STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

A PERFORMANCE AUDIT
OF THE

COMMISSION ON THE ARTS AND HUMANITIES

DECEMBER 1981

A REPORT TO THE
ARIZONA STATE LEGISLATURE

REPORT 81-23

DOUGLAS R. NORTON, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

December 29, 1981

Members of the Arizona Legislature
The Honorable Bruce Babbitt, Governor
Mr. Dino DeConcini, Chairman
Commission on the Arts and Humanities

Transmitted herewith is a report of the Auditor General, A Performance Audit of the Commission on the Arts and Humanities. This report is in response to a January 30, 1980, resolution of the Joint Legislative Oversight Committee. The performance audit was conducted as a part of the Sunset review set forth in A.R.S. §§41-2351 through 41-2379.

The blue pages present a summary of the report; a response from the Chairman, Mr. Dino DeConcini, is found on the yellow pages preceding the appendices.

My staff and I will be pleased to discuss or clarify items in the report.

Respectfully submitted,

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SUMMARY

The Office of the Auditor General has conducted a performance audit of the State of Arizona, Commission on the Arts and Humanities in response to a January 30, 1980, resolution of the Joint Legislative Oversight Committee. This performance audit was conducted as a part of the Sunset review set forth in A.R.S. §§41-2351 through 41-2379.

The Commission on the Arts and Humanities, established as a permanent State agency in 1967, was created to

> "...stimulate and encourage throughout the state the study and presentation of the performing arts, fine arts, the humanities and public interest and participation therein," and to "...encourage and assist freedom of artistic and scholarly expression essential for the well-being of the arts and humanities."

Fifteen Commission members are appointed by the Governor to award grants, formulate policy and adopt rules and regulations consistent with the enabling legislation. The Commission administers its current programs with a staff of 15.5. The Commission's operations include:

- Disbursement of federal and state funds to Arizona arts organizations through a grants award process.
- Special projects such as "Art in Arizona Towns."
- Technical assistance to Arizona arts organizations requesting staff services.
- Public information programs designed to develop and enhance statewide cultural and artistic activities.

Our review of existing data indicated the need for continued state funding of the Commission if the Legislature deems it appropriate for Arizona to continue receiving federal funds; however, improvements are needed in the current operations. We recommend that the grants award process be modified to provide for adequate input from grantees, potential grantees and the general public. In conjunction with this, we recommend that the ACAH establish peer-panel review of grants applications and provide for a more open grants review process. (page 11)

Improvements are also needed in Commission attendance at quarterly meetings. We recommend that 1) the Commission make provisions in its bylaws regarding excessive member absenteeism, and 2) A.R.S. §41-981 be amended to provide for removal of members with excessive absenteeism. (page 27)

INTRODUCTION AND BACKGROUND

On September 29, 1965, Congress established the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH) to "...complement, assist, and add to programs for the advancement of the humanities and the arts by local, state, regional, and private agencies and their organizations." This new law called, in part, for each state to designate or provide for the establishment of a statewide agency to receive and disburse funds from the National Endowment for the Arts. In response to this Congressional action, the Arizona Commission on the Arts and Humanities (ACAH) was established as a State Council by Governor Samuel P. Goddard on January 24, 1966. One year later Senate Bill 139, which established the Arizona Commission on the Arts and Humanities as a permanent state agency, was passed by the 28th Legislature and signed by Governor Jack Williams on March 13, 1967. Thus, the Commission became the official agency of the State of Arizona designated to receive and disburse funds from the National Endowments for the Arts and Humanities.

As defined in State law, the Commission was created to "...stimulate and encourage throughout the state the study and presentation of the performing arts, fine arts, the humanities and public interest and participation therein," and to "...encourage and assist freedom of artistic and scholarly expression essential for the well-being of the arts and humanities."

Fifteen Commission members are appointed by the Governor to award grants, formulate policy, and adopt rules and regulations consistent with the enabling legislation. The Commissioners serve terms of three years, and according to State law, are to be chosen for their demonstrated abilities, good judgment and wide experiences in fields related to the arts and humanities and are to be selected so as to ensure geographic representation from all areas of the State.

The Commission on the Arts and Humanities operated solely with federal and local funds for the first three years of its existence. In 1969 the Arizona Legislature appropriated funds for Commission operations for the first time; and in 1977 the Arizona Legislature appropriated State funds for community arts programs. The following table is a summary of the Commission's full-time equivalent positions, sources of funds and expenditures for fiscal years 1977-78 through 1982-83.

TABLE 1

SUMMARY OF ACTUAL FULL-TIME EQUIVALENT POSITIONS,
SOURCES OF FUNDS AND EXPENDITURES FOR FISCAL YEARS 1977-78 THROUGH 1980-81,
ESTIMATED AMOUNTS FOR 1981-82 AND THE ACAH REQUEST FOR 1982-83

	Actual 1977-78	Actual 1978-79	Actual 1979-80	Actual 1980-81	Estimated 1981-82	Requested 1982-83
Full-Time Equivalent (FTE) Positions:						
General Fund	6.5	7.5	7.5	7.5	9.5	12.5
Arts & Humanities Fund	6.0	5.0	5.8	7.5	6.0	3.0
	12.5	12.5	13.3	15.0	15.5	15.5
Sources of Funds:						
General Fund	$171,300	$ 213,700	$231,400	$249,300	$ 448,400	$ 805,400
Arts & Humanities Fund*	528,800	853,700	760,800	747,100	674,400	525,000
	$700,100	$1,067,400	$992,200	$996,400	$1,122,800	$1,330,400
Expenditures:						
Personal services	$149,700	$ 170,300	$193,300	$216,200	$ 276,500	$ 281,700
Employee-related expenditures	29,000	33,100	37,400	43,000	58,300	60,300
Professional & outside services	86,000	117,300	147,700	178,400	184,800	148,200
Travel:						
In State	13,500	14,500	18,700	18,700	31,500	34,800
Out of State	13,400	12,200	10,100	7,200	7,600	8,100
Other operating expenses	79,100	73,600	71,400	95,700	125,900	132,700
Equipment	10,500	800	1,200	1,400	5,500	4,000
Program grants/projects	318,900	645,600	512,400	433,600	432,700	660,600
Refunds				2,200		
	$700,100	$1,067,400	$992,200	$996,400	$1,122,800	$1,330,400

Sources: State of Arizona Annual Budget: Legislative Staff Analysis and Recommendations 1979-80 through 1981-82, and the ACAH Budget Request 1982-83.

* The Arts and Humanities Fund is a fund of public and private grants and includes all federal funds.

Monies budgeted for the Arizona Commission on the Arts and Humanities from all sources have grown to over one million dollars in the 1981-82 fiscal year.

In addition to the budget growth, the activities and services of the Commission have increased. In the first year of its existence, the Commission sponsored 32 events, serving a small arts constituency composed of resident artists, art organizations, citizen supporters of the arts and community groups sponsoring arts events. As Arizona and the arts constituency population have grown, the Commission has increased its services by developing programs in seven areas--arts services, education, community development, expansion arts, literature, performing arts and visual arts. Listed below is a brief description of each program:

1. Arts Services: A resource and public relations program providing services to artists, arts organizations and the public. Technical assistance is available to small arts organizations in areas such as accounting, law, fund raising, management and publicity, and to artists on all business-related aspects. In addition, various media contacts are maintained; special material such as speeches, technical information and reports are prepared; and a monthly newsletter is published.

2. Education: A program providing opportunities for students and teachers in Arizona schools and libraries to use the activities of working-professional artists through artists' residencies. The nationwide "Artists in Schools" program of the National Endowment for the Arts is administered under this program. The residencies assist art education programs and provide an opportunity for schools with limited art education curriculum the chance to improve their curricula.

3. Community Development: A program assisting rural communities with community arts planning. "The Art in Arizona Towns Project," coordinated under this program area, brings performing artists to outlying communities. In-residence artists perform, lecture and conduct workshops in a variety of community settings. The residencies involve cooperation between local arts organizations and community sponsors.

4. Expansion Arts: A program assisting community-based arts projects "expanding" to include involvement of all citizens, particularly groups isolated by geography, race, economics or immobility.

5. Literature: A program assisting small presses and professional, published writers in a diversity of contemporary literature projects such as residencies, workshops and readings. Under this program, poets work in schools and communities.

6. Performing Arts: A program supporting theater, dance and music activities. Technical assistance and information in all aspects of the performing arts are provided.

7. Visual Arts: A program serving as a clearinghouse of information to artists and the community. The program assists museums, community organizations and schools with technical assistance and acquisitions projects, workshops, catalogs and exhibitions. The Traveling Exhibition program tours exhibitions to small communities without access to museums and to urban centers to complement the State's museums. The "Art in Public Places" program assists in encouraging art in public buildings in Arizona's cities and towns.

The Office of the Auditor General expresses gratitude to the Arizona Commission on the Arts and Humanities and its staff for their cooperation and assistance during the course of the audit.

SUNSET FACTORS

In accordance with A.R.S. §§41-2351 through 41-2379, nine factors are considered to determine, in part, whether the Arizona Commission on the Arts and Humanities should be continued or terminated.

SUNSET FACTOR: OBJECTIVE AND PURPOSE IN ESTABLISHING THE COMMISSION

The intent of the Legislature in establishing the Arizona Commission on the Arts and Humanities (the Commission) is set forth in A.R.S. §41-982, which prescribes that the Commission shall:

> "1. Stimulate and encourage throughout the state the study and presentation of the performing arts, fine arts, the humanities 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 and humanities to meet the legitimate needs and asperations 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 and humanities."

SUNSET FACTOR: THE DEGREE TO WHICH THE COMMISSION HAS BEEN ABLE TO RESPOND TO THE NEEDS OF THE PUBLIC AND THE EFFICIENCY WITH WHICH IT HAS OPERATED

The ability of the Commission to respond to the needs of the public has been impaired by

1) a lack of public input, participation and notification regarding the grants award process (page 11) and

2) limitation of available funding. See Appendix I.

In addition, our audit revealed that regular attendance of commissioners at the quarterly Commission meetings can enhance the staff's ability to operate efficiently. (page 27)

SUNSET FACTOR: THE EXTENT TO WHICH THE COMMISSION HAS OPERATED WITHIN THE PUBLIC INTEREST

The Commission efforts to reach a broad spectrum of the public are reflected in special programs such as "Art in Public Places," "Art in Arizona Towns," and "Artists in Schools." In addition, the criteria utilized to review each grant application includes "community involvement" and "populations to be served."

Improvements are needed, however, to increase public input in the grants award process. Specifically, the Commission 1) has limited public input at crucial stages in the grants award process, (page 16) 2) has not adequately communicated reasons for denials of grant awards, (page 19) and 3) has not provided for a meaningful appeal process. (page 21)

SUNSET FACTOR: THE EXTENT TO WHICH RULES AND REGULATIONS PROMULGATED BY THE COMMISSION ARE CONSISTENT WITH THE LEGISLATIVE MANDATE.

