

CITY OF AUSTIN

**VIABLE CULTURAL ARTS FUNDING
PROGRAM ALTERNATIVES**

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Dabney & Associates

INTRODUCTION

Dabney & Associates, a team composed of Marion McCollam, Eduardo Díaz and Lucille Dabney has been retained by the City of Austin to:

1. Evaluate the City's current cultural arts funding process;
2. Identify public cultural arts funding best practices and benchmarks; and
3. Identify and recommend viable cultural arts funding program model alternatives for the City, including strategies for implementing those alternatives.

As part of its Phase One engagement, the team has presented the Evaluation of the Cultural Arts Funding Process (Evaluation Report) and the Identification of Public Cultural Arts Funding Best Practices and Benchmarks (Best Practices Report) and is scheduled to present the final report on December 11, 2002. Dabney and Associates is working under the supervision of the Office of the City Auditor. At the City's discretion a Phase Two component to the project may ensue, in which consultant would provide assistance in the implementation of recommendations in Phase One.

This Alternatives Report constitutes the logical, sequential next step after the analysis of current Austin practice and a synthesis of best practices screened for applicability to Austin. It is organized around the same major topics found in the two earlier reports. In this report we present introductory context for each major topical area and subtopic, followed by feasible alternatives for City leaders and stakeholders to consider. Greater detail on alternatives presented is to be found in the Best Practices Report and reference should be made to that document should additional information be needed. Based on responses to these alternatives, we will develop a set of specific recommendations that we believe the City of Austin can confidently and affirmatively pursue in Phase Two of this project.

PUBLIC POLICY

Perspectives on Public Policy: Focused or Broad

A 1986 Ordinance of the City of Austin establishes cultural policy that speaks broadly of providing a nurturing physical and human environment for artists, organizations and producers; preserving cultural diversity; ensuring equal access to the arts; strengthening the administrative aspects of the arts; and integrating aesthetic concerns into local decision making. Sixteen years later it is time to revisit this ordinance and underlying policy. Since City leaders are thinking about the arts as part of the urban ecosystem and are rethinking cultural arts programs and processes in that light, officials may want

to ensure that cultural policy not only adequately reflects current City policy and priorities but also leads to desired actions and outcomes.

Policies related to the convergence of the arts, the creative economy and economic development in Austin are subjects of particular interest to members of City Council. Comprehensive arts public policy would ensure that related aspects of the arts were in alignment with the City's overall vision and objectives. Austin's ordinance that sets out public policy for public art, which has recently been revised to increase the percentage dedicated, would also be interpreted in this broader context.

Alternatives:

1. Focus on cultural contracts to artists and organizations. Revisit and revise existing policy, as necessary, to focus more directly on the funding of cultural contracts and to include related community objectives, such as those related to economic development, tourism, community image and quality of life. Policy would be directly reflected in cultural contract guidelines, funding criteria and panel process.
2. Broaden the purposes for cultural arts funding to reflect City policy. Revisit and revise existing policy to create a comprehensive concept of cultural arts funding and support that integrates cultural arts development into the broader policies and priorities of the City of Austin consonant with the changing challenges and dynamic opportunities for the city. In this alternative, public policy would inform not only cultural contract guidelines but also shape other programs and services supporting cultural development.

Public Policy Models: Local or Regional, Implicit or Explicit

Policy in the public policy models discussed in the Best Practices Report applied variously to a single local government, to city and county or counties and to regional intergovernmental authorities. While the focus of Phase One of this project is clearly the City of Austin, stakeholders may want to consider a regional approach in future planning efforts.

In the scan of national best practices, policy was found, in some cases, to be contained in formal legislation of the governmental authority. Such legislation frequently defined the purposes of governmental support for the arts, the mission and governance of the designated arts agency as well as legislation specifically targeted to public art or arts districts or of a general nature applicable to the arts and all other governmental services. In the last category were those policies for conflict of interest, an issue raised in the Evaluation Report of the current funding process.

The conflict of interest policies of local arts agencies are either drawn from the governmental entity of which they are part, or by which they are designated as official arts agency, or stated in a formal document drawn up by the agency. These are usually formal documents that require members of the governing body, be it commission or

board, the agency staff and volunteers, such as review panelists, to read and sign. This action thereby commits these officials and citizens to honor its requirements.

In some cities or counties, public policy regarding the arts is apparently so inculcated into local arts agency operations and so much a part of the culture of the particular community that a great deal of documentation and formality, aside from initial legislation, is not deemed necessary. This is not true, of course, for enabling legislation such as that for public art or for a portion of a particular public revenue source dedicated to the arts. Where public policy is not reviewed and updated regularly by the governing authority, or where it does not inform the practices and programs of the local arts agency, problems may arise.

