

Office of Arts and Cultural Affairs

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Department Overview

The mission of the Office of Arts and Cultural Affairs (OACA) is to promote the value of arts and culture in communities throughout Seattle. The Office promotes Seattle as a cultural destination and invests in Seattle's arts and cultural sector to ensure the city has a wide range of high-quality programs, exhibits, and public art. The Office has expanded to include five programs in the 2013 Adopted and 2014 Endorsed Budget. In 2013, Langston Hughes Performing Arts Center (LHPAC) will join the four existing programs in the Office: Public Art; Cultural Partnerships; Community Development and Outreach; and Administrative Services. These programs are supported by two funding sources: the Arts Account, which is primarily funded through an allocation of 75% of the City's admission tax revenues, a General Fund revenue source; and the Municipal Arts Fund (MAF), which is primarily supported by the One Percent for Arts program.

- The Public Art Program integrates artists and the ideas of artists in the design of City facilities, manages the City's portable artworks collection, and incorporates art in public spaces throughout Seattle. This program is funded through the One Percent for Art program, which by ordinance requires eligible City capital projects to contribute one percent of their budgets to the Municipal Arts Fund for the commission, purchase, and installation of public artworks.
- The Cultural Partnerships Program invests in cultural organizations, youth arts programs, individual artists, and community groups to increase residents' access to arts and culture, and to promote a healthy cultural sector in the city. The Cultural Partnerships Program offers technical assistance and provides grants to arts and cultural organizations throughout the City.
- The Community Development and Outreach Program works to ensure greater community access to arts and culture through annual forums and award programs, by showcasing community arts exhibits and performances at City Hall, and by developing communication materials to promote Seattle as a "creative capital."

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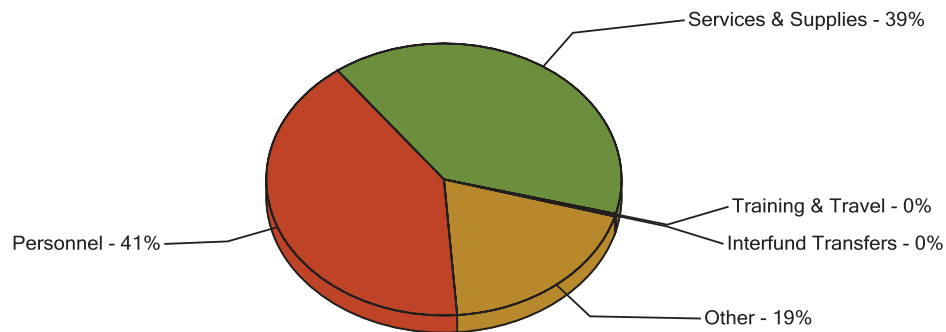
- The Administrative Services Program provides executive management and support services for the Office; supports the Seattle Arts Commission, a 16-member advisory board, which advises the Office, the Mayor, and the City Council on arts programs and policy; and promotes the role of the arts in economic development, arts education for young people, and cultural tourism.
- The Langston Hughes Performing Arts Center (LHPAC) Program provides for the operation of the LHPAC, a cultural performing arts center that hosts classes, events, and programs, and whose goals are to provide quality cultural entertainment with educational components that meet the needs of the community. Until 2013, LHPAC operated out of the Department of Parks and Recreation.

Budget Snapshot

Department Support	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
General Fund Support	\$0	\$0	\$295,000	\$200,000
Other Funding - Operating	\$6,108,088	\$7,373,233	\$6,850,328	\$7,043,761
Total Operations	\$6,108,088	\$7,373,233	\$7,145,328	\$7,243,761
Total Appropriations	\$6,108,088	\$7,373,233	\$7,145,328	\$7,243,761
Full-time Equivalent Total*	20.60	19.85	28.09	28.09

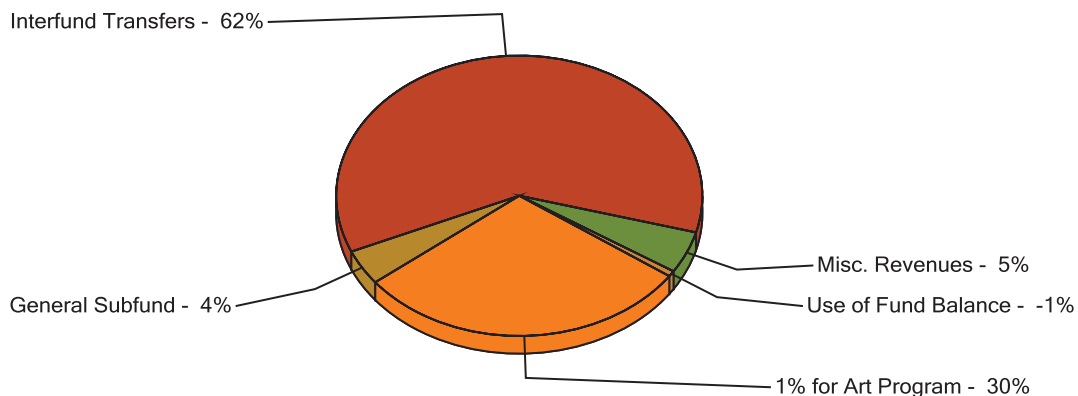
* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

2013 Adopted Budget - Expenditure by Category



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2013 Adopted Budget - Revenue by Category



Budget Overview

The 2013 Adopted and 2014 Endorsed budgets for programs funded through the Arts Account were developed with a commitment to preserving arts programming. All core Arts Account programs - Civic Partners, Youth Arts, City Artists, smART ventures, and Neighborhood and Community Arts - remain funded at 2012 Adopted Budget levels. One-time funding scheduled to expire at the end of 2012 was removed from the Department's base budget prior to developing the 2013 Adopted and 2014 Endorsed Budget. That funding was dedicated to two items: the Arts Means Business program, and the transfer of Admissions Tax revenues to the Department of Parks and Recreation (DPR) to support arts programming, including the Downtown Parks Arts Programming, the Outdoor Neighborhood Parks Activation projects, and the Langston Hughes Performing Arts Center operations.

Arts Account revenues, which come primarily from the Admission Tax, remain healthy and are forecast to increase from approximately \$4.5 million in 2013 to almost \$5.0 million by 2016. The 2013 revenues are based on the 2011 actual receipts of Admission Tax, so there is no uncertainty in 2013 in estimating the level of revenue that will be received by the Fund.

Due to the expiration of the one-time programming costs and the health of the Admission Tax, funding is available in the OACA budget to accommodate the transfer of the Langston Hughes Performing Arts Center (LHPAC) from DPR. This transfer aligns with the mission of OACA and fits the purview of the Admission Tax, to fund "arts-related programs and one-time capital expenditures that keep artists living, working, and creatively challenged in Seattle." In 2011 and 2012, OACA provided funding for LHPAC via OACA's portion of the Admission Tax. By transferring the facility, OACA will be able to more closely manage LHPAC and incorporate the LHPAC budget into the arts funding structure. This action helps to more closely align the center with the broader arts community. OACA will also be working directly with LHPAC over the next two years to develop a long-term, self-sustaining financial strategy for the center. While LHPAC operations will transfer to OACA in 2013 in order to capitalize on OACA's strength in art programming and management, DPR

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will retain ownership of the facility and will continue to provide for its maintenance, a function it performs for many other Parks-owned facilities throughout the City.

The 2013 Adopted and 2014 Endorsed budgets also restore funding for the Mayor's Arts Awards and the One Reel Visual Arts Exhibit. Funding for these programs, which occur on the weekend of Bumbershoot, was removed in the 2011 Adopted and 2012 Endorsed Budget. However, through the use of salary savings, the events continued to be staged through both 2011 and 2012, as feedback from the arts community indicated that the ceremony and programming had a larger impact on the community than was previously understood. The restoration of the budget for the ceremony and programming allows the events continue without the need to find savings elsewhere in the budget.

