funds available in the arts fund. The compensation for such personnel shall be as determined pursuant to section 38-611.

2. Hold hearings.

3. Enter into contracts, within the limits of funds available, with local and regional associations, individuals, organizations and institutions for any services which further the broad objectives of the commission's program.

4. Accept gifts, contributions and bequests of unrestricted funds for deposit in the arts fund or the arts trust fund from individuals, foundations, corporations, and other organizations or institutions for the purpose of furthering the broad objectives of the commission's program.

5. Make agreements to carry out the purposes of this article.

6. Request cooperation from any state agency for the purposes of this article.

B. The commission shall:

1. Stimulate and encourage throughout the state the study and presentation of the performing arts, fine arts, and public interest and participation therein.

2. Make such surveys of public and private institutions engaged within the state in artistic and cultural activities, as may be deemed advisable, and make recommendations concerning appropriate methods to encourage participation in and appreciation of the arts to meet the legitimate needs and aspirations of persons in all parts of the state.

3. Take such steps as may be necessary and appropriate to encourage public interest in the cultural heritage of our state and to expand the state's cultural resources.

4. Encourage and assist freedom of artistic and scholarly expression essential for the well-being of the arts.

5. Formulate policies and adopt rules and regulations which are consistent with the purposes of this article.

41-983.01. Arizona arts trust fund

A. There is established the Arizona arts trust fund. The trust fund shall be administered by the Arizona commission on the arts and shall consist of revenues derived from filing fees collected pursuant to section 10-122. The commission shall deposit, pursuant to sections 35-146 and 35-147, such revenues into the trust fund at least quarterly.

B. On notice from the commission, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the trust fund. Monies in the fund shall not revert to the state general fund.

C. Expenditures from the trust fund for grants under the Arizona arts program shall be authorized by a majority vote of the commission. All other expenditures may be authorized by the chairman of the commission. Expenditures shall be made upon warrants drawn by the department of administration.

41-983. Acceptance of gifts; special fund; official agency

A. The Arizona commission on the arts may accept and expend public and private grants of funds, gifts, contributions and legacies, and may accept, manage or dispose of property, to effectuate the purposes of this article. Such funds shall be deposited, pursuant to sections 35-146 and 35-147, in a special fund designated "the arts fund" and shall be expended upon warrants drawn by the

department of administration upon order of the chairman of the commission. Any unexpended funds shall not revert to the general fund at the close of the fiscal year.

B. Notwithstanding any other law, no monies from the Arizona commission on the arts may be spent for payment to any person or entity for use in desecrating, casting contempt on, mutilating, defacing, defiling, burning, trampling or otherwise dishonoring or causing to bring dishonor on religious objects, the flag of the United States or the flag of this state. The commission shall establish grant making guidelines and procedures which take into consideration general standards of decency and respect for the diverse beliefs and values of the American public. Such guidelines and procedures shall clearly indicate that obscenity is without artistic merit and is not protected speech. Projects, productions, workshops and programs that are determined to be obscene are prohibited from receiving financial assistance. The disapproval or approval of grant application or financial support by the commission shall not be construed to mean and shall not be considered as evidence that a project, production, workshop or program is or is not obscene.

C. The commission shall be the official agency of the state to receive and disburse any funds made available by the national endowment on the arts.

41-984. Annual report

The Arizona commission on the arts shall prepare and submit an annual report to the governor and the legislature including a detailed accounting of the expenditures and grants from the arts fund and the Arizona arts trust fund no later than December 31 of each year.

41-3022.10. Arizona commission on the arts; termination July 1, 2022

- A. The Arizona commission on the arts terminates on July 1, 2022.
- B. Title 41, chapter 5, article 6 is repealed on January 1, 2023.

41-981. Establishment of commission; members; terms

A. An Arizona commission on the arts is established consisting of fifteen members appointed by the governor. Members shall be qualified primarily for their demonstrated ability, good judgment and wide experience in fields related to the arts and shall be selected so as to insure geographic representation to all areas of the state.

B. Each member shall serve for a term of three years. Appointment to fill a vacancy resulting other than from expiration of term shall be for the unexpired term only. The governor shall designate a chairman and vice-chairman from the members of the commission to serve at the pleasure of the governor. The executive director is the chief executive officer of the commission.

C. Members of the commission shall not receive compensation for their services.

D. A member absent from three consecutive meetings of the commission without justifiable excuse constitutes an abandonment of the office and the governor shall appoint a person to fill the unexpired term.