Alternatives:

1. Establish organizational culture for timely review of arts and cultural development public policy. Review current policy of the City relative to purposes of cultural funding and aims of cultural development, enacting revisions that reflect changing conditions and community priorities and also relating any City requirements related to conflict of interest to cultural arts policy.
2. Explore regional issues in developing policies. Review current policy of the City relative to the purposes and aims of cultural development, enacting revisions that ensure quality of cultural life and economic development opportunities for Austin's citizens and institutions, refer to the role of the local arts agency, protect against conflict of interest and that welcome community participation and leverage regional resources.

Public Policy: Proposed by Arts Agency or Initiated by Elected Officials

Current and comprehensive public policy on the arts is under active review and revision in a number of cities surveyed, reflecting the need to take into consideration economic, social and demographic shifts and the desire to relate the arts more generally to community life and make the arts part of economic development, tourism and job creation, as well as urban and regional planning. Policy may be proposed to the governmental authority by the local arts agency or consultants, or it may be initiated by elected officials with input from the arts agency or consultants.

Public policy on the arts has been shown in cases all over the country to grow very effectively from cultural planning processes overseen by local arts agencies that involve the community broadly in determining a shared vision of the community's cultural future. Through such a process not only may policy be updated but additional resources may also be identified to support cultural development initiatives.

Local government may have good policies in place for cultural funding and development, but if they are not conveyed to the governance and staff of the local arts agency they may have no practical effect. Concomitantly, the governing board and staff of the agency must convey policy recommendations to local government or critical information may be lacking for policy development.

Since the policy on the appropriate uses of the “bed tax” or hotel/motel occupancy tax, currently the City’s method of supporting Austin’s arts assets, has been called into question and the City Attorney has not yet issued an opinion on the issue, no assumption is being made on the appropriateness of usage of these funds. Regardless of the outcome of this challenge, reexamination of the policy of funding the arts with that single volatile source seems timely.

Alternatives:

1. If cultural policy is initiated by City Council, review and revise policy with input from the Austin Arts Commission, City staff and consultants in the context of broader City policies addressing major priorities of City government and convey policy to Commission and staff to guide programs, services and processes.
2. If cultural policy is proposed by the Austin Arts Commission, City staff and consultants that casts arts policy in the broader context of City policy, review and revise policy in light of decisions about uses of the bed tax and in expectation of future community cultural planning activity. City Council adoption would be required.

STRUCTURE AND FUNCTION OF LOCAL ARTS AGENCY

Public versus Private

The City will need to determine whether a public or a private arts agency will better serve the policies and goals it establishes. The previous discussion on cultural arts public policy should be considered in determining which route best suits Austin. As noted in the Best Practices Report, either structure can be effective as long as the agency executive enjoys a peer relationship with municipal government department heads and has the flexibility to take advantage of other public and new private resources.

Alternatives:

1. Establish a public agency. If the agency continues as a public entity, the City may consider recasting it as a stand-alone department or placing it in the Office of the City Manager or Mayor. A higher-level profile could assist the agency executive in developing collaborative relationships with other department heads, leading to creative and mutually beneficial programs and projects. As a rule, public agencies have difficulty raising funds in the private sector. This drawback can be overcome by the creation of a separate nonprofit organization that works on behalf of the city agency in advocacy and fund raising.
2. Establish an independent, private agency. If the decision is made to create and contract with an independent private agency (arts council), steps could be taken to institutionalize a close and productive relationship between City department heads and the lead executive of the local arts agency. Recall, from the Best

Practices Report, the relationship described in New Orleans where the local private arts agency executive regularly attends city department head staff meetings as a full member of the management team.

3. Explore establishment of a regional agency. As we discovered while completing the research for the Best Practices Report, 35 percent of our respondents served more than one geographic area or unit of local government. Thought could be given to the benefits, if any, of creating a regional agency, whether it is public or private.

Limited versus Full-Service

Currently, the Cultural Affairs Division of the Parks and Recreation Department (PARC) runs the grants programs, manages facilities, operates arts programs, coordinates special events and is overseeing the development of the new Center for Mexican American Cultural Arts. Its grants program is the one that directly benefits local arts and cultural organizations and artists. With the exception of facility development, the other functions have limited impact on the field. The Division does not offer a comprehensive technical assistance program. The Division's reports and plans regarding cultural facilities and economic impact are inconclusive and outdated. Its advocacy and public relations functions relative to the funding program are virtually inoperative.