A.R.S. §41-982, subsection B, paragraph 5 specifies that the Commission shall adopt rules and regulations. However, Commission members have indicated that they have not found a need to do so since the Commission does not have regulatory authority over the art industry. The Commission has adopted bylaws and funding policies which apply to the functioning of the Commission.

SUNSET FACTOR: THE EXTENT TO WHICH THE COMMISSION HAS ENCOURAGED INPUT FROM THE PUBLIC BEFORE PROMULGATING ITS RULES AND REGULATIONS AND THE EXTENT TO WHICH IT HAS INFORMED THE PUBLIC AS TO ITS ACTIONS AND THEIR EXPECTED IMPACT ON THE PUBLIC

Although the Commission has not promulgated rules and regulations, it has encouraged public input regarding program policies. Public meetings are held for the specific purpose of obtaining input into new arts programs. Recently, the Commission surveyed the arts constituency for ideas on goals, objectives and policies. The Commission does, however, need to improve public input into the grants award process. Our audit revealed that neither peer-panel review nor public input is utilized as part of the grants award process. (page 16)

SUNSET FACTOR: THE EXTENT TO WHICH THE COMMISSION HAS BEEN ABLE TO INVESTIGATE AND RESOLVE COMPLAINTS THAT ARE WITHIN ITS JURISDICTION

Complaint investigation and resolution are not within the Commission's jurisdiction. However, the Commission has responded to complaints regarding the methods utilized to select artists for projects.

SUNSET FACTOR: THE EXTENT TO WHICH THE ATTORNEY GENERAL OR ANY OTHER APPLICABLE AGENCY OF STATE GOVERNMENT HAS THE AUTHORITY TO PROSECUTE ACTIONS UNDER ENABLING LEGISLATION

The Commission's enabling legislation does not define violations or offenses. Therefore, there are no prosecutable actions under the enabling legislation.

SUNSET FACTOR: THE EXTENT TO WHICH THE COMMISSION HAS ADDRESSED DEFICIENCIES IN THE ENABLING STATUTES WHICH PREVENT IT FROM FULFILLING ITS STATUTORY MANDATE

Our audit did not reveal deficiencies which prevent the Commission from fulfilling its statutory mandate. However, the Commission has not attempted to eliminate from the statutes references to the humanities and humanities-related activities, which the Commission has not participated in to date. (page 33)

SUNSET FACTOR: THE EXTENT TO WHICH CHANGES ARE NECESSARY IN THE LAWS OF THE COMMISSION TO ADEQUATELY COMPLY WITH THE FACTORS LISTED IN THIS SUBSECTION

The following changes are recommended:

1. Provisions be made for dealing with excessive absenteeism at Commission meetings. (page 32)

2. Action be taken to delete references to the "humanities" in the Commission's enabling legislation. (page 33)

FINDING I

THE ARIZONA COMMISSION ON THE ARTS AND HUMANITIES IS NEEDED IF ARIZONA IS TO RECEIVE FEDERAL FUNDING FOR THE ARTS. HOWEVER, IMPROVEMENTS ARE NEEDED IN THE COMMISSION'S GRANTS AWARD PROCESS TO PROVIDE FOR ADEQUATE INPUT FROM GRANTEES, POTENTIAL GRANTEES AND THE GENERAL PUBLIC.

There is a need for continued state funding of the Arizona Commission on the Arts and Humanities (ACAH or the Commission) in that:

- The National Endowment for the Arts (NEA) requires the establishment of a state agency to receive and disburse federal funds coming into the state, and
- The nationwide proportion of state funding to arts agencies appears to be increasing, while NEA funding may be reduced.

However, improvements are needed in the grants award process to provide for adequate input from grantees, potential grantees and the general public. Our review of the grants award process revealed the following deficiencies:

- ACAH limits input from the arts constituency* and the general public at crucial stages in the grants award process.
- Formal notification to organizations whose requests for funding have been denied lacks detail and is misleading.
- Until November 2, 1981, no formal appeal process was available to grantees or potential grantees. Further, the newly implemented appeal process does not provide adequate recourse to potential grantees who have been denied funding.

* "Arts constituency" refers to arts organizations or individuals who have applied or may apply to ACAH for funding (whether or not they have actually received funds from ACAH), thus having a direct interest in the decision-making process of ACAH.

State Agency Required To Receive and Disburse NEA Funds

In 1965, Congress created the NEA as an arm of the National Foundation on the Arts and the Humanities. At the time of its creation, over half of the funds appropriated to NEA were authorized specifically "to enable each of the states...having a State arts agency to receive an annual grant...."* (Emphasis added)

The portion of NEA funds granted to state arts agencies in this manner is referred to as the Basic State Operating Grant (BSOG), and is granted to the states for the purpose of regranting to local arts organizations. The requirement that a state agency distribute the BSOG funds has remained in effect to the present. Referring to the BSOG, 20 U.S.C. 954(g)(2) states:

> "(2) In order to receive assistance under this subsection in any fiscal year, a State shall submit an application for such grants...and accompany such applications with a plan which the Chairman finds--
>
> "(A) designates or provides for the establishment of a State agency...as the sole agency for the administration of the State plan;
>
> "(B) provides that funds paid to the State under this subsection will be expended solely on projects and productions approved by the State agency which carry out one or more of the objectives of [NEA]...." (Emphasis added)

Table 2 summarizes the distribution of NEA funds in Arizona for the 1980 fiscal year.

* Senate Reports: 89th Congress, 1st Session (January 4-October 23, 1965), Vol. 1-2, Report No. 300, page 3.

TABLE 2

SUMMARY OF NEA GRANTS TO ARIZONA ORGANIZATIONS AND INDIVIDUALS DURING FISCAL YEAR 1980

	Number of Grants	Dollar Amount of Grants	Percent of Total NEA Dollars to Arizona
NEA Grants to ACAH			
-Basic State Operating Grant (BSOG)	1	$275,000	27.8%
-Other grants	12	189,031	19.1
Total Grants to ACAH	13	$464,031	46.9%
NEA Grants to Other Arizona Organizations and Individuals	43	$526,299	53.1%
Total NEA Grants to Arizona Organizations and Individuals	56	$990,330	100.0%

As Table 2 demonstrates, ACAH received approximately 47 percent of all NEA funds granted to Arizona.

Elimination of State funding for ACAH would result in a loss of at least 28 percent of all NEA funds received, since the BSOG funds must be channeled through a state arts agency according to federal law.

According to the Executive Director of ACAH, an additional $75,500 in NEA funds granted to ACAH under the "Artists in Schools" program would also be lost, since ACAH serves as the coordinator for this program.

State Funding For the Arts Is Increasing Nationwide

A review of other states' appropriations to their respective arts agencies revealed a significant increase in state funds to the arts over the past three years. A survey by the Auditor General to which 34 states responded disclosed that over 50 percent of these states increased their state appropriations over the prior year during fiscal years 1981 and/or 1982. Specifically:

- 20 states, or approximately 59 percent of the states responding, increased their appropriations for fiscal year 1980-81. The average increase in funding over the prior year was approximately 25 percent.
- 23 states, or approximately 68 percent of the states responding, increased their appropriations for fiscal year 1981-82. The average increase in funding over the prior year was approximately 71 percent.

State funding for ACAH has also increased during fiscal years 1979-80 through 1981-82. The Commission's 1980-81 general fund expenditures were approximately eight percent more than its 1979-80 general fund expenditures and its 1981-82 appropriation was 80 percent more than its 1980-81 general fund expenditures. According to information provided by the National Association of State Arts Agencies (NASAA), a comparison of per capita state appropriations for fiscal year 1980-81 revealed that Arizona ranked 48th among the 50 states, with a state appropriation of approximately eleven cents per capita.

Possible NEA Funding Reduction

According to several federal sources, NEA is a likely candidate for substantial budget cuts. While the final decision has not been made at the Congressional level, as of October 1981 budget cuts of differing amounts had been recommended by the President, the U.S. Senate and the U.S. House of Representatives. Table 3 compares NEA's fiscal year 1981-82 operating budget with the fiscal year 1982-83 recommendations from the President, the House and the Senate.

TABLE 3

COMPARISON OF NEA'S FISCAL YEAR 1981-82 OPERATING BUDGET WITH FISCAL YEAR 1982-83 BUDGET RECOMMENDATIONS OF THE PRESIDENT, HOUSE OF REPRESENTATIVES AND SENATE AS OF OCTOBER 27, 1981

	Amount (In Millions)	Percent of Current NEA Operating Budget
NEA's Fiscal Year 1981-82 Operating Budget	$158.5	N/A
Fiscal Year 1982-83 Budget Recommendations:		
-President	88	55.5%
-U.S. House of Representatives	157	99.0
-U.S. Senate	119	75.1

As Table 3 demonstrates, as of October 27, 1981, proposed budgets for NEA for the 1982-83 fiscal year ranged from approximately 56 to 99 percent of its current operating budget.

Requirements For Public Input
And Fair Decision Making

As set forth in A.R.S. §41-982, a major responsibility of ACAH is to grant state and federal funds to organizations and individuals who are judged by the Commission to be furthering its goal. Since the granting of public funds is by nature a competitive process, it must be open to public scrutiny and investigation.

The NEA requires that the designated state arts agency provide for an open and public grants award process, from the planning stage to the final awarding of funds. NEA's criteria for evaluating agency applications for Basic State grant funds include:

"Plans submitted by state arts agencies...must show evidence of substantial efforts to meet the following criteria:

- "responsiveness to needs identified through a planning process involving broad, representative participation;

. . . . . .

- "provision for public awareness of agency programs and activities;
- "provision for public access to agency programs and activities;

. . . . . .

- "fair decision-making involving published criteria, peer review, and provision for informing applicants of reasons for decisions...."

Public Input

Is Limited

Our review disclosed that ACAH limits input from the arts constituency and the general public at crucial stages in the grants award process. While input is solicited and utilized at the beginning of the ACAH funding cycle, the Commission discourages participation during the actual decision-making stage.

According to ACAH staff, the grants award process has several stages, with varying degrees of input allowed in each. Table 4 lists and describes the stages of the grants award process, along with their importance to the arts constituency and the level of input allowed by the Commission and/or ACAH staff at each stage.

