

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: December 5, 2008
To: Finance and Audit Committee Members
From: Jerome J. Heer, Director of Audits
Subject: CAMPAC Funding Formula

Background

Milwaukee County has provided funding for the arts via the Milwaukee County Cultural Artistic and Musical Programming Advisory Council (CAMPAC) since 1986. During deliberation on the County Executive's 2009 Recommended Budget, the Finance and Audit Committee requested that the Department of Audit review the current funding formula used by CAMPAC and report back with any suggestions for improvement.

Analysis

The County Executive's Recommended Budget (Attachment A) contains a summary of the mission, objectives, history, programming and budget activity related to CAMPAC. Questions raised during the Finance and Audit committee review of the budget were primarily directed at the funding formula used by CAMPAC and the effect of that formula on smaller arts groups.

As noted in the budget write-up, CAMPAC funding of \$377,699 in 2008 was allocated in three general categories:

Matching Grants – the \$288,186 in this category was allocated to groups that collectively have budgets of about \$49.5 million. The grants in this category are allocated to large and small groups based on a formula. According to CAMPAC, the formula was established in cooperation with all participating arts organizations. Underlying rationale for larger organizations receiving large amounts is grounded in the use of this formula in a way that larger organizations actually receive a smaller percentage of their budget from CAMPAC while smaller group receive up to 10% of their total budget from the fund. For example, the \$56,100 provided to the Milwaukee Symphony Orchestra represents about 0.3% of its budget while the \$1,311 for the Concord Chamber Orchestra is about 5.0% of its budget. The rationale also recognizes that the larger groups also engage in outreach activities to reach underserved citizens through educational programming.

Community Cultural Events Programming - this included approximately \$75,000 in 2008 with Parks Programming receiving \$50,000 of that amount and the rest directed to underserved populations and the Milwaukee County High School Theatre Festival. These amounts are separate from, and in addition to, the matching grants formula. CAMPAC has discussed a desire for more extensive patronage of CAMPAC groups by Milwaukee County Parks and the arts organizations have expressed concerns about being underrepresented. A review of 2008 Parks Concert Series expenditures shows that while Parks does make limited use of CAMPAC groups, it contracts with a wide variety of performers.

Administration – Approximately \$14,500 is allocated for a part-time administrator who supports the nine volunteer members of CAMPAC in accordance with a contract approved in 2006.

The Public Policy Forum included CAMPAC in its November 2008 report on Milwaukee County-Funded Parks and Cultural Institutions. The section related to CAMPAC is appended as Attachment B. The Forum does a good job of showing the history of Milwaukee County's support for the program and notes the decline in that support. It identifies two strategies for addressing this trend. The first is to seek additional private sector support. The second is to seek cost efficiencies among groups by sharing administrative and marketing services.

Conclusions and Recommendations

CAMPAC has worked with its member organizations to provide Milwaukee County support as leverage for funding the arts. The formula for allocating relatively scarce resources does result in nominally larger matching grant dollars for larger organizations. However, funding for smaller groups represents a more significant percentage of their revenues. Further, programming for underserved populations has been identified as a priority for member arts groups of all sizes. If the County Board is interested in redirecting even more funding to smaller organizations within the existing level of appropriation, it has a variety of options.

These include:

- Work with CAMPAC to redirect funding from the Matching Grant Program segment of CAMPAC to the Community Cultural Events Program segment.
- Encourage County Departments, most notably the Parks and Zoo, to incorporate more small arts groups into their programs.
- Encourage the two initiatives identified in the Public Policy Forum report; to enhance private sector support and to find ways share administrative expenses among groups.

Jerome J. Heer

JJH/cah

cc: Lee Hollway, Chairman, Milwaukee County Board of Supervisors
Scott Walker, Milwaukee County Executive
Sarah Schwab, CAMPAC Administrator
Steve Cady, Fiscal & Budget Analyst, County Board Staff
Delores Hervey, Chief Committee Clerk, County Board Staff

COUNTY EXECUTIVE'S 2009 BUDGET

DEPT: MILWAUKEE COUNTY FUND FOR THE ARTS (CAMPAC)

UNIT NO. 1974

FUND: General - 0001

OPERATING AUTHORITY & PURPOSE

Pursuant to the provisions of Section 59.17 and 59.51(2) of the Wisconsin Statutes, the County Board may represent the County and have the

management of the business and concerns of the County in all cases where no other provision is made.

BUDGET SUMMARY			
	2007 Actual	2008 Budget	2009 Budget
Milwaukee County Funds for The Performing Arts	\$ 383,625	\$ 377,688	\$ 377,688

MISSION

The Milwaukee County Fund for the Arts, through the Milwaukee County Cultural Artistic and Musical Programming Advisory Council (CAMPAC), allocates County property tax dollars to support and encourage cultural and artistic activities which have an important impact on the economic well-being and quality of life of the community.