Were the City to create a larger portfolio of grant programs with greater access that address public policy issues, that would require increased efficiency in cultivating, accepting, and processing funding requests as well as effective management and outcome reporting. The City could invest in technological innovations that could reduce the already considerable administrative load, while improving customer opportunity and satisfaction. Simultaneously, the funding program could be recast in line with the direction and outcomes articulated by the community.

Alternatives:

1. Maintain as limited service agency. Continue to operate Cultural Contracts program as a division of PARC under the current administrative structure. Without completely recasting its infrastructure, the City can target some of its cultural arts funding programs to address economic development, tourism, city image and other public priorities. City staff could explore development of a technical assistance program, pursue appropriate plans and studies and explore service expansion. As a variation on this alternative, instead of continuing in PARC, the arts funding program would be privatized via a contractual arrangement to an existing local, private agency that would handle the function on an out-sourced basis.
2. Establish as full-service agency. Whether public or independent agency, the City could create an agency charged with the responsibility of proactively planning, developing, managing and evaluating a host of activities supporting the development of the nonprofit arts infrastructure in Austin in line with City policy

and major objectives and capable of attracting additional funding, as detailed in the Evaluation Report.

Governance

Whether the resultant agency is a public or a private entity, if the City chooses to retain the responsibility of appointing the voluntary leadership, it must first encourage a dialogue with the local arts agency to determine needs related to its organizational infrastructure and desires for external relationships that can further its mission. This dialogue could be as informal as requesting a list of candidates from the local arts agency highlighting their expertise, experience and demographic profile, or it could be as formal as the Denver system recounted in the Best Practices Report. Denver's commission membership includes eight members of acknowledged accomplishment as professionals or amateurs in a variety of film, artistic and cultural fields, two representatives of the film industry, four representatives of the business and labor industry and the Director of the Mayor's Office of Economic Development and International Trade.

Alternatives:

1. If established as a public agency, maintain the Austin Arts Commission as currently configured, revisit and restructure current committee structure and review and revise operating bylaws relative to member selection, term limits, conflict of interest and other matters.
2. If established as independent, private agency, the City could allow the agency to elect its own leadership according to its needs and could ensure accountability by appointing one or more representatives serving at the request of the Mayor and Council. Additional accountability could be assured by designating a staff liaison from the office of the Mayor or the City Manager in an advisory, ex-officio capacity.

Staffing

Whether the agency is public or private, a creative, entrepreneurial, full-charge executive with excellent communication skills and experience in building effective coalitions across diverse constituencies should head staff. The category and number of additional staffing would depend on the comprehensiveness of programs to be established. Clearly, a top-flight staff would be required to manage the funding program. Responsibilities and duties of a full-service agency require a full staff complement with appropriate expertise and experience. To reiterate, City leaders must first determine the scope of programming they feel is necessary to carry out established public policies. This and available resources will determine the scale of agency operations. What follows concerns the executive position and reporting protocol.

Alternatives:

1. Establish as public agency. As currently configured, Cultural Contract staff would continue to report to Cultural Affairs Division Manager, who would continue to report through proper channels to the Director of PARD. As a full-service agency or department grouped under service area determined by City Manager, executive would report to either Deputy City Manager, Assistant City Manager or Chief of Staff and, ultimately, to the City Manager.
2. Establish as independent, private agency. As a privatized operation, handling only the funding program, the agency head would report to responsible departmental executive determined by City Manager. As a privatized, full-service agency, the executive could report to an independent board of directors. As noted above, in creating this new agency, the City can ensure representation on the board.

Relationship to Parks Department

Parks departments across this country have incubated and fostered the growth and development of local arts agencies. Even though the agencies have outgrown their birthplaces, there remains a natural and mutually beneficial relationship between them.

Alternatives:

1. Establish as public agency. As currently configured under PARD, the Cultural Affairs Division continues to manage the Cultural Contracts program as one of several under its auspices. As a full-service agency or department, the arts agency would operate on a peer-to-peer basis with PARD and coordinate collaborative planning and programs, where appropriate.
2. Established as an independent, private arts council, the agency could take the initiative in developing and continuing cooperative ventures with PARD.

ARTS AND ECONOMIC DEVELOPMENT

Making the link between the arts and economic development is contingent upon acknowledging and accepting the presence of what may be termed the “Creative Economy,” made up of both nonprofit and commercial sectors, as well as a sizeable number of individuals engaged or trained in artistic or cultural fields. These individuals compose what Richard Florida refers to as the “Creative Class.” Next, it is important to understand and establish that this sector is a fundamental component of the region’s economic environment. This industrial analysis, if you will, constitutes a relatively new way to look at culture and the arts. Art objects, performances, media productions, crafts and arts instruction, etc. are now seen through a lens that transforms them into basic goods and services, usually with applications that extend considerably beyond the personal enrichment-arts and entertainment paradigm.

Economic Impact

The economic impact of the arts is an important tool in the local arts agency's advocacy toolbox. Such advocacy, as stated in the Perryman Report excerpt quoted in the Best Practices Report, will become even more critical as the arts fall naturally behind in the productivity game. This research: (1) quantifies the actual impact attributable to the creative economy, (2) states the case in ways that business and civic leaders can understand, appreciate and apply and (3) establishes a baseline from which to measure future arts and economic development policies and programs. It includes an analysis of direct and indirect spending, off-site spending (including tourism) and a reasonable multiplier effect. The research should be widely and strategically distributed.

Alternatives:

1. Commission an economic impact study. The City would allocate sufficient funds to complete a comprehensive economic impact study.
2. Take part in a national study of economic activity. The City would become a participant in an nationwide economic impact study.

Marketing and Cultural Tourism

Follow the money and grow the pot. That cultural tourism is a viable economic development strategy for communities with ample and diverse cultural inventory, inclusive of artists and organizations, is well established. As noted above, the City faces a challenge to the appropriateness of some of its arts grants and may want to consider public policy that links program activities with the funding source. Participation in cultural tourism initiatives by the funded arts community helps increase available bed tax revenue.

Alternatives:

1. Support marketing and cultural tourism directly through cultural contracts. Arts funding program could support the marketing and cultural tourism efforts of artists and arts organizations through both individual and collaborative grant programs.
2. Partner with the hospitality industry in marketing and tourism initiatives. The local arts agency could actively participate in tourism initiatives by meeting regularly with members of the visitor industry, led by the Austin Convention & Visitors Bureau (CVB), and including restaurateurs, Austin Hotel & Motel Association, destination management companies and other industry entities and associations. The agency could commission marketing and/or cultural tourism research, lead community planning efforts as part of a holistic or component plan, provide training and assistance to artists and arts organizations and develop and manage a dynamic, engaging comprehensive community calendar. To better cement the relationship between the CVB and the arts, the agency could negotiate for and seed a cultural tourism position within the bureau that

would expect to be fully funded in time by the Bureau. If that is not an option, the arts agency staffing plan should include a position able to support activities in this critical area.

Downtown Development

Like many other cities, Austin has been focusing considerable attention on the development of its downtown area. There are several players involved, including the City, through its Economic Growth and Redevelopment Services Office. There appear to be various programs in play that are ostensibly about promoting activities or improving the look of downtown and different self-designated districts (e.g., Warehouse, Arts) have emerged; however, cohesion and coordination of efforts can be improved.

Alternatives:

1. Initiate collaborative planning for cultural districts. As an Intermediate strategy, staff could attend downtown and cultural district planning meetings to serve as a resource. In the long run, cultural districts are a ripe topic for examination and development as part of a comprehensive community cultural plan or a component plan growing out of a cultural plan. Properly staffed and resourced, the local arts agency, with the assistance of other public and private entities concerned with economic development, could act as a catalyst, designer and developer for cultural districts downtown and elsewhere.
2. Coordinate functions related to public art and design in the public realm. In an effort to maximize and leverage the resources of both programs, the City may wish to look at formally coordinating its Art in Public Places (AIPP) Program, currently housed within the Cultural Arts Affairs Division, and its public/private civic art and design activities managed through the Economic Growth and Redevelopment Services Office.

Business Development and Job Creation

Workforce development will be key to sustaining and growing Austin's creative economy. How best to strengthen and expand the creative workforce by promoting understanding, awareness, opportunities and access to training and employment in creative occupations? Two important considerations: (1) the level of self-employment in the creative workforce is high, and (2) cultivation of a skilled creative workforce must begin at the earliest level of schooling. As more fully described in the Best Practices Report, artists and arts organizations need assistance in managing the "business of art." Recognizing the role that quality of place considerations play in corporate and employee relocation decisions, the City can showcase its creative community in regional, state and national corporate and employee recruitment efforts and materials.

