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Mayor Pro Tem Michael D. Barnes

Patsy Kinsey
Vi Lyles
LaWana Mayfield
Greg Phipps
Kenny Smith

**CITY COUNCIL AGENDA
Monday, March 2, 2015**

CITY COUNCIL AGENDA
Monday, March 2, 2015

5:00 P.M. DINNER BRIEFING, GOVERNMENT CENTER, CH-14 _____ **1**

1. Cultural Vision Plan and Cultural Life Task Force Update _____ 1

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2. 2015 City Council Regular and Budget Meeting Schedule Amendment _____ 2

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6:00 P.M. MEETING CHAMBER _____ **3**

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5:00 P.M. DINNER BRIEFING, GOVERNMENT CENTER, CH-14

1. Cultural Vision Plan and Cultural Life Task Force Update

Resource(s): Robert Bush, Arts & Science Council
Valecia McDowell, Cultural Life Task Force
Pat Riley, Cultural Life Task Force

Time: 30 minutes

Synopsis

- Since 1975, the City of Charlotte and Mecklenburg County have charged the Arts & Science Council (ASC), as part of its partnership with the City and County, with leading cultural planning efforts in Charlotte-Mecklenburg.
- Prior to 2013, the ASC completed three Cultural Vision Plans (1975, 1991, 1998), a Public Art Master Plan (2001), and a Cultural Facilities Master Plan (2004).
- The ASC completed a fourth Cultural Vision Plan in 2014 – “Imagine 2025: A Vision for Charlotte-Mecklenburg’s 21st Century Cultural Development.”
- At the February 25, 2013, Dinner Briefing, the City Council received a presentation about the formation of a Cultural Life Task Force (Task Force) to examine the current cultural sector funding model and assess opportunities to strengthen the area’s creative and cultural community.
- The Task Force was comprised of 23 citizens and business leaders nominated by the Charlotte City Council, Mecklenburg County Commission, ASC, Charlotte Chamber, CMS, Charlotte Center City Partners, and Foundation for the Carolinas. The City’s three Task Force appointees included:
 - Laurissa Hunt,
 - Martique Lorrain, and
 - Mohammad Jenatani.
- At the October 7, 2013, Council Workshop, Task Force Co-Chair Valecia McDowell provided the City Council with a status update on the Task Force’s draft recommendations and noted that final recommendations would be presented once they were adopted by the Task Force.
- The presentation will address the new Cultural Vision Plan, the final recommendations from the Task Force, and the planned implementation efforts of the Task Force and Cultural Vision Plan.

Future Action

The presentation is for informational purposes only.

Attachment 1

[Cultural Life Task Force Final Report](#)
[Cultural Vision Plan](#)

2. 2015 City Council Regular and Budget Meeting Schedule Amendment

- Action:** Amend the 2015 City Council Regular and Budget Meeting Schedule in the following manner:
- a. Hold a Closed Session of the City Council on March 16, 2015, at 4:00 p.m. in the Charlotte-Mecklenburg Government Center, Room CH-14 to discuss matters relating to the location of an industry or business in the City of Charlotte, including potential economic development incentives that may be offered, and
 - b. Schedule a half-day retreat of the City Council to discuss Focus Area Plans. The Retreat Planning Committee is meeting on March 2, 2015, to propose a date for this retreat.

Introductions

Invocation

Pledge of Allegiance

6:00 P.M. MEETING CHAMBER

POLICY

3. Non-Discrimination Ordinance

Action: Consider adopting an ordinance amending the City Code by adding marital status, familial status, sexual orientation, gender identity, and gender expression to the list of protected characteristics in the commercial non-discrimination, public accommodations, and passenger vehicles for hire ordinances.

