

North Dakota Council on the Arts, Agency 709*Senate Appropriations**Testimony by Kim Konikow, Executive Director*January 12, 2021**INTRODUCTION:**

Mr. Chairman and members of the Senate Appropriations Committee, good afternoon. My name is Kim Konikow, Executive Director of the North Dakota Council on the Arts. I am joined by our Fiscal Officer/Grants Administrator, Robin Bosch.

Three years ago, today, I began work at NDCA; it has been quite an adventure. I am proud to be here today and share our agency's accomplishments, present the agency's FY2021-23 budget request and to answer any questions you may have. This has been a very tough year for everyone, and I am fully aware of the budget constraints we face in ND.

There's a lot happening during the 67th Legislative Session, but while you are here, I encourage you to stop in the Governor's staff offices to see amazing photographs of our Master Apprentice program, taken by Folklorist Troyd Geist. And up on the 18th floor is a wonderful exhibit by Native artist Bill Brien; NDCA is thrilled to be curating this space in partnership with Capitol Facilities. We also invite you to the biennial Governor's Awards for the Arts which will be held live/online on the evening of February 3, with a ceremony to honor heroes in the Statewide Arts Community.

BACKGROUND:

The North Dakota Council on the Arts is citizen-led and professionally staffed through a nine-member appointed Board that provides oversight to the 5.5 member staff. We were established by state statute in 1967 *"to ensure that the role of the arts in the life of our communities will continue to grow and will play an evermore significant part in the welfare and educational experience of our citizens."*

North Dakota's commitment to arts and culture, ensures healthy people, creates vibrant communities, and supports a 21st century state economy. Our purpose is to bring that commitment to life.

Revised during NDCA's 2019 strategic planning process, the mission is *to strengthen the creative capacity of North Dakota for all who live or visit here: honoring our cultural traditions, empowering excellence and innovation, inspiring arts and culture opportunities for all.*

We grant federal and state appropriated funds to North Dakota communities, schools, individuals, and organizations. NDCA also convenes, educate, and partners with individuals across the state to seed new ideas and activity and build resilient capacity for the long-term. Bringing these pieces together, we are pursuing a North Dakota in which all can experience arts and culture; all can participate; all are welcome; and arts and culture thrive.

VALUE AND IMPACT:

NDCA thanks the legislature for the immense and positive impact your many decades of support has had on citizens throughout the state. As you consider our budget request, please know that you are funding the valuable work the arts do toward addressing state priorities. This has been especially evident during the last year, while COVID restrictions wreaked havoc on everyday life.

NDCA's budget is comprised of appropriations for salaries, operating expenses, and grants. On average, nearly two-thirds of that budget is redirected across North Dakota through our grant programs and partnerships. When you fund NDCA, you are providing financial support for communities and citizens across the state – your constituents!

In the first 18 months of the current biennium, Individuals and organizations in 71 communities received grant funding with impact often reaching beyond community borders. We have distributed over \$1,784,676 to date through 396 unique grants across 35 counties. This includes nearly 25 partnership grants that have a regional or statewide reach.

In addition to state appropriations, we are federally funded by the National Endowment for the Arts. This federal funding approximately doubles the state appropriation; in fact, it cannot do more than that because the state must match the federal commitment in order to receive it at all. As our federal funding has increased over recent years – positively impacting the agency’s ability to serve the citizens of the state – we have come closer to losing it. If federal funding continues to rise and state funding decreases, our state appropriation will fall below the level of our federal grant. We would not be able to meet the required match.

Reductions in our general fund appropriation result in a lower percentage of state funds going to the arts. In your packet you will find data that demonstrate how North Dakota compares to other states both in the Midwest and nationally, as well as the relationship of arts funding to economic impact.

NDCA is an exceptional steward of state dollars. We have budgeted carefully, expended funds judiciously, and expect to have little, if any, turnback.

MAJOR FY 2019-21 ACCOMPLISHMENTS:

1. In 2019 we developed a comprehensive statewide strategic plan that reinvents government, expanded our reach, pursues a new vision for the arts in North Dakota, and sustains federal investment in our state.
 - a) The process included 1,100 individuals across 25+ cities, 20+ counties, 8 regions, and 2 reservations.
 - b) Our new strategic direction articulates 4 long-term goals and 3 mid-term priorities toward our vision of a North Dakota in which all can experience arts and culture. All can participate; all are welcome; and arts and culture thrive.
2. We reacted quickly and nimbly in response to COVID-19.
 - a) We supported teachers, students and the general public as they pivoted to online arts activities.
 - b) We supported safe programs at senior care facilities throughout the state and brought music to online church services and outdoor venues.
 - c) We convened diverse arts groups to listen, share and learn about potential solutions and resources.
 - d) We collected data to gauge economic impact.