Alternatives:

1. Provide technical and managerial assistance to artists and organizations. The City, through the local arts agency, could contract with one or more local service

providers to create and deliver technical and managerial assistance to either its grantees or the entire arts community. The local arts agency could develop its own technical assistance program designed to improve the personal, organizational and community capacity of its constituents through online and in-person learning. The web could be fully utilized to provide standard tools, information and to encourage communication among and outside of the arts community. Assistance could be on a project-by-project basis or could be configured as an ongoing, responsive support service to the nonprofit arts industry.

2. Create arts incubators and incentives for business in the creative economy. Arts incubators, artist live-work space, shared facilities and/or consolidated backroom operations (e.g., combined accounting, marketing, shared administrative staff, etc.) are promising strategies for discussion and development as part of a comprehensive community cultural plan. The City may want to consider special tax abatements and other incentives to lure new business, especially those tied to the creative economy.

Festivals

Festivals are an accessible and low-risk way for consumers to sample a wide variety of artistic offerings. They aggregate artists in a way that maximizes the exposure for the attendee and offer artists, crafts persons and arts and cultural organizations an opportunity to expand and diversify their audience base.

Alternatives:

1. Support festivals through grants. The agency could develop a special grants program that supported festivals throughout the city (similar to Los Angeles’).
2. Produce a citywide arts festival. As a way of gaining recognition, spotlighting the arts community and earning income, the local arts agency could study the feasibility of producing a citywide, annual festival of the arts. Additionally, if the agency is inclined to maintain a community cultural calendar, it could also feature festival information on a year round basis.

Civic Art and Economic Development

As mentioned in the Best Practices Report, the AIPP program is operating successfully, having recently increased its percent for art to two percent.

Alternatives:

1. Coordinate civic art and design initiatives for maximum impact on visual Austin. There could be operational efficiencies and increased leverage in formally coordinating AIPP’s work with that of Economic Growth and Redevelopment Services.

2. Partner with entities impacting visual aspects of Austin. The local arts agency could work aggressively with the CVB and public and private sector entities involved in transportation, education and the cultivation of green space to make Austin a must-see destination—a visual feast for the eyes.

ARTS AND COMMUNITY DEVELOPMENT

The arts have a new avenue by which to edify and create by reaching into “new” communities that have traditionally been underserved by the arts. By branching out into typically poorer communities, arts organizations and artists, in cooperation with community-based organizations (e.g., community development corporations, youth centers, neighborhood associations, etc.), are contributing to the revitalization of neighborhoods and the stabilization of communities by fostering economic growth and bringing neighbors together to renew a true sense of community. The irony of this successful partnering is that they originally worked apart for far too many years, only to later discover that they were striving for the same goals—to enhance quality of life and physically improve living and commercial environments. For purposes of this discussion, “community” is defined broadly. Community can be geographically and demographically defined. Community can also mean school children who, increasingly, go without meaningful arts education opportunities. Community can also mean special populations—the elderly, “at-risk” youth, the homeless, the disabled—populations that are often forgotten when it comes cultural service delivery, but which can benefit therapeutically from regular doses of art.

Neighborhood Revitalization

City leaders should begin this revitalization process by identifying and targeting areas of the city that are both in great need and offer opportunities for creative development strategies where culture and the arts can play key, practical roles. Cultural services must not only mirror the ethnicities and other demographic indicators that compose communities, but also they must be accessible and affordable, and cover a wide range of community needs—from senior recreation to teaching youth social and life skills. The development or renovation of suitable cultural facilities may also be necessary. Policy and partnership must also be dedicated to program administration and raising funds to sustain projects over the long term.

Alternatives:

1. Support neighborhood revitalization through the arts with grants/contracts. The local arts agency could establish targeted funding programs supporting artists and arts activities centered in neighborhoods. Programs would require evidence of planning and program development with neighborhood residents. Liberal eligibility criteria could encourage non-traditional providers of arts activities to partner with artists and arts organizations providing a base of support. As recounted in the Best Practices Report, Dallas funds, manages and publicizes a free touring program that impacts neighborhoods by employing ethnic artists to provide short or long-term services in community settings.

2. Target neighborhood support that links with other city efforts in economic development or revitalization. The City's overall neighborhood revitalization initiatives could be directly tracked and supported as in San Antonio, where neighborhood arts program funding requests are examined against the criteria of linking to other city efforts that target particular communities for economic development or revitalization. The needs of neighborhoods could be documented and the ability of the local arts agency to assist in meeting them could be explored through a community cultural planning process.

Arts-In-Education

As more fully described in the Best Practices Report, local arts agencies support art in education at varying levels. Some fund artists and arts organizations that provide in-school programming. Others, in collaboration with schools, community groups or businesses and artists, provide long-term curriculum-based arts instruction. Still others provide support by serving as an informational, planning or advocacy resource to local schools.