Staff Resource(s): Bob Hagemann, City Attorney's Office

Explanation

- At the Dinner Briefing meeting on November 24, 2014, Scott Bishop of the Human Rights Campaign gave a presentation to the City Council in which he proposed adding marital status, familial status, sexual orientation, gender expression, and gender identity to the list of protected characteristics in several City non-discrimination ordinances.
- In response to Mr. Bishop's request, the City Council asked the City Manager and the City Attorney to draft information on the proposed ordinance changes to amend non-discrimination language.
- During the February 9, 2015 dinner briefing, the City Attorney provided a history of protected characteristics under federal, state, and local law, outlined the City's current non-discrimination ordinances, and presented a proposed ordinance that would implement the request.
- The City Council voted 7-4 (Barnes, Driggs, Phipps, and Smith voted no) to place this matter on the February 23 Council Business Agenda.
- The proposed ordinance as drafted would:
 - Add marital status, familial status, sexual orientation, gender identity, and gender expression to the list of protected characteristics in the commercial non-discrimination and passenger vehicle for hire ordinance as well as the list of protected characteristics that the Community Relations Committee is authorized to make recommendations for legislation or other actions to eliminate or reduce discrimination and to approve or disapprove plans to eliminate discrimination through the conciliation process; and
 - With regard to the public accommodation ordinance, add "sex" and the five new characteristics to the general prohibition of discrimination and delete the current separate section dealing with discrimination based on sex in restaurants, hotels and motels.
- As proposed, the ordinance would be effective April 1, 2015.

Fiscal Note

- Not Applicable

Attachment 2

[Memo from City Attorney
Ordinance](#)

Charlotte- Mecklenburg Cultural Life Task Force: REPORT



THE WORK OF THE CULTURAL LIFE TASK FORCE WAS MADE POSSIBLE BY A GRANT FROM FOUNDATION FOR THE CAROLINAS.



REPORT PRODUCED BY THE LEE INSTITUTE



Chart C.1: Cultural Life Task Force Members

Task Force Member	Representing	Business/Civic Affiliation
Valecia McDowell	Co-Chair	Moore & Van Allen
Pat Riley	Co-Chair	Allen Tate Company
Charity Bell	CMS	CMS: Central Secondary Zone
Hazen Blodgett	ASC	Town of Matthews, South Mecklenburg
Charles Bowman	Charlotte Chamber	Bank of America
Madelyn Caple	ASC	Wells Fargo
Shirley Fulton	ASC	Retired Judge
Todd Gorelick	Greater Charlotte Cultural Trust	Gorelick Brothers Capital
Lucia Zapata Griffith	Charlotte Chamber	METRO Landmarks
Laurissa Hunt	City of Charlotte	Behavioral Health
Mohammad Jenatian	City of Charlotte	Greater Charlotte Hospitality and Tourism Alliance
Lee Keesler	Charlotte-Mecklenburg Library	Charlotte-Mecklenburg Library
Joan Lorden	UNC Charlotte	UNC Charlotte
Martique Lorry	City of Charlotte	Centaur Arts
Melissa McGuire	Charlotte Center City Partners	Sherpa
Tom Murray	Charlotte Regional Visitors Authority	Charlotte Regional Visitors Authority
Susan Patterson	ASC	John S. and James L. Knight Foundation
Edwin Peacock	Charlotte Chamber	Pomfret Financial
Wayne Powers	Mecklenburg County	Artist, Civic Leader
Krista Tillman	Center City Partners	UNC Charlotte
Janice Travis	Mecklenburg County	Civic Leader, North Mecklenburg
Stephanie Tyson	Mecklenburg County	Primary Care
Laura Meyer Wellman	Foundation For The Carolinas	E4E Relief



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Executive Summary

Introduction

In early 2013, civic, corporate and community leaders saw a need to reconsider the current cultural sector funding model, which was no longer adequate to support a vibrant, inclusive cultural life for all residents. These leaders sought to protect and enhance Charlotte's creative and cultural community as a unique asset that engages and supports every major element of the local economic ecosystem. Few other sectors touch and benefit everyone from neighbors on the West Side and businesses in Uptown, to middle school students in Myers Park and recent immigrants in East Charlotte.