On November 9, 1989, the County Board adopted a resolution (File No. 88-631(a)(a)) that granted the Director of Parks, Recreation and Culture administrative authority for all County cultural programs previously administered by the County Board.

OBJECTIVES

- To provide Milwaukee County residents, especially underserved populations, with greater access to a full range of arts and cultural experiences.
- To utilize County funding to sustain artistic growth of arts organizations and artists and enhance management capacity.
- To enhance the quality of life in Milwaukee County and encourage investment in Milwaukee County through support of a vibrant and healthy arts community.

The 1991 adopted budget re-established a non-departmental appropriation for County arts funding (Org. 1974). The administrative authority, appropriation request and responsibility for County cultural programs, however, remained with the Parks Department.

On January 17, 1991, the County Board adopted a resolution (File No. 91-18(a)(a)) that authorized and awarded matching grants funds, rental subsidies and Artistic Development Program allocations to eligible organizations and individuals. The Board also authorized the Director of Parks, Recreation and Culture to prepare contractual agreements with specific agencies for community cultural events and to enter into an agreement with the Greater Milwaukee Foundation to administer Milwaukee County's performing and visual arts fund. Allocations of the cultural arts funds are recommended by CAMPAC.

NON-DEPARTMENTAL HISTORY

On October 2, 1986, the County Board adopted resolutions (File Nos. 84-466 and 86-463) which specified that a non-departmental account be established for cultural programming to be administered by the County Board, with certain guidelines and criteria for awarding County arts funds. In addition, CAMPAC was created to advise the County Board, through the Committee on Parks, Recreation and Culture, with regard to the cultural, artistic and musical programming and endowment/grant components of County arts funding.

CAMPAC funding is allocated among three program areas: Community Cultural Events, Matching Grants, and Administration.

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I. COMMUNITY CULTURAL EVENTS

There are three separate components of this funding category:

Parks programming

In 2006, the County Board doubled the allocation for this program from \$25,000 to \$50,000. The programming is administered by the Parks Department and funds a wide variety of performances in numerous County Parks at no cost to the public. Expenses include performance fees, marketing and technical support.

Programming for underserved populations

This program supports arts organizations whose programming is targeted to serve minority and underserved communities, which was the intent of the program at the time it was created.

Milwaukee County High School Theatre Festival

This program was revived in 1995 at the request of the County Board of Supervisors. The UWM Peck School of the Arts matches the financial commitment of the County with in-kind resources devoted to the project. It serves a broad mix of high school students both inside and outside of Milwaukee County

Community Cultural Events Program		
<u>Agency</u>	2007 <u>Actual</u>	2008 <u>Actual</u>
Latino Arts, Inc. (Friends of the Hispanic Community)	\$ 7,697	\$ 2,670
City Ballet		
Ko-Thi Dance Company	7,800	5,089
Milwaukee Public Theater	7,004	5,233
Walker's Point Center	NA	3,810
Milwaukee High School Theater Festival	2,500	2,500
Parks Programming*	50,000	50,000
Total	\$ 75,001	\$ 69,302

II. MATCHING GRANTS

The Matching Grants program continues to be the highest funding priority, as it is critical to sustaining Milwaukee County's arts organizations. This program allows the County to offer a broad variety of artistic experiences to its residents, while providing

base support to small and large organizations according to an equitable formula. Support from this program goes to arts organizations with total budgets exceeding \$46.5 million. Without this support, organizations would not be in a position to provide high quality artistic programming and presentations to Milwaukee County's residents.

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Matching Grants Program		
<u>Expenditures</u>	2007 <u>Grants</u>	2008 <u>Grants</u>
African American Children's Theatre	\$ 3,572	\$ 3,237
Bel Canto Chorus	5,140	6,044
Boulevard Ensemble	3,531	3,938
City Ballet	0	
Civic Music Association	2,799	3,375
Concord Chamber Orchestra	1,078	1,311
Dancecircus	2,191	2,257
Danceworks	6,362	6,791
Early Music Now	4,044	
Festival City Symphony	5,085	2,339
First Stage Milwaukee	13,209	14,909
Florentine Opera Company	12,622	14,824
Hansberry Sands Theatre Company	3,152	
In Tandem Theatre	3,857	
Ko-Thi Dance Company	6,516	6,170
Latino Arts (Friends of Hispanic Community)	6,430	6,908
Master Singers of Milwaukee	2,425	2,747
Milwaukee Ballet	17,706	19,883
Milwaukee Chamber Theatre	6,743	7,864
Milwaukee Children's Choir	4,671	5,460
Milwaukee Coral Artists	985	1,149
Milwaukee Dance Theatre	2,550	
Milwaukee Public Theatre	5,851	6,345
Milwaukee Repertory Theater	32,430	35,035
Milwaukee Shakespeare Co	8,115	8,934
Milwaukee Symphony Orchestra	61,351	56,100
Milwaukee Youth Symphony	7,670	8,235
Modjeska Youth Theatre Company	5,522	5,485
Musical Offering		536
Next Act Theater	6,478	6,794
Organic Arts		2,726
Present Music	6,193	6,237
Renaissance Theatreworks	4,771	5,364
Skylight Opera Theater	12,129	11,806
Walker's Point Theater for the Arts	4,172	4,619
Wild Space Dance Company	3,552	3,790
Wisconsin Conservatory of Music	10,382	11,237
Woodland Pattern	4,907	5,737
TOTAL	\$ 288,191	\$ 288,186