Alternatives:

1. Support arts-in education through grants/contracts. The local arts agency could create a special grant category for in-school activities and provide guidance to artists, arts organizations, teachers and administrators in developing meaningful curriculum-based activities that will nurture future artistic talent and develop audiences. Depending on the outcome of the current challenge by the Austin and Texas Hotel & Motel Associations, the City may want to consider alternative ways to support these activities. It should be noted, however, that other Texas local arts agencies consider this source of funds appropriate and encourage schools to provide culminating performances, readings or exhibits that are open to the public. The local arts agency can assist in publicizing these events to visitors and to the general public.
2. Create a coalition for arts education and arts in education. Given cutbacks in arts education programs in public schools and the importance of arts education in developing the "Creative Class," the local arts agency could spearhead efforts to convene leaders in public education (including arts educators), business and the creative community, leading to the formulation of an arts in education coalition. This coalition would be charged with researching the current status of arts education programs in local public schools, developing collaborative programs to enhance arts education in public schools and advocating for improved arts education in public schools.

After-School

In many communities, the arts have found a role to play in serving youth in school and community settings. Societal changes (e.g., increased number of single-parent

households, both parents in the workforce, etc.) have created a demand for these services. In some cases, these programs also address other issues relating to juvenile delinquency and crime prevention.

Alternatives:

1. Support after-school activities in grant/contract programs. The local arts agency has the option of continuing to provide funding support to artists, arts and other community-based organizations that provide after-school activities. This is an excellent area for intra-city departmental collaboration because this target population is of interest to other city agencies concerned with crime prevention, job creation and “at-risk” youth. Additional support could be garnered from federal sources to support arts activities that also teach life skills such as job training, communication proficiency and conflict resolution.
2. Incubate and spin off after school initiatives. The local arts agency could incubate and eventually spin off an after-school program. It could collaborate with community-based youth service organizations or it could develop and manage the activity independently. These various strategies could be more fully developed with potential funders and partners as part of a community planning process.

SUPPORT AND RESOURCES

Austin’s investment in the arts undoubtedly has an impact on the appeal of the city to residents, visitors, footloose businesses and amenity migrants, though as yet there is no study documenting the extent of that impact. Austin’s artists and arts organizations represent its greatest creative capital and to preserve that capital takes support, technical assistance and promotion. Currently, the City of Austin has chosen to support the arts through funds from the hotel/motel tax, to provide facility support from capital and general funds and to support cultural contract administration from general funds. Diversification of funding sources for cultural development is an important objective, no matter what path is taken. However, the nature of that diversification will depend, to a degree, on certain choices. Local arts agencies frequently raise money in the private sector but those that are private nonprofit organizations designated as the official arts agency of the jurisdiction are considerably more successful in this arena than are public agencies that are part of government. Private sector sources are varied and include corporations, individuals, foundations and funds raised through ticket and merchandise sales and events.

Public and Private, More and Different

Public policy and programming decisions will determine the sources of public funds allocable to arts uses and also help the local arts agency target private funding sources.

Alternatives:

1. If City policy were to focus primarily on cultural arts contracts, to the exclusion of other cultural arts programs and services, then diversification beyond the current bed tax would be in order because of its volatility and possible restrictions. General fund monies would be a desirable addition and other funding sources, including state and federal sources, could augment revenues for supporting cultural contracts and associating them with Austin's goals. Some private funds might be raised from foundations or special events.
2. If City policy were to broaden purposes for cultural arts funding to enable provision of functions such as technical assistance, planning, fund raising and promotion, in addition to cultural contracts, then diversification of sources would be important and more might be available. A greater number of public sources would be applicable to programs or services related to City priorities such as economic development, downtown revitalization and youth services. Support for such programs could also be considered by private philanthropy.

Cultural Arts Funding Needs and Opportunities

Grants or contracts are an essential part of the core business of a local arts agency. Issues surrounding Austin's cultural contracts program and process must be resolved by adapting aspects of best practices and model programs in the field and by allocating public resources using methods that assure effective, fair and equitable results. In recreating the program and process, the City's policy on the arts, placed in the context of overall City policy and priorities, must provide guidance for the policy and purpose of cultural contracts, their categories and criteria. Many options are available in the tailoring of Austin's programs to the outstanding opportunities the city presents so that its own special model is created.