TABLE 4

STAGES OF THE ACAH GRANTS AWARD PROCESS AND THE LEVEL OF PUBLIC INPUT ALLOWED BY ACAH AT EACH STAGE

Grants Award Process Stage -- Description	Importance to Arts Constituency	Level of Input Allowed by ACAH
I. Program and Policy Planning - Arriving at broad agency goals and funding policies.	Determines guidelines the arts constituency can follow when applying for funds from ACAH.	Special public meetings held in 1978 and 1979 for the purpose of obtaining constituency input into Commission decisions. Also, surveys are conducted to obtain public input into the Commission goals, objectives and policies.
II. Preparation and Submission of Grant Applications - The actual preparation of applications by the individual prospective grantees.	Point at which the applicant may request assistance from ACAH staff in preparing the individual project and the application.	Total input from applicants.
III. Staff Review of Submitted Applications - Preparation of "summary sheets" for each grant application including specific strengths, problems and funding recommendations for each grant request.	Specifies areas where a potential grantee may be weak and need to improve before ACAH could approve this or any future request for funding. Summary sheets and applications then compiled into "grants books."	ACAH staff may contact applicants to clarify information contained in the application. Information contained in summary sheets and staff recommendations regarding funding are not available to the public at this time.
IV. Commission Review of Grant Applications and Final Funding Decisions - An annual "grants meeting" at which time the Commission makes the final grant awards.	A. Grants books submitted to commissioners 2-3 weeks before the annual grants meeting. Commissioners review the grants books and meetings are held between staff and individual commissioners (upon request of commissioner).	A. None - Grants books are confidential at this point. Grant applicant is not informed of staff recommendations to Commission.
	B. Open meeting which grantees may attend to determine which grants were funded, which were rejected, and the reasons for the decisions.	B. Grants books are not made available to applicants until grants meeting. Grants meeting is open to the public; however, ACAH's practice is that neither the constituency nor the general public can speak for or against a project under consideration.

As shown in Table 4, the level of arts constituency and general public input allowed by ACAH drops significantly as the decision-making process progresses and finally solidifies. Moreover, at the culmination of the grants award process - the grants meeting, where final funding decisions are made - public participation is limited.

Peer-Panel Review Process
Is Recommended and Used
By Other States and NEA

To provide for increased public input in the grants award process, NEA recommends but does not require that state arts agencies use a peer-panel review process in making grant award decisions. This process provides for panels of experts to review grant requests for the purpose of assuring objective input in the determination of quality. Our review revealed that the majority of states use peer panels in their grant award decisions. In particular, a survey of nine other western states, which the ACAH Chairman and Executive Director indicated were most comparable to Arizona,* disclosed that six use the panel process. In addition, a seventh state, while not using peer panels, allows applicants to review staff funding recommendations before grant award decisions are made.

It should be noted that NEA has identified six states which were considered to have model grants award processes as described in their Basic State Operating Grant (BSOG) applications. All six states that were selected by NEA use peer panels in their awards process.

* The nine western states surveyed were Colorado, Montana, Nevada, New Mexico, Oregon, Idaho, Utah, Washington and Wyoming.

Finally, NEA uses the panel-review system in its grants award process. It should be noted that the Presidential Task Force on the Arts and Humanities, in its October 1981 Report to the President, concluded:

> "The Task Force endorses the continuation of this system which leaves decisions about artistic and scholarly merit to the judgment of respected professionals in the arts....Panel review has proved to be a fair and effective system for grant-making...." (Emphasis added.)

Notification to Denied Applicants Is Misleading

ACAH formal notification to applicants who have been denied funding is a form letter that is sent after the Commission's grants award meeting. This form letter indicates that the cause for funding denial is lack of available funds. Yet a review of the individual grant summary sheets prepared by ACAH staff prior to the grants award meeting revealed that a sizeable number of funding denials were based on very specific problems and weaknesses of the grant applicants. Grant denials were frequently based upon problems such as financial difficulties of the organization or use of artists who are not as well qualified as others.

ACAH staff commented that they verbally review the applicants' problems and weaknesses during the staff evaluation process which results in funding recommendations to the Commission. However, the grant summary sheets detailing the applicants' weaknesses are made available to the applicants and the general public only during the two days of grants award meetings. Thus, this information is not provided early enough in the grants award process to allow applicants to correct any inaccuracies or omissions prior to the final award decisions. According to ACAH staff, to make the grant summary sheets available prior to the grants award meeting might give the appearance that the staff was prejudging the grant applications. Our observations of ACAH's August 28 and 29, 1981, grants award meeting indicated that the few grant applicants and other individuals attending may not have been aware that the grant summary sheets were available for their review.

The effects of treating the grant summary sheets in a confidential manner prior to the grants award meeting further restricts public input in the grants award process. Since the formal notification of reasons for funding denial indicates only the lack of available funds, denied applicants could be misinformed as to specific reasons for grant denials. Making the grant summary sheets available only during the grants award meetings does not provide applicants with an opportunity to challenge the staff recommendations to the Commission regarding grant funding. In addition, because the staff evaluations of grant applicants are treated confidentially prior to the grants award meeting, the award process appears to be contrary to NEA's requirement that State arts agencies show substantial efforts to provide for "...peer review, and provision for informing applicants of reasons for decisions...."

The Grant Award Process Followed by Other States Provides for Open Communication with Grant Applicants

Our review of notification practices in nine western states, other than Arizona, revealed a general pattern of more open communication with grant applicants both prior to and after grant award decisions have been made by the state commissions. Specifically:

- Six of the nine states utilize peer panels, and all panel recommendations are open to public review prior to the actual grant award decisions.
- One state allows grant applicants to review staff recommendations prior to the actual grant award decisions. Thus, seven of the nine western states surveyed allow for open review of recommendations made to their commissions prior to the actual awarding of grant funds.
- Five states allow their grant applicants either to speak or submit written information to their commissions at the actual grants award meetings.
- At least four states notify denied grant applicants of the specific reasons for denial by a formal letter.

Problems with the

Appeal Process

Until November 2, 1981, the Commission had no written provisions for appeal by grant applicants whose funding requests had been denied. On this date, the Commission implemented a formal review process for nonfunded grantees, described below:

> "1. Designated staff who has worked with grantee application answers written request from applicant to discuss application. Staff meets with applicant who was denied funding to discuss the criteria on which the application was evaluated. This meeting can provide an opportunity to discuss agency funding patterns, recommend alternate funding strategies as well as provide direction to applicant in preparation of future applications.
>
> "2. If an applicant is not fully satisfied with the meeting with the staff member, a meeting with the Executive Director may be requested. The Executive Director will discuss in greater depth the areas of concern with the applicant.
>
> "3. If an applicant remains unsatisfied, the applicant can request a meeting with the Director and Chairman jointly. If deemed necessary, the Chairman may bring the applicant to a committee of the Commission or the entire Commission for further review and discussion."

In our opinion, the above process does not, in fact, constitute an appeal of the Commission's decision-making process because it occurs after all Commission funds have been granted. Thus, even if a denied applicant presents a compelling case for funding it is unlikely that funds will be forthcoming because funds are not specifically set aside for this purpose.

Neighbor States have Effective Review Built into Entire Grants Award Process

As mentioned previously, our review of the grants award processes in nine other western states revealed a pattern of greater applicant communication, input and review both prior to and after grant award decisions have been made. Specifically:

- Seven of the nine states provide for review of staff and/or panel recommendations by grant applicants prior to grant award decisions, thus allowing an opportunity for funding of grant applicants that otherwise would be denied.
- One state allows applicants to appeal after panel recommendations but before grant award decisions, thus allowing applicants further input.
- Two states provide for a formal appeal process and one provides for an informal process, whereby actual funding of previously denied applicants can be granted if original commission decisions are reversed.

Causes of Present Limitations Of Grants Award Process

During our discussions with ACAH staff regarding the apparent weaknesses in the grants award process, a number of points were presented in justification of the present system:

- Commission members are appointed to represent the public and it is the Commission that makes the final decisions on grant awards. Allowing more public participation during the stage in which staff is formulating its recommendations to the Commission on grant applications might give the impression that the staff is prejudging the projects.

- The Commission is greatly concerned with the confidentiality of the information submitted by the arts organizations and believes it should limit access to the grant summary sheets which include the staff's evaluations of the grant applications.
- Commission staff has indicated that the use of a peer-panel review of grant applications is impractical in Arizona because of the limited artistic resources available. The use of artists on panels would create a drain on the artistic resources available to the grantee organizations.
- Allowing art constituency input at public meetings was also considered impractical because of the danger that the larger arts organizations might dominate the meetings.

The above philosophy has resulted in a grants award process which is 1) not as open to public input as the processes followed by a majority of the western states surveyed, and 2) may be contrary to the NEA requirements for an open and public grants award process. Under the Commission's present grants award process, it is the staff's responsibility to evaluate the merits of the grant applications and to make recommendations to the Commission regarding funding. Such recommendations are "prejudgments" of grant applications by definition and as such should be open to public scrutiny before the grants award meeting. Further, since the recommendations and related information compiled in the grants award process ultimately results in the disbursing of public funds it should be made available to grant applicants and the public.

Additional concerns expressed by ACAH regarding the use of peer panels include:

1. ACAH staff has indicated that the use of peer panels could involve staff time in organizing the panels and the panel process.

2. ACAH has indicated that use of peer panels would result in significant increases in travel costs.

Our discussions with state arts agencies using the peer-panel process indicated that the resulting increases in staff time could be offset at least partially by the attendant reduction in staff time involved in formulating recommendations to the Commission. Under the peer-panel system, it would be the staff's responsibility to gather information to facilitate the analyses and funding recommendations made by the peer panels.

Further, a review of travel and per diem costs associated with implementing peer panels in other states using panels disclosed that annual costs could be as low as $2400 based upon the following assumptions:

- ACAH would establish three panels.*
- Each panel would consist of seven panelists for a total of 21 panelists.
- 12 of the 21 panelists would be from outside the Phoenix metropolitan area.
- Panels would meet for three days each fiscal year to evaluate grant applications.
- The twelve out-of-town panelists would receive $40 per day for a total reimbursement for the three-day period of $1,440.
- The average round-trip mileage for the 12 out-of-town panelists would be 400 miles, for a total of 4,800 miles. The mileage reimbursement rates would be 20¢ per mile for a total reimbursement of $960 per year.

As described earlier in this report a majority of state arts agencies provide for public input by an open peer panel process and/or by allowing public input at meetings during the grants award process. Our survey of the nine neighboring states disclosed that limited artistic resources did present a problem in some cases but that peer panels were still considered a viable approach. In addition, allowing public input at meetings could be controlled by setting time limits for speakers to assure fair treatment.

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* For example, the Colorado Council on the Arts and Humanities has three separate panels for visual arts, performing arts and multidisciplinary arts. All arts program areas are included under these three panels.

CONCLUSION

Existing information supports the need for continued state funding of the ACAH if the Legislature deems continued federal funding for the arts in Arizona appropriate:

- Federal law requires that a state agency receive and disburse a large proportion of NEA funds granted to Arizona.
- Nationally, state funding to arts agencies appears to be increasing while NEA funds may be reduced.

However, the process by which the Commission grants funds to arts organizations and individuals is deficient in that

- ACAH limits input from the public sector including grantees and potential grantees.
- Formal notification to denied applicants lacks detail and is misleading.
- The appeal process, only recently implemented by ACAH, does not provide adequate recourse to potential grantees who have been denied funding.