These leaders collaborated to create -- and then solicit nominations for membership in -- the **Charlotte-Mecklenburg Cultural Life Task Force** in order to address the challenges for this important sector. The 23 members of this citizen task force were nominated by the Charlotte City Council, Mecklenburg County Commission, Arts & Science Council, Charlotte Chamber, Charlotte-Mecklenburg Schools, Charlotte Center City Partners and Foundation For The Carolinas. Members worked together over nine months to fulfill a four-part charge:

- Examine the long-standing public/private partnership model for the cultural sector.
 - ➔ As part of this work, review and commission research as appropriate, and seek to understand best practices and current innovations in the industry.
- Provide opportunities for community input wherever possible.
- Develop options for a future funding model for the cultural sector.
- Recommend specific actions to implement a new funding model for the cultural sector.

The timing of the Task Force's work was critical: Local arts, science and history nonprofits had endured a decade of budget reductions from public and private sources, exacerbated by the severity of the financial downturn. Several organizations had ceased operations, and others appeared to be in imminent danger of closing. As it launched its study of the sector and its consideration of new funding models, the Task Force recognized three time-sensitive developments:

- The funding model to support *existing* cultural programs and organizations was eroding rapidly.
- Through the *Imagine 2025 – A Vision for Charlotte-Mecklenburg's 21st Century Cultural Development* (hereafter referred to as "the Cultural Vision Plan") process, local residents had expressed widespread desire for *expanded* cultural

opportunities, particularly innovative, neighborhood-based and educational programs.

- Like many for-profit businesses, the cultural sector needed to adapt to new realities of consumer demand and financial support, necessitating the creation of a new model (as opposed to proposing incremental changes to the existing model).

Key Findings and Research – Current State

Funded by Foundation For The Carolinas and facilitated by The Lee Institute, the Task Force began its work in May 2013 and completed its final recommendations in May 2014. Its research included data-intensive study of funding mechanisms, trends, cultural organization budgets, and best practices from comparable cities across the country.

The Task Force heard presentations from industry experts, major funders, current and former Charlotte cultural sector executive directors, the Urban Institute, the Greater Charlotte Cultural Trust, City and County budget officials, a senior Americans for the Arts executive, and four executive directors of arts agencies in Dallas, Denver, Nashville and Cincinnati that are comparable to the Arts & Science Council.

From these in-depth explorations of cultural sector operations and best practices, key findings emerged, including:

- **The economic impact of the local nonprofit cultural sector is significant, influential, and not widely known.**

The annual economic impact of the sector is \$202 million with 6,240 full-time employees and 3.9 million participants in 75,000 separate events, exhibitions and performances, annually.

- **According to surveys of CEOs, creativity and innovation are the top skills needed for a 21st-century workforce, and a more creative local employee base will make Charlotte more competitive for corporate and employee relocations.**
- **The Arts & Science Council (ASC), the primary provider of cultural grants for Charlotte-Mecklenburg, experienced dramatic funding losses as a result of the economic downturn and changes to employer workplace giving campaigns.**

*Since 2007, the total ASC budget reduced from \$18.7 million to \$15.8 million – **decreasing** to 600 the number the number of grants each year to*

300+ local nonprofits and artists. There was a 45% reduction in total giving to ASC in the same time frame.

- **Over the last decade, government funding for operations and programming in the cultural sector also declined, both in real dollars and in relation to the growing population. The City and County supported new cultural facilities very generously in the last decade, but unrestricted funds for operating and programming declined.**

While the population grew more than 44% between 2000 and 2013, unrestricted City funding remained steady at \$2.9 million. Unrestricted County funding was eliminated in FY2012. City support for cultural facility annual operations was significantly reduced in recent years, following the construction of the Levine Center for the Arts. However, the City continues to provide some support for City-owned cultural facilities on both an annual basis and in providing capital maintenance funds.

- **This decline in funding comes at the very time that our community has articulated increased demand for accessible, affordable cultural programming.**

Attendance and participation in cultural activities have increased significantly since 2007. Recently, residents rated the health of the cultural sector as very important and expressed strong support for government funding of arts, science and history programs, especially in public schools (2013 Cultural Life Survey). Local residents also expressed a clear desire for more cultural programs, especially those close to their neighborhoods and focusing on diversity and education. (Cultural Vision Plan.)