- e) We provided a myriad of resources available online for all citizens of the state.
- f) We administered and facilitated grant funds for 197 individuals and 149 organizations through National, Regional and State CARES ACT Funds from four separate funders. *I cannot emphasize enough that we developed, launched, and implemented new grant programs to quickly disseminate over new, covid-relief funding – almost the equivalent of an entire biennium.* {NEA \$371,700, Arts Midwest \$70,368, The Bush Foundation \$55,000, and ND/OMB \$751,790} for a total of \$1,248,858 above prior appropriations. At the same time, we had to contract with outside consultants in order to turn around the \$800,000 in year-end CARES Act funding from ND.

3. Since approving our new strategic plan

- a) NDCA became a full partner with Commerce in the 2020 Main Street Summit.
- b) We developed partnerships with the Native American Development Corporation, First Peoples Fund (SD), and ND Department of Transportation.
- c) We deepened relationships with Parks & Recreation, the Heritage Center, Commerce, Humanities ND, Prairie Public and United Tribes.
- d) We launched a statewide effort (Creative Placemaking – Joining ND’s Eight Regions) that will result in public art projects tied to the particular cultural heritage of North Dakota’s eight regions while promoting art-driven economic development, and tourism in an extensive partnership with ND Department of Transportation – this is actually a national model.
- e) We made significant progress toward cultural equity, accessibility, inclusion, and reaching communities traditionally underserved by the arts using policy statements, a conference on accessibility, resources for Veterans arts, and national visibility Smithsonian Institution’s *Folklife Magazine* on ND’s COVID-19 response...

4. We expanded capacity for Arts in Education with:

- Partnered with Central Region Education Association (CREA) to support Arts Programs for Juvenile Justice and Behavioral Health Initiatives.

- “Beat the Odds”. This evidence-based and trauma-informed group drumming strategy is proven to build core strengths, in response to Senate Bill 2265 Section 21, partnering with CREA.
- New Afterschool Arts Mini-Grants in partnership with the ND Afterschool Network.
- Pivoting Poetry Out Loud to an online format retained a consistent number of participating schools.

5. Finally, we reinvented ourselves as an agency.

- Shifting internal workflows and systems to better accommodate rhythms of grantees.
- Launching a new, more user-friendly grants management system that will facilitate data-gathering and sharing.
- Converting to telework in response to COVID-19 and making plans for office accessibility and visibility. NDCA moves to downtown Bismarck on February 1, to a more accessible space, providing visibility for the State Art Collection while helping to develop Main Street in a great private-public partnership, and at low cost.
- Creatively stretching staff capacity while providing hands-on education and experiences for UMary and Carnegie Mellon students, including telework and COVID-19 responses.

A FEW ITEMS IN RESPONSE TO APPROPRIATIONS COMMITTEE QUESTIONS:

1) BUDGETED EXPENSES:

A) NDCA’s budget consists of salaries and operating expenses that are largely fixed, and our grant programs.

B) In order to meet Governor Burgum’s budget guidelines, we proposed deductions to operations that largely represent new efficiencies or one-time costs that will not be applicable in the coming biennium.

However, we also made cuts to grant programs that will have a direct impact on ND communities and

potentially to our federal funding. (Again, prior biennium reductions have left the agency with very little wiggle room.)

C) an item that is included in the Governor's recommendation is that \$8, 000 of federal funds be permanently moved to our salary line. This avoids further visits to the Emergency Commission for this purpose.

2) BUDGETED FUNDS

a) FEDERAL FUNDS SPENDING AUTHORITY : NDCA's actual income has increased over time, and projections continue to rise. Our base is currently \$1,675,407.

b) SPECIAL FUNDS: \$63,515 has historically been in the budget; the purpose is to help fund NDCA projects that generate additional funds in saleable items. This was reduced to \$10,000.

OPTIONAL REQUEST:

NDCA submitted four Optional Requests totaling \$228,727 for the coming biennium. With respect to Governor Burgum, NDCA asks the Legislature to consider only two of these requests.

The first is to restore the \$69,842 grant funds that were cut of the total \$90,000 NDCA submitted to meet the 5% general fund reduction required. This may not sound like a large number relative to our grants overall, however, it represents as much as 47 grants to over 30 communities in support of special projects and community-based cultural activities. An immediate concern is the resulting negative impact to grantees and their communities – mostly rural citizens of this state. And again, as an NEA partner agency, NDCA generates significant funds for the State – exceeding \$1.5 million per biennium and rising – that positively impacts the agency's ability to serve all state citizens. A 5% cut to State funding of NDCA in FY21-23 may bring support below the NEA match requirement, jeopardizing dollar to dollar revenue. To be clear, that funding requires NDCA:

- be financially supported by its State government;
- match NEA dollars at least 1:1;
- not use NEA dollars to supplant non-federal funds with the intention or effect of reducing North Dakota financial support for NDCA.

The 2nd-4th Optional Requests, all related to staff, were submitted to increase NDCA's ability to successfully manage an ever-growing workload. We would like to focus on only one of these requests, for an administrative assistant.