RECOMMENDATIONS

Consideration should be given to the following recommendations:

1. Should the Legislature deem continued federal funding for the arts in Arizona appropriate, the Arizona Commission on the Arts and Humanities should be continued in order to satisfy the National Endowment for the Arts requirement that a state agency receive and disburse federal funds.

2. The ACAH provide for greater public input, communication and review by implementing the peer-panel review process and providing that:
   a. A peer-panel system be established by augmenting and using the existing roster of Arizona experts in the various art disciplines.
   b. Peer-panel review meetings, at which panel recommendations are formulated, be open to the public.
   c. Opportunity for grant applicants to respond to panel recommendations be allowed prior to the grant award decisions. This would provide the opportunity for appeal prior to the awarding of all funds.
   d. Greater detail to grant applicants, whose funding requests have been denied, be made available through access to the grant summary sheets or through the use of more specific notification letters.

FINDING II

COMMISSIONER ATTENDANCE AT QUARTERLY MEETINGS OF THE ARIZONA COMMISSION ON THE ARTS AND HUMANITIES IS INSUFFICIENT AND RESULTS IN UNTIMELY AND INEFFICIENT DECISION-MAKING.

Irregular commissioner attendance at the quarterly meetings of the ACAH has resulted in delays in decision-making and policy implementation. The ACAH has not established bylaws concerning meeting attendance requirements, although our review indicated that absenteeism has been an ongoing problem since January 1979. Meeting attendance has declined to the point where a quorum was not present at four of five meetings held between November 1980 and November 1981. As a result, the ACAH has resorted to conference calls as an alternative means of conducting business, which leads to a duplication of costs and inefficiencies.

Commissioners Do Not Attend Meetings Regularly

The Commission is a 15-member body which holds at least four meetings a year. Regular commissioner attendance is necessary for decision-making and to assure that commissioners are informed of the ongoing development of policies and procedures. However, our review of minutes and other documentation for meetings held between January, 1979 and November, 1981 revealed that

- Of the five meetings held between November 1980 and November 1981, four did not have a quorum present for the duration of the meetings.
- Four appointees presently serving on the Commission have been absent for three consecutive meetings since January 1979 or since date of appointment if after January 1979.
- In 1981, two important decisions regarding budgetary and grant award policies had to be made by conference calls due to a lack of a quorum.

- Commissioners often attend only a portion (50 percent or less) of scheduled meetings.* A majority of the commissioners attended at least one meeting during 1981 only on a partial basis.
- Of the ten meetings held in 1979 and 1980, four had in attendance the minimum number of commissioners needed for a quorum. Our observations and discussions with ACAH Commission members and staff indicated that had partial attendance been reported prior to 1981, a quorum may not have been present for the duration of the six meetings.

Absenteeism and Partial Attendance
At Commission Meetings Hinders
Decision Making

Absenteeism and partial attendance has resulted in inefficient and untimely decision-making as shown by the following examples:

1. The November 1980 policy meeting reported a quorum in attendance at the beginning of the meeting. Later in the meeting when a vote on grant award policies was to be taken, the decisions had to be postponed due to the absence of a quorum. The policies discussed at the November 1980 meeting were voted upon by a conference call in July 1981. As a result, 1) the ACAH did not establish its grant award policies until after the June 1, 1981 deadline for grant applicants to file their grant applications, and 2) grant applicants had to file their grant applications without the benefit of knowing fully what the ACAH would take into account when evaluating grant applications.

* We were unable to determine the full extent of the problem of partial attendance since partial attendance was not reported in the minutes until February 1981.

2. Poor commissioner attendance was discussed at the August 28 and 29, 1981 grants award meeting. Those commissioners still present on the morning of August 29, 1981 decided to cancel the afternoon session since the meeting lacked a quorum. Those commissioners still present on August 29 expressed concern over the practice of some commissioners to attend meetings for an hour or two "just to get their names recorded on the minutes as having attended." The general discussion at this meeting indicated that part-time attendance has historically been a problem.

3. On two occasions during 1981, conference calls had to be arranged to reach decisions on grant policy issues and budgetary matters. The decisions could not be reached at the regularly scheduled meetings because a quorum was not present. This resulted in delays in decision-making and a duplication of effort in that arrangements had to be made for another date and time convenient for the absent commissioners to discuss the issues.

As the examples illustrate, poor commissioner attendance at meetings has resulted in delays in reaching critical decisions, resulted in duplication in staff preparation for meetings, and necessitated the use of conference calls to conduct business. The use of conference calls to reach decisions presents the additional concern that these meetings could be in violation of the open meeting law. While the Commission may not have taken formal votes by conference call, the calls did result in the adoption of budgetary and policy issues.

The Executive Director concurs that absenteeism has been a problem. She indicated that absenteeism hinders both the Commission's efforts to obtain as much participation as possible in the decision-making process and the implementation of policies. She added that timing delays in decision-making affect the total grant process.

Guidelines Have Not Been Established Regarding Commissioner Attendance at ACAH Meetings

Lack of written policy regarding member attendance has contributed toward high absenteeism at Commission meetings. The statutes and the Commission bylaws do not provide guidelines regarding meeting attendance, although excessive absenteeism has been an ongoing problem.

During our audit, Commission members have expressed concern regarding the effects of absenteeism and at its August 1981 meeting, the Commission decided to draft a resolution regarding meeting attendance for submission to the Governor. As of November 1981, the resolution had not been drafted.

According to some commissioners, the primary cause of high absenteeism is the Commission's practice of holding meetings outside the Phoenix area during 1981 which made it inconvenient for some commissioners to be away from their businesses to attend meetings. However, this does not explain the fact that high absenteeism and partial attendance at meetings have been an historical problem for ACAH. Also, A.R.S. §41-981, subsection A, requires that appointees are selected to "...insure geographic representation to all areas of the state." Accordingly, some commissioners represent areas such as Flagstaff, Tucson and Window Rock. Thus, the holding of some ACAH meetings outside of the Phoenix area not only seems to be equitable but in the spirit of A.R.S. §41-981 as well.

Model Legislation and Other Arizona Boards Provide Guidelines For Attendance

The model legislation study of the National Assembly of State Arts Agencies recommends a provision for dealing with unexcused absences of appointees to arts commissions or councils. It recommends, in part, that

> "A member may be removed by the appointing authority for unexcused absences from meetings of the Council board or other inattention to Council business, only on recommendation of the Council board."

The report further states that

> "Without some mechanism for removal, a member is legally entitled to complete a term without performing a duty. It is proposed that the appointing authority be empowered to remove an appointee; however, to insulate that appointing authority from criticism (or abuse), the removal should be only upon recommendation of the board (which has the immediate experience on which to make judgment)."

The bylaws and procedures of 14 other Arizona advisory councils and boards* provide for action to be taken in the case of excessive absenteeism. After three consecutive members' absences the following steps may be taken:

1. a declaration that the board or council membership is vacant,

2. submission of board member's resignation, or

3. recommendation of dismissal.

The Arizona Humanities Council** has a policy regarding member absenteeism. The policy provides for the removal of an appointee absent for two meetings in a calendar year. A removed member must petition the executive committee for reinstatement.

CONCLUSION

Attendance at Commission meetings has been substandard. As a result, important decisions are made in an inefficient and untimely manner, and the effectiveness of the Commission has been impaired.

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* For a complete listing of advisory councils and boards see Appendix II.

** The Arizona Humanities Council is a nonprofit organization that is separate and distinct from the ACAH.

RECOMMENDATIONS

Consideration should be given to the following recommendations:

1. A.R.S. §41-981 be amended to provide for removal of members with excessive absenteeism, and

2. The Commission make provision in its bylaws regarding excessive member absenteeism. Such provisions should include:
   a. Standards for determining what constitutes excessive absenteeism.
   b. A procedure for the removal of members considered to have excessive absenteeism.

OTHER PERTINENT INFORMATION

STATUTORY REFERENCES TO THE HUMANITIES

The enabling legislation for the Arizona Commission on the Arts and Humanities (A.R.S. §41-981, et. seq.) repeatedly refers to the "humanities" and humanities-related activities.* This is confusing in that

- The Commission has never received any funding for the humanities or been involved in humanities-related activities.
- The humanities and related activities are handled through the Arizona Council on the Humanities, a nonprofit organization that is separate and distinct from the ACAH.

Nonprofit Organization is Designated Agency to Receive And Disburse NEH Funds

The Arizona Council on the Humanities, a private, nonprofit organization, is the agency designated by the National Endowment on the Humanities (NEH) to receive and disburse NEH funds.

Current NEH legislation allows (but does not require) the establishment of a state agency to receive and disburse its funds, provided the state agency appropriate at least 50 percent of the amount provided the agency by NEH in new funds (monies not currently appropriated to an established arts agency or an established arts and/or humanities project). 20 U.S.C. 956 (f).

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* The "humanities" has been defined as the philosophical or historical study of matters "which have traditionally been concerned with values, thoughts and ideas." The "arts," on the other hand, refers generally to the "presentation, performance, execution and exhibition" of major art forms such as music, dance, painting, sculpture, theater and film. While there is some overlap between the two fields, the major distinction is that the "humanities" relates to theoretical study and the "arts" relates to actual creation and performance.

The minimum amount granted to states by NEH is $200,000. Thus, to receive NEH funding a state would have to grant at least $100,000 in new funds (or, 50 percent of the NEH grant amount).

As of October 26, 1981, none of the 50 states had chosen to meet the NEH requirements for establishing a state agency to receive and disburse NEH funds.

Historically No State
Funding for the Humanities

According to the ACAH Executive Director, ACAH has never received any funding for the humanities from any source, including the State. In addition, ACAH has never been involved in the humanities or related activities.

Consequently, the references to the humanities and related activities are confusing to the public and may lead one to believe that ACAH is not complying with its statutory mandate.

COMMISSION SIZE

At the Commission's August 28 and 29, 1981 meeting, the Chairman reported that the Governor is considering increasing the Commission membership to 20. The statutes currently specify that the Commission shall consist of 15 members (A.R.S. §41-981, subsection A).

A survey conducted by the Office of the Auditor General to which 45 states responded revealed that 35 state arts commissions or councils consisted of 15 or fewer members. In addition, the model state arts agency legislation recommended by the National Assembly of State Arts Agencies set the optimal commission size at 15 members. The model legislation concluded that a 15-member commission allows diversity of appointments and is not too large for meaningful discussion at meetings.

FINANCIAL REPORTING REQUIREMENTS

The NEA requires the ACAH to maintain sound fiscal management in administering the Federal Basic State Operating Grant. Accordingly, the NEA requires the ACAH to provide an annual financial report documenting grants, expenditures and matching funds.

Currently, the Commission requires each subgrantee to submit itemized financial reports at the completion of funded projects. The Commission's guidelines for such reports states in part that:

> "If funding was given for a specific project, a separate listing should be made of the expenditure of the grant and matching funds apart from the total financial statement of your organization."