Alternatives:

1. If City policy were to focus primarily on cultural arts funding for cultural contracts, then policy and processes would need to be reformed along the lines of the best practices and benchmarking found in the research phase of this project. Guidelines for those contracts would need to conform with City policy, including conflict of interest, and contract categories would be set up to give optimal opportunity to artists and organizations and to reflect those issues important to the broader community.
2. If City policy were to broaden purposes of public cultural arts funding to support cultural development in more ways, then cultural contracts would be reformed along the lines of best practices and would include additional categories specifically supporting such activities as technical training, strategic planning, audience development and promotion, among others. Entrepreneurial activity in these areas and in joint partnerships in economic development and tourism, for example, would be part of cultural development for Austin.

EQUITY

Within the Local Arts Agency

As an issue of policy, the resultant agency should represent the full diversity (ethnic, geographic, demographic, organizational size, and focus) of the Austin community in the composition of its professional and voluntary leadership as well as its programming.

Alternatives:

1. Integrate equity values into arts agency's general operation procedures. Based on an articulated policy, building on the extant one found in current Cultural Contracts Guidelines, the local arts agency could broadly integrate the equity issue into its overall programming. As discussed in the Best Practices Report, this, however, can have the unintended effect of lessening attention to an important and potentially divisive issue.
2. Require annual report on equity issues as part of budget process. Another approach is exemplified in the Equity Mandate of the Texas Commission on the Arts. Staff reports to the Commission and the Legislature on equity issues, as part of the appropriations process, have the effect of keeping these issues uppermost in the minds of all concerned.

Supporting Diverse Arts Organizations, Artists and Activities

The existence of a juried process to award arts funding among artists, arts organizations and others speaks to the need to allocate limited funds among many deserving applicants. It is virtually impossible for a public funder to adequately support all of the arts activities put before it for funding. Local arts agencies must manage processes that provide reasonable access to the full range of service providers, overlaid with the primary objectives of the City in providing the funds in the first place.

Alternatives:

1. Meet equity objectives through the funding process. The funding process, whether at the panel or commission level, could take into account the subjective "quality" of the offering, the capacity of the individual or organization wishing to provide the service, the potential return to the community on the investment and the provision of diverse services to the community. These varying needs cannot be met by a limited number of access points. Meeting equity objectives may require a more complex and proactive approach to grantmaking as well as other support programs. The local arts agency will need to retool its internal processes to meet this growing need for complexity. Special grant programs can seed relationships between "mainstream," oftentimes large, institutions with underserved (geographic, ethnic, age, "at-risk" youth, etc.) communities. These grants can encourage direct programming or, with adequate training and support, encourage true collaborations that will not only provide arts activities but also begin to build bridges and partnerships that can enhance the Austin community.

2. Leveling the equity playing field by building organizational capacity. The local arts agency could actively support the development of diverse service providers by providing (itself or by contract) capacity building programs that increase diverse individuals' and groups' probability of success in the grants allocation process and beyond.

COMMUNICATION

Leadership and Linkages

Alternatives to effective communication do not exist; alternative approaches to effective communication do, however. Many of the difficulties experienced in the arts funding process in Austin can be attributed to situations either created or exacerbated by poor communication or a lack of communication. There is now general acknowledgement that there is a critical need for an established system of communication that links relevant individuals and groups and through which a dynamic exchange of information flows back and forth. Key nodes in the continuous communication loop include, but are not limited to, the City Council, the Arts Commission, City arts staff, other relevant departments, the arts community, the community at large, key constituents within business and members of the creative economy and the hospitality industry. For a communication system to work efficiently and effectively, there must be active and responsible leadership, clear understanding of the role and responsibilities of key linkages in the system and adequate and accurate information. Leadership of the local arts agency has been shown to be essential in the creation and maintenance of a system that works well in orchestrating the flow of communications, receiving input, responding appropriately on a timely basis and disseminating relevant information.

Alternatives:

1. Establish major connections. Set up methods and schedules for routine communication and information exchange between the City Council and its staff and the Arts Commission and its staff that goes beyond the individual appointment relationships.
2. Develop a plan for systemic communication that includes assignment of responsibilities. Create a plan for effective communication with the active involvement of all key players as well as a work plan for its implementation, identifying leadership roles and assigning specific responsibility for particular actions.

Convener and Information Source

Essentially, the building of relationships depends on getting people together either on a formal or informal basis to exchange information and identify shared interests. Even if meetings are informal—their convening, their participants, their agenda, their site—the meeting methodology and the information provided requires that someone has assumed the role of convener and facilitator. That someone is usually the executive leadership of

the local arts agency. Related roles include those of information gatherer and disseminator, trouble-shooter and mediator. Research and associated data gathering on such topics as the economic impact of the arts also helps the local arts agency to accurately convey the “state of the arts” to the community and to enhance public awareness.