The Budget also allows for funding of the Arts Account reserve as established in Council Resolution 31327. The Resolution calls for a reserve of 8% of the annual Admission Tax revenues (with a minimum reserve of \$400,000), to be established by January 1, 2015. The Proposed Budget fully funded this reserve, setting aside \$400,000 by the end of 2014. However, due to Council changes, the fund balance will not reach the minimum reserve of \$400,000. Please see the next section, Council Changes, for further detail.

The 2013 Adopted and 2014 Endorsed Municipal Arts Fund budgets have also been updated to reflect the 2013 estimated revenues that will be collected from departments from their 1% Public Art eligible capital projects.

City Council Changes to Proposed Budget

During the City Council's review of the 2012 Budget, the Council added a 0.5 FTE Strategic Advisor 1 position and funded the position by using \$70,000 of the \$329,000 Arts Account operating reserve. This position will serve as a liaison between OACA and other City departments, community organizations, and other governments and cultural agencies on matters involving the arts in general and on cultural space development and creative workers in particular.

As a result of this budget change, OACA's operating reserves will be \$256,000 in both 2013 and 2014, and will not reach the \$400,000 reserve target by December 31, 2014 as called for in Resolution 31327. During its 2014 budget review, the City Council will reassess the funding source for this position and its effect on OACA's operating reserves fund balance.

The Council also added \$100,000 from the General Fund to supplement the \$150,000 already in the budget for the Capital Facilities Funding program. This program provides funding through an application and selection process for arts and cultural organizations requesting support for capital projects. The funding is one-time for 2013 only.

Incremental Budget Changes

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	2013		2014	
	Budget	FTE	Budget	FTE
Total 2012 Adopted Budget	\$ 7,373,233	19.85	\$ 7,373,233	19.85
Baseline Changes				
Citywide Adjustments for Standard Cost Changes	\$ 199,501	0.00	\$ 398,074	0.00
Net-Zero Transfer Between BCLs to Align Budget with Actual Costs	\$ 0	0.00	\$ 30	0.00
Remove One-Time Funding	-\$ 1,421,776	0.00	-\$ 1,454,477	0.00

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Proposed Policy Changes

Restore Mayor's Arts Award Funding	\$ 18,000	0.00	\$ 18,360	0.00
Transition Langston Hughes to Office of Arts and Cultural Affairs	\$ 737,005	7.09	\$ 762,257	7.09
Increase Staffing for Public Arts Projects to Meet Workload Demands	\$ 53,644	0.65	\$ 55,208	0.65

Proposed Technical Changes

Final Citywide Adjustments for Standard Cost Changes	\$ 117,505	0.00	\$ 125,027	0.00
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Council Phase Changes

Provide Additional Funding for Capital Facilities Program	\$ 100,000	0.00	\$ 0	0.00
Add Half-Time Position for Cultural Development	\$ 70,000	0.50	\$ 75,000	0.50
Correct Health Care Cost Appropriation	-\$ 101,784	0.00	-\$ 108,951	0.00

Total Incremental Changes	-\$ 227,905	8.24	-\$ 129,472	8.24
2013 Adopted/2014 Endorsed Budget	\$ 7,145,328	28.09	\$ 7,243,761	28.09

Descriptions of Incremental Budget Changes

Baseline Changes

Citywide Adjustments for Standard Cost Changes - \$199,501

Citywide technical adjustments made in the "Baseline Phase" reflect changes due to inflation, central cost allocations, retirement, health care, workers' compensation, and employment costs. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

Net-Zero Transfer Between BCLs to Align Budget with Actual Costs

This adjustment transfers budget authority between BCLs to align the budget more accurately with actual spending.

Remove One-Time Funding - (\$1,421,776)

This change removes one-time funding scheduled to expire at the end of 2012. This funding included \$255,000 for the Arts Means Business program and \$1,166,776 for arts programming in the Department of Parks and Recreation, including Langston Hughes, Downtown Parks Arts Programming, and the Outdoor Neighborhood Parks Activation projects.

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Proposed Policy Changes

Restore Mayor's Arts Award Funding - \$18,000

This change restores funding for the Mayor's Arts Awards and the One Reel Visual Arts Exhibit. Funding for these programs, which occur on the weekend of Bumbershoot, was removed in the 2011 Adopted and 2012 Endorsed Budget. However, through the use of salary savings, the events continued to be staged through both 2011 and 2012. Since its inception in 2002, the Mayor's Arts Awards has grown into an event of great importance in the broader cultural community, and the work generated by the award is carried throughout the year. The restoration of the budget for the ceremony and programming allows the events to continue without needing to find savings elsewhere in the budget.

Transition Langston Hughes to Office of Arts and Cultural Affairs - \$737,005/7.09 FTE

This action transfers the staff and other costs associated with operating the Langston Hughes Performing Art Center (LHPAC) from the Department of Parks and Recreation (DPR) to OACA. Funding for the program will come primarily from the Admission Tax. Other funding includes \$71,000 from LHPAC revenues for facility rentals, and \$195,000 from the General Fund. To capitalize on efficiencies, Parks will retain ownership of the facility and will continue to provide for its maintenance.

This transfer aligns with the mission of OACA and fits the purview of the Admission Tax, to fund "arts-related programs and one-time capital expenditures that keep artists living, working, and creatively challenged in Seattle." In 2011 and 2012, OACA provided funding for LHPAC via OACA's portion of the Admission Tax. By transferring the facility, OACA will be able to more closely manage LHPAC and incorporate the LHPAC budget into the arts funding structure. This action helps to more closely align the center with the broader arts community.

OACA will also be working directly with LHPAC over the next two years to develop a long-term self-sustaining financial strategy for the center.

Increase Staffing for Public Arts Projects to Meet Workload Demands - \$53,644/.65 FTE

This adjustment adds funding to increase two part-time positions to full time. The positions, in the Public Art Program, were previously staffed at 0.85 FTE and 0.5 FTE. The Public Art Program currently manages 50 ongoing projects and is planning to identify at least eight additional projects this year, and another 10 to 15 in 2013. Projects associated with the Waterfront project will begin to ramp up next year and will continue to increase over the life of the project. In addition, there is a backlog of public art projects associated with Seattle City Light percent for art funds which require project management staffing. This increase in staffing provides the Public Art team with the additional capacity needed to be able to manage and complete the increasing project load.

Proposed Technical Changes

Final Citywide Adjustments for Standard Cost Changes - \$117,505

Citywide technical adjustments made in the "Proposed Phase" reflect changes due to inflation, central cost allocations, retirement, health care, workers' compensation, and unemployment costs. These adjustments typically reflect updates to preliminary cost assumptions established in the "Baseline Phase."

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Council Phase Changes

Provide Additional Funding for Capital Facilities Program - \$100,000

This adjustment adds \$100,000 in General Fund support to supplement the \$150,000 already in the budget for the Capital Facilities Funding program. This program provides awards through an application and selection process for arts and cultural organizations requesting support for capital projects. The funding is one-time for 2013 only.

Add Half-Time Position for Cultural Development - \$70,000/.50 FTE

This add increases the OACA budget by \$70,000 and adds a 0.5 FTE Strategic Advisor 1 to serve as a liaison between OACA and other City departments, community organizations, and other governments and cultural agencies on matters involving the arts in general and on cultural space development and creative workers in particular. The position will be funded by using Admission Tax reserves, bringing that reserve down from \$329,000 to \$256,000. During its 2014 budget review, the City Council will reassess the funding source for this position and its effect on OACA's operating reserves fund balance.

Correct Health Care Cost Appropriation - (\$101,784)

These technical adjustments include adjusting the healthcare costs due to double counting of positions.