Our review of subgrantee financial reports revealed that subgrantee reporting is not always timely, consistent, or complete. As a result, ACAH program coordinators sometimes must telephone subgrantees to either clarify information on the reports or obtain additional information. However, ACAH does not require subgrantees to submit revised reports. Consequently, the supporting documentation for ACAH's consolidated report to NEA may not be adequate to satisfy federal requirements.

As a means to assess the potential for Arizona losing federal funding because of ACAH's acceptance of incomplete financial reports from subgrantees, audit staff contacted two officials* at NEA. Discussions with these officials revealed that NEA does not have a formal policy regarding grant reporting requirements for state agencies. However, it should be noted that NEA's current lax reporting policy is subject to change in which case ACAH's continued failure to properly document subgrantee uses of funds could result in NEA eventually disallowing unsupported grant expenditures for federal funding purposes.

* The officials were the Assistant Audit Officer and Auditor from the NEA audit office.

Arizona Commission on the ARTS
The Arizona Commission on the Arts was established as a state agency in 1967 to stimulate and encourage public interest in the arts.

December 21, 1981

Mr. Douglas R. Norton
Auditor General
State Capitol
Phoenix, Arizona 85007

Dear Mr. Norton:

The Arizona Commission on the Arts has had an opportunity to review the draft report by your office for our Sunset Review. Both the Commission members and the staff have looked forward to this audit and welcome the independent perspective that it brings to us. We believe that your review provides a framework for improvement in our operations.

We appreciate the significant amount of time, nearly 16 months, that was taken by your staff in making this study and commend them both for their efforts and their depth of understanding.

Through our discussion with Mr. Silva and the audit team on December 16th, we recognize that the approach of this report is "management by exception," i. e., pointing out areas where improvements are needed, rather than applauding achievements. We appreciate their frankness in discussing this and their assurance that the legislature understands this concept. Because of this, we especially appreciate the audit team's invitation to attach to this reply a short statement of some of the agency's accomplishments (see Attachment A).

We have noted three specific areas in which recommendations have been made in the report and believe that their adoption will improve the operations of the agency. These include:

-- Address and correct the problem of absenteeism by Commissioners at Commission meetings.
As your staff knows, we had recognized this problem several months ago and began steps to deal with it. Since most of the meetings in question took place outside of Phoenix, we have reduced their number.

-- Make Bylaw and legislative changes.
At our next regular meeting in January, we will discuss the desireability of making both changes in by-laws and in legislation to remove references to the "humanities." Again, as your staff knows, we already had dropped this reference in all our written and printed material and had agreed to seek an amendment of the legislation at the appropriate time.

2024 North Seventh Street, Suite 201, Phoenix, Arizona 85006 (602) 255-5882

-- Limit the size of the Board
The model state arts agency legislation recommended by the National Assembly of State Arts Agencies set the optimal commission size at 15 members which allows for diversity of appointments and yet is not too large for meaningful discussion at meetings. The statutes currently specify that the Commission shall consist of 15 members (A.R.S. 41-981, subsection A). We agree with the model legislation, as you noted.

Your report recommends that improvements are needed in the Commission's grant award process to provide for adequate public input from grantees, potential grantees and the general public. The Commission has been addressing the broad issue of public input during the last two years in several ways. Two steps have been taken to insure greater openness at the annual grants meeting. A full set of final grant recommendations is now made available for public review during this meeting. In addition, the agency now announces the grants meeting through a statewide press release. The Commission plans to continue to address the concern of how to equitably provide for meaningful public input. Your suggestions will be helpful to our deliberations. Specifically, you make three recommendations which we agree deserve prompt, and in depth consideration, as follows:

1. The first recommends that the Commission adopt a peer-panel review process in making grant award decisions.

   This suggestion comes at a time when the staff has been researching the issue of panel review of grants. Both the peer-panel review process in general and a specific procedure for panel review of grants that meets the needs of this state agency will be presented for policy discussion at the next quarterly meeting of the Commission in January 1982.

2. The second recommends that the Commission's appeal process for nonfunded grantees be revised to include provisions for granting funds if a denied applicant presents a compelling case of funding.

   Historically, there normally have been some funds available for reallocation to applicants throughout the fiscal year. These become available due to the cancellation of projects by grantees. Nevertheless, we recognize the desireability of a certain amount being available to respond to the appeal process. This policy issue also is being scheduled for in depth discussion at the next quarterly meeting of the Commission in January.

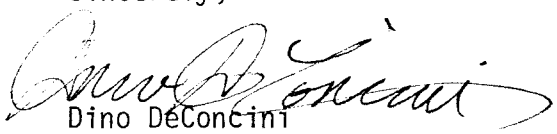
3. The third recommendation is that greater detail be provided to nonfunded grantees, through a more specific letter of notification.

   As we pointed out to your staff, this information currently is orally communicated to the applicants. Again, the desireability and methods by which this information might better be communicated in writing also will be discussed at the Commission's next quarterly meeting in January.

Finally, at your invitation, we call your attention to Attachment B. This contains a summary of a few areas of possible factual misunderstanding of which we believe you should be aware.

Once again, we wish to thank you for such constructive suggestions.

Sincerely,



Dino DeConcini
Chairman

ATTACHMENT A

The Arizona Commission on the Arts and Humanities is a working commission. Beyond the review of grants and attendance at quarterly meetings, the Commission members actively participate in committees to which they are appointed such as Personnel, Planning, Facilities and Appeals. They also attend and evaluate arts events. This involvement in the arts community prepares the Commission members to formulate policies affecting and reflecting the growth and development in the cultural climate of Arizona.

Beyond the responsibility of grants, the Commission also takes an active role in the management of operational programs and technical assistance to artists and arts organizations. For example, the Arizona Commission on the Arts and Humanities has played a leadership role in encouraging a growing partnership between the corporate, private and public sectors. A key example of this role was seen when the state arts agency, in cooperation with a consortium of eight larger arts institutions in the state received a $480,000 Challenge Grant from the NEA, the first such consortium grant awarded to a state arts agency. Success of the Challenge Grant has far surpassed anticipation. The required match of 3 to 1 from new and increased sources, both corporate and public, actually stimulated contributions equal to a 6 to 1 match.

A research study, stimulated by the Arizona Commission on the Arts, resulted in The Arts in Arizona: A Study of Economic Impact which measured the economic impact of the arts in Arizona and advanced the level of knowledge about the population's attitudes, perceptions and opinions concerning the arts and arts attendance.

The operational programs coordinated for FY 1981-82 through the agency include:

1. Art in Arizona Towns: 18 communities in rural areas of the state program, fundraise and promote a series of performing arts events.

2. Traveling Exhibitions: 22 visual arts exhibitions are booked in 100 sites throughout the state and region in libraries and museums outside of major metropolitan areas.

3. Artists in Education: 40 artists conduct programs in 182 schools statewide.

4. Bi-Cultural Program: a new program which facilitates exchanges of arts programming between Arizona and Mexico.

5. Art in Public Places: provides technical assistance for artist selection, site selection and local fundraising for cities and towns to commission artworks for places of public access.

6. Fellowship Program: recognizes excellence in the arts in the areas of creative writing, visual arts and choreography.

7. Ticket Discount: project intended to bring handicapped persons, elderly citizens and youth to theatre, music and dance performances.

8. Arts Services: responds to diverse requests for information technical assistance.

The staff estimates that they will assist with 3,000 requests for technical assistance in FY 1981-82. This assistance involves presentations at workshops and conferences, attendance at board meetings to discuss fundraising, marketing, planning and programming strategies. As well, they serve in a catalytic and resource capacity for exchange of information statewide. Assistance is provided specifically to individual artists in the areas of copyright, tax, health hazards and employment opportunities.

Technical assistance is regularly and consistently provided to grantees beyond the grant award process to insure that projects achieve the greatest impact and success possible.

ATTACHMENT B

Pages 11 and 25 of the Sunset Review state that notification to grantees has been untimely. Formal notification is sent to grantees within two weeks of the grants meeting. This is consistent with time taken by adjoining western states except for those with fully computerized procedures. It also represents a shorter period than taken in previous years in spite of more applications being processed. Judged by these standards, the notification period is both timely and efficient.*

Page 14 of the Sunset Review lists a statistical review of increases of state appropriations to the arts. A more accurate statistic presented in a study compiled by the National Assembly of State Arts Agencies reports that 80% of the states received an increase in their appropriation in FY 1982. As well, the Commission's 1981-82 appropriation reflected a 70% increase, not an 80% increase as stated in the draft report.*

Page 15, paragraph 2 and Page 23: In both cases, the Sunset Report states that the National Endowment for the Arts "requires" that the designated state arts agency provide for an open and public grants award process. This is one of ten actual criteria in the guidelines. In discussions with the Director of the NEA State Programs office, he verified that the Endowment guidelines specifically say that each state "must show evidence of substantial efforts" to meet these guidelines. This is a significant difference from "requires." The careful language of the NEA guidelines intentionally does not use the word "requires" because the federal agency wants to insure each state's individuality in determining how to accomplish the criteria.

On page 36, the report says that the "ACAH is in noncompliance with NEA reporting requirements and continued failure to properly document subgrantees use of funds could jeopardize future federal funding." *

The Director of State Programs at the NEA reports that the ACAH is in good standing with final reports on NEA grants. The Sunset Review audit staff spoke with officials in the NEA Audit Office only. The NEA Audit Office does not formulate policy for the Endowment. Thus, the Audit Office's interpretation on the relationship between the Commission's reporting practices and the potential impact on future federal funding is not a sound basis on which to speculate on the loss of federal funding. The State Programs Panel appears to be heading toward some "conditions" for receipt of actual funds awarded to state arts agencies in their Basic State Operating Grants in relation to reporting. However, it would be misleading to consider this as jeopardizing future federal funding.

* AUDITORS NOTE: The report draft was amended accordingly.

APPENDIX I

AMOUNT REQUESTED AND AMOUNT FUNDED TO ARTS ORGANIZATIONS AND INDIVIDUALS BY THE COMMISSION ON THE ARTS AND HUMANITIES FOR FISCAL YEARS 1980-81 AND 1981-82

SUMMARY

The Arizona Commission on the Arts and Humanities granted to arts organizations and individuals $212,855 in fiscal year 1980-81 and $257,410 in fiscal year 1981-82. These granted amounts represent 27.4 percent and 39.3 percent of the total amounts requested, and 41.3 percent and 53.9 percent of the amounts requested by those organizations and individuals that received grants in fiscal years 1980-81 and 1981-82 respectively.

Page I-2 summarizes the above grant information and pages I-3 through I-18 detail by requesting art organization and individuals, grant amounts requested and awarded during fiscal years 1980-81 and 1981-82.

