

June 12, 2023

Honorable Nancy Skinner, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review
Committee

Honorable Phil Ting, Chair
Assembly Budget Committee

Honorable Anthony Portantino, Chair
Senate Appropriations Committee

Honorable Chris R. Holden, Chair
Assembly Appropriations Committee

Section 28.00—California Arts Council—Federal Trust Fund Authority

Pursuant to the provisions of Section 28.00, 2022 Budget Act, the following report is respectfully submitted.

The Department of Finance has received the attached Section 28.00 application from the California Arts Council for the purpose of increasing its Federal Trust Fund authority, Item 8260-101-0890, by \$300,000 to receive federal funds to support arts programs and activities associated with carrying out the Arts Council's National Endowment for the Arts-approved strategic plan. In total, the Arts Council will receive \$1,397,000 from the National Endowment for the Arts and needs additional authority to be able to accept the entire award.

The California Arts Council received official notification of the availability of additional, unanticipated funds on July 18, 2022, and notified Finance within 45 days of this date. The delay between receiving the notification and this letter is because the Arts Council was working through the grant application and approval process and additional time was needed to determine which item needed to be augmented to accept the funds.

This request meets the following criteria, as required in subdivision (b) of Section 28.00:

- The funds will be expended for purposes none other than what is outlined within the grant contract, which is consistent with state law.
- The funds are made available to the state under conditions permitting their use only for the specified purpose, and the additional expenditure proposed would apply to this specified funding purpose.
- Acceptance of the additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year to prevent the federal funds from being reverted on October 31, 2023.

Finance concurs with the necessity of this change to the approved budget and will be approving the Section 28.00 application not sooner than 30 days from the above date. If you have any questions or need additional information regarding this matter, please call Emma Jungwirth, Assistant Program Budget Manager, at (916) 445-8913.

JOE STEPHENSHAW
Director
By:



ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Honorable Steven Padilla, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Gabriel Petek, Legislative Analyst (3)
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office (2)
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Jason Sisney, Assembly Speaker's Office (2)
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee
Jonathan Moscone, Executive Director of the California Arts Council
Kayla Ungar, Chief Deputy Director, California Arts Council
Ayanna L. Kiburi, Deputy Director, California Arts Council

OFFICIAL NOTICE OF ACTION

National Endowment for the Arts

Action Taken: Award

Date of Action: 7/18/2022

Award Date: 7/18/2022

FEDERAL AWARD INFORMATION

Federal Award ID Number (FAIN)	1903769-61-22
Award Recipient	California Arts Council
Award Recipient Unique Entity Identifier	GLGJK16ZCQ65
Period of Performance	11/1/2022 - 10/31/2024
Budget Period	11/1/2022 - 10/31/2024
Assistance Listing Number/Title	45.025 Promotion of the Arts_Partnership Agreements
Does the award support Research & Development?	No
Award Description	Purpose: To support arts programs, services, and activities associated with carrying out the agency's National Endowment for the Arts-approved strategic plan.
Grant Program and Office	Partnerships (State & Regional), State & Regional

AWARD AMOUNTS

Amount of Federal Funds Obligated by this Action	\$1,397,600.00
Total Amount of Federal Funds Obligated	\$1,397,600.00
Total Amount of the Federal Award	\$1,397,600.00

RECIPIENT CONTACTS

Role	Name
Authorizing Official	Ayanna Kiburi (User Name - AKiburi) ayanna.kiburi@cac.ca.gov
Grant Administrator	Lan Yan (User Name - LYan) Lan.Yan@cac.ca.gov
Project Director	Lan Yan (User Name - LYan) Lan.Yan@cac.ca.gov

REMARKS

1. COST SHARE: A non-federal cost share of 100% (1:1 match) is required unless otherwise indicated in the Terms and Conditions/Important Information document (20 USC § 954(e)).

2. The National Endowment for the Arts provides this award support pursuant to 20 USC ;954-955.

3. ACCEPTANCE OF AWARD: Submission of a Payment Request constitutes your agreement to comply with all the terms and conditions of the award and indicates your acceptance of this award.

4. GENERAL TERMS AND CONDITIONS FOR PARTNERSHIP AGREEMENTS: This award is subject to the General Terms and Conditions for Partnership Agreements (GTCs). The GTCs provide detailed information concerning the Arts Endowment's regulations and procedures, the administrative requirements that apply to your award, and your responsibilities as a recipient. The GTCs and other documentation to assist you in managing your Federal Award, including all forms and instructions can be found on our website.

The administration of this award and the expenditure of award funds are subject to any specific terms and conditions of this award, which may be attached as additional pages of the award notification, the Terms and Conditions/Important Information, and the GTCs (as noted above).

The GTCs implements Title 2 of the Code of Federal Regulations (2 CFR) including Subtitle A-Office of Management and Budget Guidance for Grants and Agreements and Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance, or Part 200), as revised August 13, 2020.