City Council Provisos

The City Council adopted the following budget proviso:

- *Of the appropriation in the 2013 budget for the Office of Arts and Cultural Affairs' Arts Account BCL, \$100,000 is appropriated solely to fund awards of between \$50,000 and \$100,000 to arts and cultural facilities capital projects, as authorized by Seattle Municipal Code Section 5.40.120, and may be spent for no other purpose. Furthermore, none of the money so appropriated may be expended until the Executive has executed contracts that include public benefits to be provided by the arts and cultural facilities capital projects that have been awarded funding.*

Expenditure Overview

Appropriations	Summit Code	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Arts Account Budget Control					
Administrative Services - AT		322,256	384,164	400,683	411,913
Community Development and Outreach - AT		1,353,089	1,622,272	518,398	534,369
Cultural Partnerships - AT		2,689,910	3,043,100	3,030,729	3,005,137
Langston Hughes Performing Arts Center - AT		0	0	745,698	778,669
Total	VA140	4,365,254	5,049,535	4,695,507	4,730,088
Municipal Arts Fund Budget Control Level	2VMAO	1,742,834	2,323,698	2,449,820	2,513,673
Department Total		6,108,088	7,373,233	7,145,328	7,243,761
Department Full-time Equivalent Total*		20.60	19.85	28.09	28.09

* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

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Revenue Overview

2013 Estimated Revenues for the Arts Account (00140)

Summit Code	Source	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
587001	General Subfund	0	0	100,000	0
587001	General Subfund Support for Langston Hughes Performing Arts Center	0	0	195,000	200,000
	Total General Subfund	0	0	295,000	200,000
587001	Admission Tax	4,176,143	4,967,327	4,398,229	4,439,449
	Total Interfund Transfers	4,176,143	4,967,327	4,398,229	4,439,449
461110	Interest Earnings	9,825	12,000	15,000	20,000
462900	Miscellaneous Revenues	0	0	70,880	70,880
469990	Miscellaneous Revenues	34	0	0	0
	Total Misc. Revenues	9,859	12,000	85,880	90,880
	Total Revenues	4,186,002	4,979,327	4,779,109	4,730,329
379100	Use of (Contribution To) Fund Balance	179,252	70,208	-83,602	-241
	Total Use of Fund Balance	179,252	70,208	-83,602	-241
	Total Resources	4,365,254	5,049,535	4,695,507	4,730,088

2013 Estimated Revenues for the Municipal Arts Fund (62600)

Summit Code	Source	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
541190	Interfund Transfers (1% for Art)	2,366,678	2,017,869	2,149,466	1,754,622
	Total 1% for Art Program	2,366,678	2,017,869	2,149,466	1,754,622
441990	Public Art Management Fees	196,300	185,864	186,000	186,000
461110	Interest Earnings	61,861	100,000	70,000	70,000
469990	Miscellaneous Revenues	210,019	8,500	9,000	9,000
	Total Misc. Revenues	468,180	294,364	265,000	265,000
	Total Revenues	2,834,858	2,312,233	2,414,466	2,019,622
379100	Use of (Contribution To) Fund Balance	-1,090,030	11,465	35,354	494,051
	Total Use of Fund Balance	-1,090,030	11,465	35,354	494,051
	Total Resources	1,744,828	2,323,698	2,449,820	2,513,673

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Appropriations By Budget Control Level (BCL) and Program

Arts Account Budget Control Level

The purpose of the Arts Account Budget Control Level (BCL) is to invest in Seattle's arts and cultural community to keep artists living and working in Seattle, to build community through arts and cultural events, and to increase arts opportunities for youth. The BCL appropriates the Office's admission tax set-aside, which is 75 percent of the city's total Admission Tax revenues.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Administrative Services - AT	322,256	384,164	400,683	411,913
Community Development and Outreach - AT	1,353,089	1,622,272	518,398	534,369
Cultural Partnerships - AT	2,689,910	3,043,100	3,030,729	3,005,137
Langston Hughes Performing Arts Center - AT	0	0	745,698	778,669
Total	4,365,254	5,049,535	4,695,507	4,730,088
Full-time Equivalents Total*	10.50	9.75	17.34	17.34

** FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs in Arts Account Budget Control Level:

Administrative Services - AT Program

The purpose of the Administrative Services Program is to provide executive management and support services to the Office and to support the Seattle Arts Commission, a 15-member advisory board that advises the Office, the Mayor, and the City Council on arts programs and policy.