SUMMARY OF AMOUNTS REQUESTED AND AMOUNTS FUNDED TO ARTS ORGANIZATIONS
AND INDIVIDUALS BY THE COMMISSION ON THE ARTS AND HUMANITIES
FOR FISCAL YEARS 1980-81 AND 1981-82

Funding Year	Total Number of Grant Requests		Total Amounts Requested		Total Funds Granted	Percentage of ACAH Funding To Requested Amount		Average Amount Per Grant For
	Received	Funded	All Requesting Entities	Entities Receiving Funding		All Requesting Entities	Entities Receiving Funding	Entities Receiving Funding
1980-81	197	130	$776,963	515,408	$212,855	27.4%	41.3%	$1,637
1981-82	177	137	654,488	477,843	257,410	39.3	53.9	$1,879

AMOUNT REQUESTED AND AMOUNT FUNDED TO
ARTS ORGANIZATIONS AND INDIVIDUALS BY THE
COMMISSION ON THE ARTS AND HUMANITIES FOR
FISCAL YEARS 1980-81 AND 1981-82

FUNDED REQUESTS 1980-81

ACAH Program	Requesting Organization	Requested Amount	Amount Funded	Amount Requested Unfunded
ART IN PUBLIC PLACES	1. City of Casa Grande	$ 1,500	$ 1,000	$ 500
	2. Copper Community Rural Action Council	13,716	500	13,216
	3. City of Glendale	2,000	1,000	1,000
	4. Mesa Enrichment Committee	2,000	1,000	1,000
	5. City of Willcox	1,000	1,000	-0-
	ACAH Program Sub-Total	$ 20,216	$ 4,500	$ 15,716
ARTS SERVICES	6. Az. Commission on the Arts (Arizona Artists)	$ 500	$ 500	$ -0-
	7. Az. Commission on the Arts (Consultant Services)	2,500	1,900	600
	8. Az. Commission on the Arts (Travel Assistance)	2,000	1,400	600
	9. Ariztlan	26,451	1,900	24,551
	ACAH Program Sub-Total	$ 31,451	$ 5,700	$ 25,751
BASIC AID	10. Arizona Opera Company	$ 18,000	$ 8,275	$ 9,725
	11. Arizona Theatre Company	20,000	12,350	7,650
	12. Phoenix Art Museum	10,000	6,850	3,150
	13. Phoenix Symphony Assoc.	17,210	4,000	13,210
	14. Tucson Museum of Art	10,000	6,850	3,150
	15. Tucson Symphony Orchestra	10,000	4,000	6,000
	ACAH Program Sub-Total	$ 85,210	$ 42,325	$ 42,885
COMMUNITY DEVELOPMENT	16. Az. Commission on the Arts (Dance Touring Prg.)	$ 4,600	$ 4,200	$ 400
	17. Beacon Foundation	416	400	16
	18. Bisbee Council on the Arts and Humanities	1,500	1,000	500
	19. Ticket Discount:			
	Calvary Rehabilitation	1,428	600	828
	Lyric Opera Theatre	400	400	-0-
	Tucson Assoc. for Blind	600	600	-0-
	20. Cave Creek Crafts Council	1,287	500	787
	21. Central Arizona College (Performing Artists)	1,500	750	750
	22. Eastern Arizona College	1,447	700	747
	23. Friends of Music Com.	2,607	1,900	707
	24. College of Ganado	3,450	700	2,750
	25. Gilbert Fine Arts Soc.	500	200	300
	26. Green Valley Friends of the Arts	2,500	600	1,900

ACAH Program	Requesting Organization	Requested Amount	Amount Funded	Amount Requested Unfunded
COMMUNITY DEVELOPMENT (Concl.)	27. Mesa College (Mesa Civic Ballet)	$ 690	$ 200	$ 490
	28. Mesa College (Mesa Symphony Orch.)	930	400	530
	29. Mesa Fine Arts Assoc.	700	400	300
	30. North Phoenix Corporate Ministry	927	200	727
	31. City of Sierra Vista	1,581	500	1,081
	32. Yavapai Symphony Assoc.	6,000	4,275	1,725
	ACAH Program Sub-Total	$ 33,063	$ 18,525	$ 14,538
DANCE	33. Living Dance Company (Artist in Residence)	$ 4,000	$ 1,000	$ 3,000
	34. Living Dance Company (Guest Choreographer)	1,600	1,000	600
	35. Mesa Civic Ballet (Resident Artist Exch.)	2,500	500	2,000
	36. Territory Dance Theater	500	250	250
	37. Tucson Dance Gallery	3,000	250	2,750
	38. Yuma Dance Company (Guest Artist)	250	100	150
	39. Yuma Dance Company (Guest Soloists)	600	200	400
	ACAH Program Sub-Total	$ 12,450	$ 3,300	$ 9,150
EDUCATION	40. Alhambra Elementary District #68	$ 1,076	$ 900	$ 176
	41. Arizona State School For The Deaf and Blind	5,380	1,000	4,380
	42. Holinger Elementary School	651	250	401
	Manzo Elementary Sch.	666	250	416
	43. Kino Learning Center	487	150	337
	Saguaro High School	304	150	154
	Santa Rita High School	487	150	337
	44. Kyrene School District	3,600	1,200	2,400
	45. Mesa Unified School District #4	17,600	3,800	13,800
	46. Phoenix Symphony Assoc.	5,000	3,150	1,850
	47. Rural School PTO	1,600	800	800
	48. Santa Cruz County Young Audiences (Theatre of the Perf. Arts)	900	700	200
	49. Santa Cruz County Young Audiences (In-School Programs)	5,628	1,500	4,128
	50. Tucson Symphony Orch.	2,500	2,375	125
	ACAH Program Sub-Total	$ 45,879	$ 16,375	$ 29,504

FUNDED REQUESTS 1980-81

ACAH Program	Requesting Organization	Requested Amount	Amount Funded	Amount Requested Unfunded
EXPANSION ARTS	51. Ballet Folklorico Guadalupano	$ 3,500	$ 1,000	$ 2,500
	52. Ballet Folklorico Primavera	2,815	400	2,415
	53. Chicanos Por La Causa (Mex. Folk Dance Summer Workshop)	2,200	500	1,700
	54. Eneke Experimental Arts	2,000	500	1,500
	55. El Quinto Sol De Arizona, Inc.	3,605	500	3,105
	56. Friendly House (Guest Set Designer)	1,000	1,000	-0-
	57. Friendly House (Mex. Performing Arts)	2,000	1,000	1,000
	58. Grupo Folklorico De Pima College	1,863	800	1,063
	59. H. Junta Patriotica	700	500	200
	60. MechA, U of A	1,140	400	740
	61. Movimiento Artistico Del Rio Salado (MARS)	3,300	2,280	1,020
	62. Museo Indigema-Bwiya Toli	48,000	300	47,700
	63. Quechan Indian Tribe	3,000	2,375	625
	64. Rural Arts Program	1,000	750	250
	65. Tolleson Public Library	500	500	-0-
	66. Tucson Commission of the Arts and Culture	800	800	-0-
	67. Wesley United Methodist Church	1,500	200	1,300
	68. Xicanindio Artists Coalition	3,000	1,900	1,100
	ACAH Program Sub-Total	$ 81,923	$ 15,705	$ 66,218
FELLOWSHIP	69. Arizona Commission on the Arts (Composer's Fellowship)	$ 6,100	$ 4,500	$ 1,600
	70. Arizona Commission on the Arts (Visual Artists Fellowship)	6,000	4,500	1,500
	71. Arizona Commission on the Arts (Writers Fellowship)	6,000	4,500	1,500
	ACAH Program Sub-Total	$ 18,100	$ 13,500	$ 4,600

ACAH Program	Requesting Organization	Requested Amount	Amount Funded	Amount Requested Unfunded
LITERATURE	72. Blue Moon Press	300	300	-0-
	73. Central Arizona College	3,000	2,850	150
	74. Cochise Fine Arts, Inc.	1,200	500	700
	75. Friends of the Tucson Library	1,000	1,000	-0-
	76. La Palabra	1,800	1,000	800
	77. Pima Community College	1,000	500	500
	78. Porch Publications	500	500	-0-
	ACAH Program Sub-Total	$ 8,800	$ 6,650	$ 2,150
MEDIA ARTS	79. Southwestern Film Consortium	3,500	2,375	1,125
	ACAH Program Sub-Total	$ 3,500	$ 2,375	$ 1,125
MULTI-DISCIPLINARY	80. Arizona Commission on the Arts (Special Constituencies	$ 1,000	$ 1,000	$ -0-
	81. Arizona Commission on the Arts (Ticket Discount)	1,500	1,000	500
	82. Cultural Exchange Council	2,000	1,500	500
	83. Douglas Art Association	1,405	300	1,105
	84. Flagstaff Festival of the Arts	21,500	14,250	7,250
	85. Gila Pueblo College	1,000	500	500
	86. Museum of Northern Az.	2,980	800	2,180
	87. Phoenix Arts Coming Together	5,000	1,200	3,800
	88. Raza Graduate Student Caucus	2,706	500	2,206
	89. Scottsdale Center for the Arts	2,000	1,000	1,000
	90. Tucson Jazz Society	1,500	300	1,200
	91. Western States Arts Fd.	10,000	10,000	-0-
	ACAH Program Sub-Total	$ 52,591	$ 32,350	$ 20,241
MUSIC	92. Arizona Opera Company	20,000	2,825	17,175
	93. Flagstaff Symphony Assoc.	3,000	2,375	625
	94. Jazz in Arizona, Inc.	2,000	500	1,500
	95. Orchestai, Inc.	5,000	1,000	4,000
	96. Theater of the Performing Arts (Guest Artist)	2,180	500	1,680
	97. Theater of the Performing Arts (Artistic Director in Residence)	4,000	1,850	2,150

ACAH Program	Requesting Organization	Requested Amount	Amount Funded	Amount Requested Unfunded
MUSIC (Concluded)	98. Tucson Festival Society	$ 4,490	$ 200	$ 4,290
	99. Tucson Friends of Traditional Music	4,200	500	3,700
	100. Tucson Pops Orchestra	4,143	500	3,643
	ACAH Program Sub-Total	$ 49,013	$ 10,250	$ 38,763
THEATER	101. Az. Commission on the Arts (National Theatre of the Deaf Residencies)	$ 2,000	$ 1,900	$ 100
	102. Arizona Theatre Company (Encompass Guest Artist)	1,500	500	1,000
	103. Arizona Theatre Company (Phoenix Residency)	4,500	3,800	700
	104. Black Theatre Troupe (Audience Development)	4,500	2,850	1,650
	105. Teatro Libertad	2,000	1,900	100
	106. Childsplay, Inc.	7,500	1,900	5,600
	107. Invisible Theatre	6,000	4,275	1,725
	108. New Kiva Motions, Inc. (Puppetry Workshop I)	1,580	800	780
	109. Ododo Theatre Foundation	3,500	1,000	2,500
	110. Phoenix Little Theatre (Children's Theatre)	1,400	800	600
	111. Phoenix Little Theatre (Professional Director)	5,300	2,100	3,200
	ACAH Program Sub-Total	$ 39,780	$ 21,825	$ 17,955
VISUAL ARTS	112. Arizona Designer Craftsmen	$ 1,307	$ 800	$ 507
	113. Arizona Western College	1,500	900	600
	114. Arizona Women's Caucus For Art and Woman Image Now	625	100	525
	115. Center for Creative Photography	800	800	-0-
	116. Central Arizona College	750	500	250
	117. Cochise Fine Arts, Inc. (Exhib. Documentation)	1,310	750	560
	118. Dinnerware Artists Coop. (Rent Assistance)	1,200	1,200	-0-
	119. Dougales Art Assoc.	390	100	290
	120. The Heard Museum	800	300	500
	121. Museum of Northern Az.	5,000	4,750	250