- **The ASC Cultural Partner organizations (23 organizations that receive annual operating support) and other cultural groups have worked diligently to adapt to this new funding environment, but many of those adaptations are unsustainable. The Cultural Partners are, in the words of the Task Force, the “building blocks of the Charlotte-Mecklenburg cultural community.” The Task Force believes that if the majority of these core groups are not financially healthy and adequately funded, it will be even more difficult for smaller organizations and individual artists to flourish. Cultural nonprofits are now attempting to do more with less in a way that is unsustainable and threatens their existence, with negative effects for many institutions.**

Cultural Partners now generate more than 80% of their revenues themselves through earned and contributed revenue, making them less

dependent than ever on ASC grant support. City and County funding also plays a smaller role than it has historically. However, on average, cultural organizations now operate with fewer staff and lower cash reserves than before the recession. At the same time, while struggling to meet community demand, the Cultural Partners have invested an increasingly large percentage of their budgets in programming while reducing their investments in revenue-generating departments (fundraising, administration and marketing) by \$7 million (or 30% per year).

- **Without significant short-term reinvestment in fundraising and marketing capacity, the Cultural Partners will not be able to generate enough revenue to cover growing costs and maintain the current level of community programming.**

While total revenue for the Cultural Partners increased by \$16 million since 2007, all of that growth is related to new or expanded facilities and organizations, which means that it had little impact on the economic health of many of the Cultural Partners. In fact, if that specific facility growth is eliminated from consideration, total revenue for the Cultural Partners actually declined, losing significant ground to both inflation and population growth. Because the only growth is tied to recent building expansion (which tends to create a “bump” soon after opening and then return to a slower growth rate), expense growth is outpacing revenue. In FY2013, 56.5% of Cultural Partners posted deficits, an increase from 43.5% in FY2007.

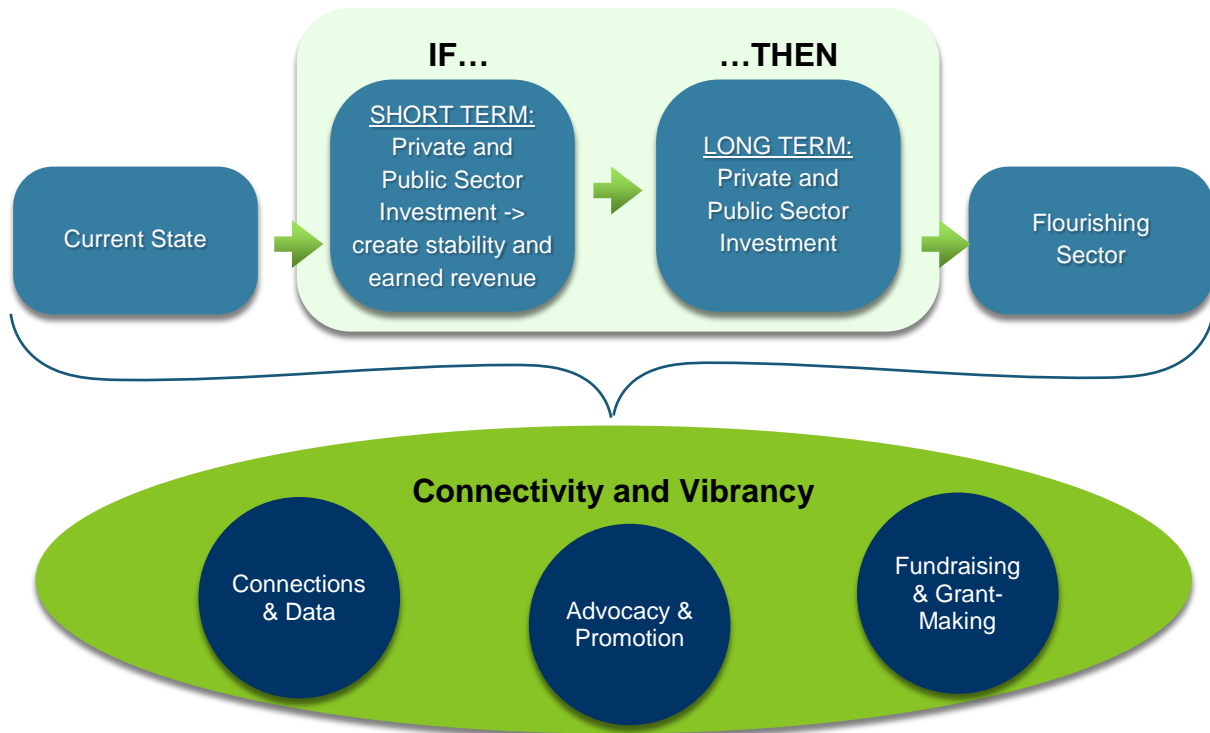
In order to weather the economic downturn and meet the increasing demand for programming, Cultural Partners have been reducing their investments in revenue generating departments such as fundraising, marketing and administration. This creates an unsustainable percentage of investment in programming that exceeds the recommended national benchmarks. Partners had a collective Program Expense Ratio of 82%, far above nationally recommended benchmarks (typically 65-75%).