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Administrative Services - AT	322,256	384,164	400,683	411,913
Full-time Equivalents Total	3.50	3.50	3.50	3.50

Community Development and Outreach - AT Program

The purpose of the Community Development and Outreach Program is to promote arts and culture through arts award programs, cultural events, City Hall exhibits and performances, and communication materials that recognize Seattle as a "creative capital."

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Community Development and Outreach - AT	1,353,089	1,622,272	518,398	534,369
Full-time Equivalents Total	2.50	2.50	2.50	2.50

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Cultural Partnerships - AT Program

The purpose of the Cultural Partnerships Program is to invest in arts and culture. The program increases Seattle residents' access to arts and cultural opportunities, provides arts opportunities for youth, and enhances the economic vitality of Seattle's arts and cultural community by investing in arts organizations and emerging artists.

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Cultural Partnerships - AT	2,689,910	3,043,100	3,030,729	3,005,137
Full-time Equivalents Total	4.50	3.75	4.25	4.25

Langston Hughes Performing Arts Center - AT Program

The Langston Hughes Performing Arts Center (LHPAC) Program provides for the operation of the LHPAC, a cultural performing arts center that hosts classes, events, and programs, and whose goals are to provide quality cultural entertainment with educational components that meet the needs of the community. Until 2013, LHPAC operated out of the Department of Parks and Recreation.

Expenditures/FTE	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Langston Hughes Performing Arts Center - AT	0	0	745,698	778,669
Full-time Equivalents Total	0.00	0.00	7.09	7.09

Municipal Arts Fund Budget Control Level

The purpose of the Municipal Arts Fund Budget Control Level (BCL) is to fund the Public Art program, which develops art pieces and programs for City facilities and maintains the City's existing art collection. The BCL appropriates revenues from the Municipal Arts Fund (MAF). Most of the revenues come from the City's One Percent for Art program, a program that invests one percent of eligible capital funds in public art.

Program Expenditures	2011 Actual	2012 Adopted	2013 Adopted	2014 Endorsed
Municipal Arts Fund	1,742,834	2,323,698	2,449,820	2,513,673
Total	1,742,834	2,323,698	2,449,820	2,513,673
Full-time Equivalents Total*	10.10	10.10	10.75	10.75

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Arts and Cultural Affairs Fund Table

Arts Account (00140)

	2011 Actuals	2012 Adopted	2012 Revised	2013 Adopted	2014 Endorsed
Beginning Fund Balance	716,343	219,626	536,363	172,098	255,701
Accounting and Technical Adjustments	-727	0	0	0	0
Plus: Actual and Estimated Revenues	4,186,002	4,979,327	4,979,327	4,779,109	4,730,329
Less: Actual and Budgeted Expenditures	4,365,254	5,049,535	5,343,593	4,695,507	4,730,088
Ending Fund Balance	536,364	149,418	172,098	255,700	255,941
Operating Reserve		149,418	172,098	255,700	255,941
Total Reserves		149,418	172,098	255,700	255,941
Ending Unreserved Fund Balance	536,364	0	0	0	0

Municipal Arts Fund (62600)

	2011 Actuals	2012 Adopted	2012 Revised	2013 Adopted	2014 Endorsed
Beginning Fund Balance	5,787,826	4,198,645	6,868,570	5,758,085	5,722,731
Accounting and Technical Adjustments	-11,280	0	0	0	0
Plus: Actual and Estimated Revenues	1,744,828	2,323,698	2,323,698	2,449,820	2,513,673
Less: Actual and Budgeted Expenditures	2,834,858	2,312,233	2,312,233	2,414,466	2,019,622
Ending Fund Balance	6,868,570	4,187,180	5,758,086	5,722,731	5,228,681
Encumbrance	1,115,995				
Total Reserves	1,115,995				
Ending Unreserved Fund Balance	5,752,575	4,187,180	5,758,086	5,722,731	5,228,681