FUNDED REQUESTS 1980-81

ACAH Program	Requesting Organization	Requested Amount	Amount Funded	Amount Requested Unfunded
VISUAL ARTS (Concl)	122. Northern Arizona Univ.	$ 1,700	$ 1,500	$ 200
	123. Northlight Gallery	3,100	900	2,200
	124. Patrons of the Arts	800	100	700
	125. Sedona Arts Center	400	200	200
	126. Prescott Fine Arts	1,500	800	700
	127. Tucson Visiting Artist Consortium	4,000	1,500	2,500
	128. University Art Collection ASU	4,250	2,175	2,075
	129. Yuma Fine Arts Assoc.	2,500	1,000	1,500
	130. Yuma Project Workshop	1,500	1,100	400
	ACAH Program Sub-Total	$ 33,432	$ 19,475	$ 13,957
	ACAH Funded Grants Totals for 1980-81	$515,408	$212,855	$302,553

FUNDED REQUESTS 1981-82

ACAH Program		Requesting Organization	Requested Amount	Amount Funded	Amount Requested Unfunded
ADMINISTRATION/ARTISTIC ASSISTANCE	1.	Arts Council	$ 8,200	$ 1,000	$ 7,200
	2.	Childsplay	3,600	1,000	2,600
	3.	Cochise Fine Arts Assoc.	5,000	4,500	500
	4.	Scottsdale Symphony Orch.	10,000	2,000	8,000
	5.	Southwestern Film Consortium	6,250	4,500	1,750
	6.	Verde Valley Art Assoc.	5,000	3,500	1,500
		ACAH Program Sub-Total	$ 38,050	$ 16,500	$ 21,550
ARTS SERVICES	7.	ACAH: Az. Forecast Part II	$ 2,500	$ 2,000	$ 500
	8.	ACAH: Consultant Services	2,000	1,900	100
	9.	ACAH: Museum Environment Testing Kit	750	750	-0-
	10.	ACAH: Travel Assistance	2,100	2,000	100
	11.	Western States Arts Foundation	11,500	10,000	1,500
		ACAH Program Sub-Total	$ 18,850	$ 16,650	$ 2,200
BASIC AID	12.	Arizona Opera Company	$ 12,000	$ 7,000	$ 5,000
	13.	Arizona Theatre Company	15,000	10,000	5,000
	14.	Phoenix Art Museum	25,000	10,000	15,000
	15.	Phoenix Symphony Assoc.	20,000	14,000	6,000
	16.	Tucson Museum of Art	12,000	7,000	5,000
	17.	Tucson Symphony Orchestra	7,000	7,000	-0-
		ACAH Program Sub-Total	$ 91,000	$ 55,000	$ 36,000
COMMUNITY DEVELOPMENT	18.	ACAH: Dance Touring Prgm.	$ 750	$ 750	$ -0-
	19.	ACAH: Jeffrey Siegel Tour	2,500	2,500*	-0-
	20.	ACAH: Special Constituencies	1,200	1,200	-0-
	21.	Az. Mini Concert Committee	1,745	500	1,245
	22.	Bach and Madrigal Society	1,500	500	1,000
	23.	Beacon Foundation	875	800	75
	24.	Cave Creek Craft Council	1,133	800	333
	25.	Central Arizona College	1,000	750	250
	26.	DES: Div. of Developmental Disabilities (Dance)	1,500	1,000	500
	27.	DES: Div. of Developmental Disabilities (Drama)	2,250	500	1,750
	28.	Eastern Arizona College	2,605	500	2,105
	29.	Gilbert Fine Arts Assoc.	1,500	500	1,000
	30.	Mesa Community College Night People	1,300	700	600
	31.	Mesa Parks and Recreation	850	350	500

* Grantee declined $1,000 of total $2,500 due to scheduling conflicts.

ACAH Program	Requesting Organization	Requested Amount	Amount Funded	Amount Requested Unfunded
COMMUNITY DEVELOPMENT (Concl)	32. Orchestai, Inc.	$ 7,000	$ 1,800	$ 5,200
	33. Oro Valley Commission on the Arts	750	600	150
	34. Patagonia Community Arts Association	950	500	450
	35. Phoenix Parks Recreation and Library	1,700	500	1,200
	36. Sedona Arts Center	835	350	485
	37. Scottsdale Center for the Arts	2,500	1,000	1,500
	38. Sierra Vista, City of	750	600	150
	39. Yavapai Symphony Assoc.	6,000	4,800	1,200
	ACAH Program Sub-Total	$ 41,193	$ 21,500	$ 19,693
DANCE	40. ASU Dance Department	$ 1,000	$ 1,000	$ -0-
	41. Artes Bellas, Inc.	4,000	1,200	2,800
	42. Desert Dance Theatre	930	900	30
	43. Laura Moya Institute for Hispanic Dance	1,835	250	1,585
	44. Mesa Civic Ballet Co.	500	300	200
	45. Mesa Civic Ballet Co.	1,981	1,000	981
	46. Territory Dance Theatre	1,625	600	1,025
	47. Yuma Ballet Theatre	2,000	500	1,500
	48. Yuma Dance Company	200	100	100
	49. Yuma Dance Company	200	125	75
	50. Yuma Dance Company	200	100	100
	ACAH Program Sub-Total	$ 14,471	$ 6,075	$ 8,396
EDUCATION	51. Art Education Assoc.	$ 325	$ 250	$ 75
	52. Arizona State Hospital	500	200	300
	53. Invisible Theatre	3,000	700	2,300
	54. Kino Learning Center	154	150	4
	Sahuaro High School	304	150	154
	Saint Gregory High Scho.	195	200	(5)
	56. Mesa Unified School District #4	6,650	4,000	2,650
	56. Santa Cruz County Young Audiences	5,875	2,500	3,375
	57. Tucson Symphony	6,000	1,500	4,500
	58. Tucson Unified School District #4	4,494	1,500	2,994
	ACAH Program Sub-Total	$ 27,497	$ 11,150	$ 16,347

FUNDED REQUESTS 1981-82

ACAH Program	Requesting Organization	Requested Amount	Amount Funded	Amount Requested Unfunded
EXPANSION ARTS	59. Alma de la Gente	$ 1,200	$ 750	$ 450
	60. Ariztlan	3,200	2,400	800
	61. ACAH: Bi-Culture Arts Program	5,000	3,250	1,750
	62. Ballet Folklorico Guadalupano	3,500	1,000	2,500
	63. Ballet Folklorico Primavera	2,145	1,300	845
	64. Chicanos Por La Causa	4,000	2,000	2,000
	65. The Heard Museum	815	815	-0-
	66. Honorable Junta Patriotica	830	830	-0-
	67. Movimiento Artistico Del Rio Salado	4,400	2,400	2,000
	68. Teatro Libertad	2,000	1,750	250
	69. Tolleson Public Library	600	600	-0-
	70. Toyei Industries, Inc.	4,200	600	3,600
	71. Tucson Commission on the Arts and Culture	4,000	1,000	3,000
	72. Xicanindio Artists Coalition	3,020	2,300	720
	ACAH Program Sub-Total	$ 38,910	$ 20,995	$ 17,915
FELLOWSHIP	73. ACAH: Fellowship for Artists	$ 12,500	$ 12,000	$ 500
	ACAH Program Sub-Total	$ 12,500	$ 12,000	$ 500
FOLK ARTS	74. Beth-El Congregation	$ 1,000	$ 750	$ 250
	75. Coconino County Center for the Arts	2,000	1,000	1,000
	76. Cultural Exchange Council	2,000	1,500	500
	77. The Heard Museum	3,500	500	3,000
	78. Phoenix Arts Coming Together	6,000	1,200	4,800
	79. Rio Salado Community Col.	4,000	2,500	1,500
	80. Tempe Historical Society	3,114	1,500*	1,614
	81. Tucson Friends of Traditional Music	2,435	800	1,635
	ACAH Program Sub-Total	$ 24,049	$ 9,750	$ 14,299

*Grantee declined grant; funds received from other sources.

ACAH Program	Requesting Organization	Requested Amount	Amount Funded	Amount Requested Unfunded
LITERATURE	82. Blue Moon Press	$ 3,000	$ 2,500	$ 500
	83. Central Arizona College	3,650	3,500	150
	84. Gilbert Fine Arts Society	100	100	-0-
	85. La Palabra	1,560	1,200	360
	86. Pima Community College	950	500	450
	87. Porch Publications	1,500	1,200	300
	88. Yavapai College	300	300	-0-
	ACAH Program Sub-Total	$ 11,060	$ 9,300	$ 1,760
MUSIC	89. Arizona Opera Company	$ 23,680	$ 6,100	$ 17,580
	90. Flagstaff Festival	25,000	12,000	13,000
	91. Flagstaff Symphony Orch.	3,000	3,000	-0-
	92. Friends of Tucson Public Library	1,430	500	930
	93. Lyric Opera Theatre	2,000	800	1,200
	94. Mesa Fine Arts Assoc.	3,500	900	2,600
	95. Orchestai, Inc.	2,000	500	1,500
	96. Philharmonia Orchestra of Tucson	2,385	500	1,885
	97. Theater of the Performing Arts	4,560	1,500	3,060
	98. Tucson Pops Orchestra	3,143	800	2,343
	99. Yuma Chamber Orchestra	1,200	700	500
	ACAH Program Sub-Total	$ 71,898	$ 27,300	$ 44,598
THEATER	100. Black Theatre Troupe	$ 5,000	$ 5,000	$ -0-
	101. Childsplay, Inc.	3,300	2,000	1,300
	102. Friends of Az. Theatre Co.	15,000	10,000	5,000
	103. Invisible Theatre	2,400	1,700	700
	104. Invisible Theatre	1,050	1,050	-0-
	104a Invisible Theatre	2,100	1,150	950
	105. Phoenix Little Theatre	5,000	1,500	3,500
	ACAH Program Sub-Total	$ 33,850	$ 22,400	$ 11,450
TICKET DISCOUNT	106. ACAH	$ 1,500	$ 1,000	$ 500
	107. Arizona State Hospital	830	200	630
	108. Calvary Rehab. Center	1,442	700	742
	109. DES: Div of Developmental Disabilities	720	700	20
	110. Metro Independent Living Center	500	500	-0-
	111. Senior NOW Programs	2,959	2,500	459
	112. Tempe High Sch. Spec. Ed.	290	300	(10)
	113. Tucson Assoc. for Blind	600	600	-0-
	ACAH Program Sub-Total	$ 8,841	$ 6,500	$ 2,341