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III. Administrative Services

BUDGET HIGHLIGHTS

- In 2006, the County Board approved a contract to provide administrative services to the program.
- The 2009 contribution to CAMPAC remains at the 2008 level of \$377,688.

MILWAUKEE COUNTY CULTURAL ARTISTIC AND MUSICAL PROGRAMMING ADVISORY COUNCIL (CAMPAC)

The Milwaukee County Board of Supervisors created a public arts fund in 1986 in an effort to ensure that arts and cultural events are not only an amenity for the privileged, but also would be available to benefit the quality of life of all county residents.

This fund distributes annual grant awards among 30 or so performing arts groups and underwrites community cultural events catering to minority and other underserved populations. It also helps subsidize summer concerts in county parks and a springtime theater workshop for area high school students. According to the county website, more than one million people attend these publicly underwritten programs and events each year.

To oversee fund activities and assure that the county backs a mix of new, emerging and established performing arts groups, the county created a non-departmental adjunct called the Milwaukee County Cultural Artistic and Musical Programming Advisory Council, or CAMPAC. The council's only paid staff is a part-time administrator, who is assisted by a nine-member volunteer advisory council appointed by the county board. The council's annual property tax allotment has been its sole support since 2004.

CAMPAC's heyday was the 1980s, when its budget exceeded \$1 million. Starting in the 1990s, however, CAMPAC saw funding cuts of 5% or more each budget cycle, which diminished its budget to \$525,000 as of 2000. In recent years, in light of the county's mounting fiscal challenges, CAMPAC's allocation has shrunk further, resulting in elimination of some grant categories and the loss of matching funds from the Wisconsin Arts Board.

Milwaukee County CAMPAC Operating Budget

Table 1 shows the council's expenditures from 2000 to 2008, an era of mostly shrinking spending. The peak was \$550,000 in 2001, with expenditures dipping slowly before a \$113,750 drop in 2004. Expenditures have edged up slightly since 2005 to a projected \$377,688 this year.

Table 1: Milwaukee County CAMPAC operating expenditures, in real dollars

	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Budget
Matching Grants	\$427,320	\$439,167	\$446,555	\$410,000	\$313,785	\$288,372	\$289,502	\$288,188	\$288,188
Community Cultural Events	\$30,000	\$37,000	\$29,500	\$32,000	\$22,465	\$21,626	\$21,221	\$22,500	\$22,500
Concerts in the Parks	\$22,680	\$25,833	\$13,445	\$25,000	\$25,000	\$25,000	\$50,000	\$50,000	\$50,000
HS Theater Workshop	\$0	\$0	\$5,000	\$5,000	\$5,000	\$4,000	\$2,500	\$2,500	\$2,500
Administration	\$35,000	\$33,000	\$38,000	\$38,000	\$30,000	\$25,690	\$5,271	\$12,825	\$14,500
Individual Artists Program	\$10,000	\$15,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$525,000	\$550,000	\$542,500	\$510,000	\$396,250	\$364,688	\$368,494	\$376,013	\$377,688

Matching grants to organizations represented the biggest outlay in every year, ranging from a high of \$446,555 in 2002 to a low of \$288,188 in 2007 and 2008. Administration was the second

biggest spending category in 2003, at \$38,000, but fell the next two years, hitting a low of \$5,271 in 2006 – the year the former administrator departed, replaced that autumn by outside contractor Sarah Schwab. This year, administration expenses are projected to be \$14,500.

The council's Concerts in the Parks program, administered by the Milwaukee County Parks Department, is the only spending category that grew: from \$25,000 in 2003-2005 to \$50,000 per year since 2006. This doubling came at the order of the Milwaukee County Board of Supervisors, which directed that more parks be included in the summer music program.

CAMPAC spending on the High School Theater Workshop program, which provides high school students with a concentrated learning course at the University of Wisconsin-Milwaukee (UWM), has dropped from \$5,000 in 2003 and 2004 to \$4,000 in 2005 and \$2,500 per year since then. The program was saved by UWM officials, who agreed to pick up the extra cost. One program that did not survive cost cutting was a grants program for individual artists, which was eliminated in 2003.