This is a critical time for NDCA to make this request for one new FTE. First, we are an extremely productive state agency in which each staff member does an exceptional job. However, the duties of each position include responsibilities that would be met by more than one position in other agencies. Second, our commitment to expanding the reach, direct citizen engagement, and impact of the agency, in line with expanded federal investment and our strategic plan, requires time and energy. Third, this requires investment in the full agency, not just in program dollars, but in staff.

Unlike most ND agencies, NDCA has never had a full-time administrative assistant. A dedicated position will permit legislative dollars to be more wisely spent, as the duties within the agency would be divided to allow the skills and workweek of each employee to serve the citizens of ND in the manner for which their positions were designed. A culture of innovation and efficiency could – and should - occur.

An Administrative Assistant II, as NDCA included in its Optional Request, would cost \$122,325 for FY21-23 biennium. **Regarding this request, we propose a compromise that NDCA could contribute to by** utilizing its current part-time temporary position funding and increasing it to one FTE, **for a total of \$92,325, less than the original optional ask presented.** NDCA has had a temporary position for over ten years. This would take our FTE total from 5 to 6.

ECONOMIC IMPACT OF COVID-19:

The arts have been a huge part of holding communities together throughout the pandemic. COVID-19 has had a dramatic effect on the arts and culture community. In the first few months of the COVID-19 crisis, North Dakota arts and culture lost millions of dollars. In addition, national studies show that as many as 91% of North Dakota's arts and culture sector jobs and 35% of its organizations may be at risk of closure. NDCA has

been the calm in the storm for this sector, connecting and listening to constituents, assisting with ND Smart ReStart, and providing over \$1.2 million of pass-through funds to individuals and organizations in the arts and culture sector specifically in response to COVID-19 losses – funds the state could not have managed without NDCA.

THE FUTURE:

The agency is poised for growth and reinvention but constrained by low operation and salary funding. While some have placed a low value or relevance on arts and cultural activity in the past, the pandemic has made clear its place as critical infrastructure for North Dakota communities. It is time that the state takes its rightful place as a leader among others across the Nation and share the wealth of art and culture that exist in North Dakota. For the agency to strategically move forward, to continue to bring critical funding into the state, and to support our communities in the way they deserve, additional funds are a necessity.

NDCA GOALS AS AN AGENCY:

With proper legislative support, NDCA can be the best at what it does – the “go to” organization for arts and culture information; operating with efficiency, and always getting the work done, with an empowered staff; constantly reinventing itself with active, strategic planning; able to produce clear data to show a return on Legislative investment; visionary in its programs that are recognized Nationally and replicated; known for quality work; excelling at partnerships that are strong and diverse; in touch with all artists and arts organizations via a strong online and in-person presence throughout the state regularly; involved in every school/district in the State in some way; cultivating Arts for Life programs around the State, connecting to programs that utilize the arts as a means of transformative healing; increasing revenues through public/private partnerships that are not in competition with our constituents; and led by an invested, active Board that acts on behalf of NDCA.

NDCA'S VISION OF NORTH DAKOTA:

If we are supported, then North Dakota can be a place where artists are valued as members of their communities and encouraged in their creative expression; the arts are recognized as an essential educational tool; artistic quality is honored and valued for its role as diverse community members add richness and excitement to the lives of all citizens; a network exists through which citizens from all walks of life are made aware of the availability of arts opportunities and benefits; and the arts are recognized as a valuable partner in building the state's economy and enhancing daily life by other state agencies, businesses, organizations, and the general public.

Every state in our nation funds the arts, and we in North Dakota are extremely grateful for the funding that comes from you, our legislators. ***The arts are a nonpartisan issue;*** what we do at NDCA improves the impact of other state agencies and services. NDCA works to reach the goals that are important to our state: improved economic development, better education for our youth, enhanced wellness for our citizens, and making our communities places where people want to work, raise families, and live. We contribute to the health of small businesses that are crucial to our state. We make our communities vibrant, welcoming and desirable. And we enhance the creativity that is crucial to the success of future generations.

We, as a government agency can do far more than private groups to assist our state. A government agency must provide fair access to all, with no personal agenda. We are more publicly accountable for how we use our funds, and we work to reduce barriers to public participation in the arts. Arts organizations in turn use public dollars to generate earned income and leverage local funds. Lastly, public funding is more apt to reach the underserved and rural communities, and we, at NDCA, do our best to reach *all* citizens.

We hope you will consider funding our special request towards an Administrative Assistant FTE and restoring funds to our programs. Even in these tough financial times, this small investment will make an immense difference. With your help, our small, but mighty hard-working agency can accomplish so much more for the citizens of North Dakota.

I am happy to respond to your questions.

TESTIMONIES/SUPPORT:

I am aware there are three ND public citizens who will testify on behalf of NDCA during this session:

Nancy Farnham, Steve Guglich and Jessie Veeder. Their written testimonies have been submitted in advance.

In addition, two written testimonies are a part of my submission, as the two individuals did not have access to file their letters of support: Leander R. McDonald OF UTTC in Bismarck, and Walter Piehl, Jr. of Minot.