FUNDED REQUESTS 1981-82

ACAH Program	Requesting Organization	Requested Amount	Amount Funded	Amount Requested Unfunded
VISUAL ARTS	114. Amercan Institute of Architects	$ 2,650	$ 500	$ 2,150
	115. ACAH: Art in Public Places	1,500	1,500	-0-
	116. Arizona Design Craftsmen	1,392	800	592
	117. Az. Watercolor Assoc.	4,000	400	3,600
	118. Arizona Western College	4,800	1,200	3,600
	119. Ctr. for Creative Photo.	1,200	1,000	200
	120. Central Az. College	750	650	100
	121. Dinnerware Artists Coop.	2,000	2,000	-0-
	122. Douglas Art Assoc.	1,315	300	1,015
	123. Flagstaff Art Ctr.	2,050	300	1,750
	124. Havasu Art Guild	360	360	-0-
	125. The Heard Museum	680	680	-0-
	126. Northern Az. University Art Gallery	2,000	2,000	-0-
	127. Northlight Gallery	4,502	900	3,602
	128. Pinal County Art Gallery	1,675	1,000	675
	129. Prescott Fine Arts Assoc.	800	800	-0-
	130. Scottsdale Arts Center	2,000	1,000	1,000
	131. City of Tolleson	1,000	1,000	-0-
	132. Tucson Museum of Art	2,000	2,000	-0-
	133. Tucson Visiting Arts Consortium	3,000	2,000	1,000
	134. Wickenburg Art Club	2,000	400	1,600
	135. Womankraft	3,000	500	2,500
	136. Yuma Fine Arts Assoc.	1,000	1,000	-0-
	ACAH Program Total	$ 45,674	$ 22,290	$ 23,384
	ACAH Funded 1981-82 Totals	$477,843	$257,410	$220,433

AMOUNT REQUESTED AND AMOUNT FUNDED TO
ARTS ORGANIZATIONS AND INDIVIDUALS BY THE
COMMISSION ON THE ARTS AND HUMANITIES FOR
FISCAL YEARS 1980-81 AND 1981-82

NONFUNDED REQUESTS 1980-81

ACAH Program	Requesting Organization	Amount Requested Unfunded
ART IN PUBLIC PLACES	1. House of Neighborly Services	$ 2,500
	2. Tucson Commission on the Arts and Culture	5,000
	ACAH Program Sub-Total	$ 7,500
ARTS SERVICES	3. Arts Education Collaborative	$ 2,000
	4. Arts For All, Inc.	5,300
	5. Flagstaff Symphony Assoc.	1,000
	ACAH Program Sub-Total	$ 8,300
BASIC AID	6. Chicanos Por La Causa	$ 24,710
	ACAH Program Sub-Total	$ 24,710
COMMUNITY DEVELOPMENT	7. Central Arizona College (Musical Production)	$ 1,500
	8. Kingman Centennial Commission	18,600
	9. Mesa College (Invisible Theatre)	525
	10. Mill Ave. Merchants Association	3,000
	11. City of Phoenix Parks and Recreation	2,000
	12. Prescott Area Arts and Humanities	2,000
	13. Santa Cruz County Child Care Center Inc.	560
	14. Una Noche Plateada	2,500
	ACAH Program Sub-Total	$ 30,685
DANCE	15. Arizona Ballet Theatre	1,200
	16. Laura Moya Institue for Hispanic Dance	1,000
	17. Living Dance Company (Concerts in Pks)	4,250
	18. Mesa Civic Ballet (Dance and the Deaf Child)	705
	19. Perihelion Dance Co.	760
	20. Tucson Metropolitan Ballet Foundation	10,000
	21. Tucson Moving Centre	1,140
	ACAH Program Sub-Total	$ 19,055
EDUCATION	22. Chicanos Por La Causa	2,500
	23. Music Scholarships of Arizona	1,000
	24. Roosevelt School District #66	1,800
	25. San Manuel High School	180
	26. Tucson Public Library	200
	ACAH Program Sub-Total	$ 5,680

NONFUNDED REQUESTS 1980-81

ACAH Program	Requesting Organization	Amount Requested Unfunded
EXPANSION ARTS	27. Chicanos Por La Causa (Chicano Theatre Wokshop)	$ 2,425
	28. Chicanos Por La Causa (Mex. Art Workshop '81)	2,000
	29. Chicanos Por La Causa (Mex. Music Summer Workshop)	1,200
	30. Maricopa Community College District	Withdrawn
	31. Raza Graduate Student Caucus	1,300
	32. Tucson Classical Guitar Society	1,600
	ACAH Program Sub-Total	$ 8,525
LITERATURE	33. Pearl	$ 850
	34. Oreja Press	2,660
	35. Una Noche Plateada	3,500
	ACAH Program Sub-Total	$ 7,010
MEDIA ARTS	36. Southwest Althernate Media Project	$ 2,500
	ACAH Program Sub-Total	$ 2,500
MULTI-DISCIPLINARY	37. Arizona Aikikai	5,000
	38. Arts Council	8,000
	39. Arizona State University	5,508
	40. Chicanos Por La Causa	5,500
	41. Orchestai, Inc.	5,000
	42. Simon Peter Productions	5,000
	43. Tucson Commission of the Arts And Culture	3,000
	44. Tucson Festival Society	10,000
	45. Womenwoven Productions	2,000
	ACAH Program Sub-Total	$ 49,008
MUSIC	46. American Vocal Arts Trio	$ 26,575
	47. Arizona Mini-Concerts Com.	3,000
	48. Bach and Madrigal Society	1,525
	49. Lyric Opera Theatre	3,117
	50. Philharmonia Orchestra of Tucson	1,835
	51. Southern Arizona Symphony Orchestra	200
	52. Tucson Az. Boys Chorus	800
	53. Yuma Chamber Orchestra	550
	ACAH Program Sub-Total	$ 37,602

ACAH Program	Requesting Organization	Amount Requested Unfunded
THEATRE	54. Desert Sage Playhouse (Bring Me There)	$ 5,300
	55. Desert Sage Playhouse (Training Film)	2,200
	56. New Kiva Motions, Inc. (People Puppetry II)	4,435
	ACAH Program Sub-Total	$ 11,935
VISUAL ARTS	57. Arizona Women's Commission	1,780
	58. Bisbee Council of the Arts and Human.	5,000
	59. Cochise Fine Arts, Inc. (Salary Support)	5,000
	60. Dinnerware Artists Cooperative (Cochise Fine Arts Exchange)	1,180
	61. Phoenix Art Museum	12,500
	62. Pima County Sheriff's Department	8,504
	63. Tucson Museum of Art	4,760
	64. University of Arizona	2,260
	65. Verde Valley Art Assoc. (Salary Assistance)	4,000
	66. Verde Valley Art Assoc. (6th Memorabilia Show)	800
	67. Womankraft, Inc.	3,251
	ACAH Program Sub-Total	$ 49,035
	ACAH Nonfunded 1980-81 Total	$ 261,545

NONFUNDED REQUESTS 1981-82

ACAH Program	Requesting Organization	Amount Requested Unfunded
ADMINISTRATIVE ARTISTIC ASSISTANCE	1. Theater of the Performing Arts	$ 4,000
	2. Tucson Commission of the Arts and Culture	10,000
	3. Tucson Symphony	3,000
	ACAH Program Sub-Total	$ 17,000
ARTS SERVICES	4. Az. Dance Arts Alliance	$ 750
	5. Arts Council	3,320
	6. Northern Arizona University	1,000
	ACAH Program Sub-Total	$ 5,070
BASIC AID	7. Territory Dance Theater	$ 5,000
COMMUNITY DEVELOPMENT	8. American Association of Univ. Women	$ 800
	9. Az. Mini-Concert Committee	935
	10. Cosanti Foundation	3,500
	11. Green Valley Recreation, Inc.	375
	12. Santa Cruz County Young Audiences	1,500
	13. Fountain Hills Civic Assoc.	1,500
	ACAH Program Sub-Total	$ 8,610
DANCE	14. Mesa Civic Ballet Co.	$ 1,500
	15. Territory Dance Theater	3,800
	16. Territory Dance Theater	940
	17. Tucson Metro Ballet Foundation	20,000
	18. Yuma Dance Company	200
	19. Yuma Dance Company	75
	ACAH Program Sub-Total	$ 26,515
EDUCATION	20. Borton Elementary	$ 600
	Erickson Elementary School	164
	Hudlon Elementary School	518
	Marshall Elementary School	1,280
	21. Mental Health Association of Maricopa County	2,557
	22. Phoenix Symphony Association	3,600
	23. Scottsdale Foundation for the Handicapped	13,352
	24. Valley of the Sun School	14,337
	ACAH Program Sub-Total	$ 36,408

NONFUNDED REQUESTS 1981-82

ACAH Program	Requesting Organization	Amount Requested Unfunded
EXPANSION ARTS	25. Movimiento Artistico Del Rio Salado	$ 6,500
	26. Metropolitan Youth Centers	3,000
	ACAH Program Sub-Total	$ 9,500
LITERATURE	27. De Colores, Inc.	$ 2,327
MEDIA ARTS	28. KUAT-TV	$ 6,000
	29. Southwestern Film Consortium	10,000
	ACAH Program Sub-Total	$ 16,000
MUSIC	30. Academy of Performing Arts	$ 2,000
	31. Lyric Opera Theatre	1,200
	32. Orchestai, Inc.	5,000
	ACAH Program Sub-Total	$ 8,200
THEATER	33. Arizona Theatre Company	$ 1,500
	34. New Kiva Motion, Inc.	2,642
	35. Valley Shakespeare Theatre	$ 25,200
	ACAH Program Sub-Total	$ 29,342
TICKET DISCOUNT	36. Lyric Opera Theatre	$ 1,000
VISUAL ARTS	37. Maricopa County General Hospital	$ 1,500
	38. Master Apprentice Program	3,780
	39. Tucson Women's Commission	5,593
	40. Verde Valley Art Association	800
	ACAH Program Sub-Total	$ 11,673
	ACAH Nonfunded 1981-82 Total	$ 176,645

ARIZONA ADVISORY COUNCILS, COMMITTEES AND BOARDS SURVEYED

ARIZONA HUMANITIES COUNCIL

STATE OF ARIZONA:

- Advisory Council on Aging
- Developmental Disabilities Planning and Advocacy Council
- Economic Security Advisory Council

CITY OF PHOENIX

- Art Committee
- Housing Commission
- Human Relations Board
- Insurance Committee
- Judicial Selection Board
- Library Advisory Board
- Municipal Aeronautics Board
- Public Housing Board
- Sister Cities Board
- Streets Advisory Board
- Youth Commission