Spending on the Community Cultural Events program, which is directed to performances in under-served markets by Ko-Thi Dance Company, Latino Arts Inc., Milwaukee Public Theatre, African-American Children's Theatre and Walker's Point Center for the Arts, dropped from \$32,000 in 2003 to \$22,500 this year.

CAMPAC's financial strain is felt in varying degrees by its beneficiary groups, which have a collective \$49.5 million budget. Among the smallest, whose performers include unpaid volunteers, CAMPAC funds represent a sizable subsidy – \$5,907 of the African American Children's Theatre's \$89,208 annual budget, for instance, and \$2,257 of Dancecircus' \$43,953 budget. County funds represent a smaller revenue source for bigger arts groups – \$11,237 of Wisconsin Conservatory of Music's \$2 million-plus budget and \$35,035 of Milwaukee Repertory Theater's nearly \$9.1 million budget.

Some years, the council distributed somewhat less than its levy allocation – namely in 2002, 2006, and 2007. From 2003 through 2005, however, it spent somewhat more than its levy share. These inconsistencies are largely due to timing on the flow of funds in and out of CAMPAC coffers, officials say.

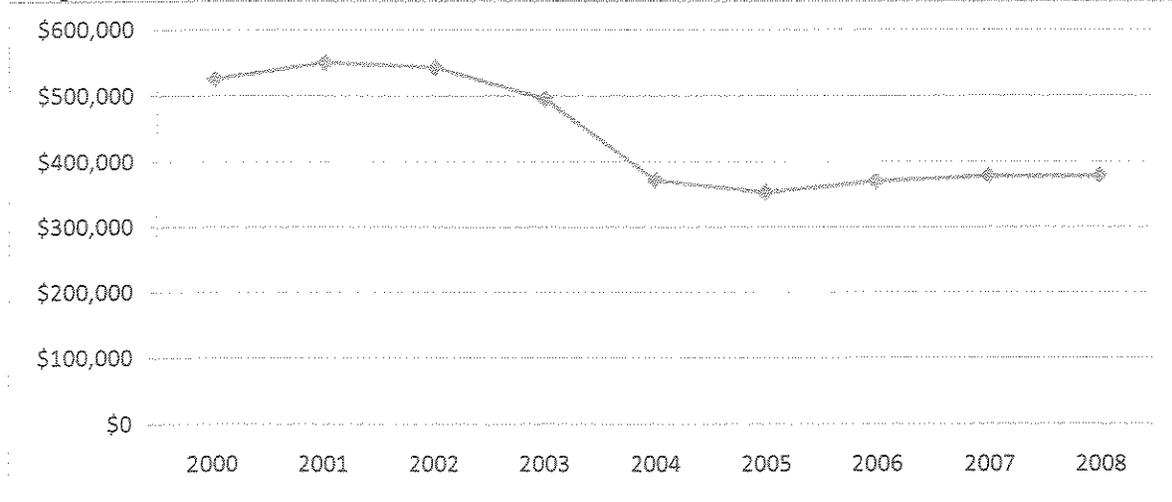
Milwaukee County CAMPAC Revenue

Table 2 shows Milwaukee County property levy support for the council, its only revenue source. **Graph 1** shows how that support has dwindled since peaking at \$550,000 in 2001. The most significant reduction came in the 2004 budget, when the county's property tax levy allocation was reduced by \$123,750, or 25%.

Table 2: Milwaukee County levy support of CAMPAC, in real dollars

	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Budget	2008 Budget
Milwaukee County Levy	\$525,000	\$550,000	\$542,500	\$495,000	\$371,250	\$352,688	\$369,459	\$377,688	\$377,688

Graph 1: Milwaukee County levy support of CAMPAC



Amid dwindling county funding, CAMPAC in 2004 lost eligibility for matching money from The Wisconsin Arts Board. Its allocation, which had been \$15,000 in 2003, has since been awarded to the City of Milwaukee Arts Board.

Conclusion

CAMPAC has experienced proportionately greater funding reductions than other county-funded parks and culture programs this decade, creating an uncertain future. Council officials say additional funding cuts may force elimination of community cultural programming and the high school theater workshop program, leaving only matching grants, concerts in the parks and administration.

CAMPAC supporters have two other ideas for fostering financial equilibrium: private support could be sought to supplement county support, and CAMPAC-funded groups could agree to share some administrative and marketing services, a cost-efficiency concept that has been employed successfully in other non-profit sectors.

Most Milwaukee County citizens aren't aware of CAMPAC's community activities, much less its fiscal problems. "If they see a Milwaukee Children's Choir concert, I don't think they realize the production is partly county-funded," said administrator Sarah Schwab. "People pay for their ticket and think that's all that's needed."

The council's fate may rest on how strong a case advocates can make about its community importance. The administrator is not allowed to advocate for her own organization.