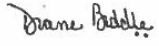
5. HOW TO MANAGE YOUR NATIONAL ENDOWMENT FOR THE ARTS AWARD AND eGMS REACH HANDBOOK: The How to Manage Your Award and eGMS REACH Handbook is a companion piece to the GTCs. It includes information about reporting requirements, requesting payment, changes to your project, and other important information.

6. All material can be found on our website at <https://www.arts.gov/grants/manage-your-award/awards-after-oct1-2017-to-saa-rao>.

7. CONTACT INFORMATION: Email: grants@arts.gov | Phone: (202) 682-5403

OFFICIAL NOTICE OF ACTION
National Endowment for the Arts

AWARDING OFFICIAL



Diane Biddle
Lead Grants Management Specialist

Please report dollars in thousands.

DEPARTMENT California Arts Council	ITEM NO./ FISCAL YEAR 8260/2022-23	NOTIFICATION LETTER TO LEGISLATURE: <input checked="" type="checkbox"/> 30-DAY NOTICE <input type="checkbox"/> REQUEST WAIVER OF 30-DAY NOTICE
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PROGRAM TITLE PER GOVERNOR'S BUDGET:

Arts Council

FUNDING (SPECIFY FUND)	CURRENTLY BUDGETED	REQUESTED CHANGE (+) OR (-)	TOTAL
8260-101-0890	100	300	400

(Check appropriate boxes)

- The funds will be expended for a purpose that is consistent with state law (explain use of funds in Part A below).
- The funds are made available to the state under conditions permitting their use only for a specified purpose, and the additional expenditure proposed under this section would apply to that specified funding purpose (as supported by explanation for the purpose of the funds).
- Acceptance of additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year (explain in Part B below).
- This application is provided to Finance within 45-days of official notice of receipt of funds.
- Explanation of delayed notification to Finance is attached (required if 45-day notification period is exceeded).
- A copy of the official notice of fund availability is attached to this application.
- One-time expenditure.
- Ongoing commitment from this source (if checked, explain under Program Proposal).
- Matching funds required (if checked, explain under Program Proposal).
- Expenditure either supplements or supplants an existing state-funded program (if checked, explain under Program Proposal).

PART A: For what purpose will the funds be expended?

On July 18, 2022, the California Arts Council (CAC) received notification from the National Endowment for the Arts (NEA) that CAC would be receiving \$1,397,600.00 to support arts programs, services, and activities associated with carrying out the agency's National Endowment for the Arts-approved strategic plan.

PART B: Explain the need to expend the funds in the current fiscal year, including the consequence of waiting until budget year to expend the funds:

The CAC has selected and approved grant recipients for the current fiscal year, although grant recipients have not been notified. The CAC reports back to the NEA regarding the successes and accomplishments of the individual grantees, given this it is important to expend the funds in current year to allow time for the grantees to use the funds and then report back to CAC and for CAC to then report to NEA. Because the Council has selected and approved the grant recipients all funds will be distributed to grantees in the current fiscal year.

PROGRAM PROPOSAL (Attach additional information as necessary)

TITLE:
ART COUNCIL

STATUTORY AUTHORITY: (state, federal, as appropriate)
8750-8756

DESCRIPTION:

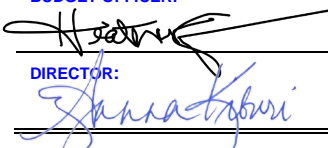
The CAC supports the NEAs plan by distributing grants to a wide range of “geographic locations and underserved populations” in California. In order to achieve this goal, the CAC provides grants to a variety of artistic disciplines throughout California, collects and reports geographic data, develops and supports leadership initiatives and strategic partnerships that provide opportunities for special artistic or cultural needs and continues to maintain a fair and effective review process to ensure projects meet the highest standards of excellence. For example, the CAC grant programs include Arts an Accessibility, Artists in Communities, Arts and Public Media, Creative California Communities, Innovations and Intersections, Local Impact, Reentry Through the Arts, Research in the Arts, and Veterans in the Arts. The grants are advertised, and applicants are encouraged to apply for various grants. After the applications have been received, they are reviewed through the grant process and the funding is approved and allocated by the Council.

JUSTIFICATION:

These funds will be used to support arts programs, services, and activities associated with carrying out NEAs strategic plan by informing communities; expanding and promoting evidence of the value and impact of the arts for the benefit of the American people; providing opportunities for the exchange of artists, artworks, and arts activities; strengthening the cultural infrastructure in California; and providing opportunities for the arts to be integrated into the fabric of community life.

SUBMITTED BY:

BUDGET OFFICER:



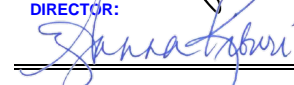
DATE:

2/21/23

APPROVED BY DEPARTMENT OF FINANCE:

DATE SUBMITTED TO LEGISLATURE:

DIRECTOR:



DATE:

2/27/2023

PPBA:

DATE:
