

2019-2020 BUDGET QUESTION

Response to Request for Information

DEPARTMENT(S): Economic Development, Austin Convention Center

REQUEST NO.: 63

REQUESTED BY: Work Session Questions

DATE REQUESTED: 8/30/19

DATE POSTED: 9/5/19

REQUEST: At the August 29, 2019 work session, a number of questions about the Hotel Occupancy Tax (HOT), Economic Development, and the Austin Convention Center. Please provide responses to the following:

- What is the average amount per cultural contract?
 - What is the age of all cultural contracts?
 - What is the current funding process for cultural contracts?
 - What possibility is there to fund Historic Preservation and Cultural Arts staff with hotel occupancy taxes, but not directly from the Historic Preservation Fund (HPF) and Cultural Arts Fund (CAF) allocations?
 - What is the current amount of staff funding that is paid out of the HPF and CAF?
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RESPONSE:

What is the average amount per cultural contract?

There are various funding programs that make up the cultural contracts, so the average by program for FY 19 was as follows:

- 123 Community Initiatives contracts with an average award of \$3,177
- 19 Cultural Heritage Festivals contracts with an average award of \$25,262
- Core
 - 22 Organizational Support contracts with an average award of \$169,565
 - 64 Project Support I contracts with an average award of \$59,508
 - 140 Project Support II contracts with an average award of \$13,643
 - 171 Project Support III contracts with an average award of \$9,695

For all programs, the 539 FY 19 cultural contracts had an average award of \$22,809.

What is the age of all cultural contracts?

There are some cultural contracts that are brand new and there are others that have received funding for 15+ years. The age can vary by funding program. The Cultural Heritage Festivals funding program is only five years old, but some of the contractors in that program were previously funded in the Core funding program. Core is the main funding program and has the oldest cultural contracts. For Community Initiatives, applicants must move out of that program and in to Core or Cultural Heritage Festivals after five years.

What is the current funding process for cultural contracts?

All funding programs have an online application process. For Community Initiatives, those applications are reviewed by Cultural Arts Funding Program staff and then approved by the Arts

Commission. If awarded funding, Community Initiatives recipients are awarded the full amount they requested.

For Core and Cultural Heritage Festivals, those applications are reviewed by outside peer panels. The panels assign a score to each applicant individually. All applicants scoring 75 or higher on a 100-point scale are placed in a funding matrix which utilizes score, amount requested, and budget size to determine the final award amount. All Core and Cultural Heritage Festivals applicants scoring at least a 75 will receive a minimum award of at least \$4,000.

What possibility is there to fund Historic Preservation and Cultural Arts staff with hotel occupancy taxes, but not directly from the Historic Preservation Fund (HPF) and Cultural Arts Fund (CAF) allocations?

Economic Development Department is using a portion of its operating funds to cover 20% of Cultural Arts Division staff directly responsible for managing the Cultural Arts Funding programs. In addition, operating funds have been provided to the Heritage Tourism Division to help offset ineligible HOT expenditures.

All costs associated with historical preservation and cultural arts apply to the maximum 15% allocation allowed under Chapter 351. Allowable staff costs associated with either historical restoration and preservation activities or the promotion of the arts categories do not fit as an allowable use of another category within the statute.

What is the current amount of staff funding that is paid out of the HPF and CAF?

In FY18-19 the Cultural Arts Fund paid for 80% of 5 FTEs salary cost and 20% is paid out of EDD Operating Fund.

The Heritage Preservation Fund paid for PARD four temporary FTEs and operation cost for a total of \$1,511,029. The fund also paid for EDD one FTE and one temporary as well as operational cost budgeted at \$155,751 for FY19 estimated to expend \$55,000 because the Heritage Division wasn't fully operational until March 2019.