Alternatives:

1. Support coalitions and networks for communication. Support efforts of the arts community and related interests to form coalition groups for communication and discussion of cultural arts issues, providing, as necessary, appropriate information.
2. Organize, lead and facilitate communication. Designate to the local arts agency the leadership role in gathering data and information; convening and facilitating informal gatherings, formal meetings and presentations; initiating issues forums and open planning sessions; and using appropriate meeting methodologies and relevant technology.

Spokesperson and Advocate

The link in the communication system that is crucial is that between the local arts agency and the governmental authority. The arts agency takes its lead from public policy and the governmental authority takes its cues from the advice, counsel, information from the constituency and developments in the field provided by the arts agency. This link between the Austin City Council and the Arts Commission needs to be strengthened, as evidence has shown. On the strength of this link rests the capacity of the arts leadership to be the effective spokesperson and the trusted advocate of the cultural arts in Austin.

Alternatives:

1. Rely on current system of Commission appointees as links. Reinforce the responsibilities of Commission appointees and appointing Council members to exchange important information, discuss issues and concerns and subsequently brief the Commission and Council on relevant issues, concerns and relevant topics.
2. Look to Arts Commission and staff leadership as coordinators of communication. Set up regular meetings between Commission and staff leadership and designated arts liaisons of City Council members, use technology to set up an e-mail “tree” for dissemination of information and collection of comment, enhance web site capacity for updating information, allowing interaction and providing public awareness and advocacy for the arts and artists.

Planner and Promoter

Emerging as one of the most important roles of local agency leadership is that of planner and promoter. Making the arts part of city planning brings vital assets with creative resources into planning for components as diverse as downtown development and neighborhood revitalization, tourism and city image, youth and education and visual aspects of the built and natural environments. With the links between the arts and community established, there is greater opportunity to promote the arts as one of the joys of city life, an animator of the streets, a source of creativity and innovation, a bridge across cultures, a magnet for relocating business and an engine for tourism and economic activity. Making City planning and priorities a part of the arts arena would produce critically important outcomes. With cultural planning, the arts can be “at the table” with economic development, tourism, neighborhood preservation and revitalization, downtown development, education, social services, business and public and private entities as plans are made and collaborations are created. Information can be shared across sectors and industries and cultural assets can then be part of the promotional efforts that extend to the region and the nation, benefiting both the arts and the community.

Alternatives:

1. Make the arts part of city plans and priorities. Make it a policy of City planning efforts in departments and agencies to include the arts in the process, with local arts agency staff acting as advisors and participants.
2. Make City plans and priorities part of the arts. Lead cultural planning and promotional initiatives in open dialogue with diverse constituencies, including the arts, business, education, social service, public officials and the media, and build a shared vision of Austin’s cultural future and a plan for its implementation that is adopted by City government.

CONCLUSION

Admittedly, there is a lot to consider. We draw your attention to this summary of key alternatives:

Summary alternatives:

City officials will need to:

1. Clarify public policy on cultural arts as to whether the focus is limited to contracts for artists and arts and cultural organizations or broadened to allow for additional supportive functions such as technical assistance, planning, fund raising and promotion and, in either case, establish arts policy: to reflect City priorities on economic development, tourism and city image; to include policy on conflict of

interest; to ensure adequate and continuing input from the arts commission, staff, community stakeholders and consultants and provide for effective and timely communication.

2. Determine whether the local arts agency will remain within municipal government, within the existing structure or as a department or office, or be privatized as the official agency of the city and City officials will also need to provide guidance and resources on the range of functions it expects the agency to perform.
3. Determine whether to broaden sources and amounts of support in order to adequately fund organizations and artists and to pursue economic development, tourism and other City priorities and how to diversify sources for reduction of revenue volatility.
4. Ensure access by diverse populations and community interests to cultural arts funding and services and fair and equitable processes for allocation of resources.
5. Establish clear systems of communication involving City Council, City staff, Austin Arts Commission and community stakeholders in which the local arts agency can play major role as convener and liaison.

The consulting team will have vetted these alternatives with key City officials and stakeholders to determine fit and feasibility. The team will continue to receive input and will shortly distill consensus alternatives into specific recommendations. These recommendations will be presented to City officials and the consulting team will be prepared for further discussion and to assist the City with implementation of selected recommendations.