For the complete Key Findings report, see Appendix E.

Summary of Recommendations

This sector-wide transformation begins with stabilization by private donors and government, continues through increased efficiency, engagement and outreach by local cultural groups, and moves toward long-term solutions through a restored public/private funding partnership.

Chart ES.1: Cultural Sector Process of Change



Key Goals of the Recommendations

The Cultural Life Task Force recommends four key actions to ensure vibrant, accessible arts, science and history programs for future generations in Charlotte-Mecklenburg:

- Restructure Arts & Science Council and private sector giving to increase individual, corporate and foundation donations *directly* to the Cultural Partners and other nonprofit cultural organizations. Establish ASC as the gateway for *new* cultural donors and participants who enter the sector through a workplace campaign and are then invited to develop strong relationships directly with Cultural Partners. ASC develops a donor database that is shared with Cultural Partners to move donors' information and connections to the Cultural Partners.
- Engage local and state government to recommit and expand support for the cultural sector to restore the public/private partnership that built and grew the local arts, science and history sector.
- Redesign ASC and its mission from the ground up so that it can be more effective in leading the cultural community's adaptation to 21st-century trends in philanthropy, demographics and citizen participation. Focus ASC on adapting to a

constantly changing environment, continuously refreshing the case for the cultural sector and allocating funds responsively.

- Support the ASC Cultural Partners with administrative, fundraising, and managerial resources as they focus on revising, building and continuously improving their programmatic, revenue and governance operations and sustainability.

Strategic Overview of Recommendations

Goal: Re-invent ASC

Current State	Recommended Strategies
The Arts & Science Council, the primary provider of cultural grants for Charlotte-Mecklenburg, experienced dramatic funding losses as a result of the economic downturn and changes to employer workplace giving campaigns.	Redesign ASC Fund Drive to be a year-round Cultural Campaign, focused on both fundraising and engagement.
	Shift the purpose of this Campaign to connect ASC donors directly to Cultural Partners.

Goal: Restructure ASC and private sector giving

Current State	Recommended Strategies
The Arts & Science Council mission and structure were designed for (and were successful in) a dramatically different era of corporate and individual philanthropy.	ASC reinvents its mission, structure, governance and operations to meet the needs of 21 st century engagement, fundraising and advocacy.
Untapped potential for economic development through tourism: 40% of cultural sector attendees come from outside of Mecklenburg County.	ASC and Cultural Partners strengthen and expand their partnership with the CRVA to make the Charlotte region a major cultural tourism destination.
Donor and patron data collection and analysis happens in silos, if at all.	ASC launches a major data collection, warehousing, analysis and sharing project, in partnership with the Cultural Partners.
Increasing demand for accessible, neighborhood-based, and educational cultural programs, as articulated in the Cultural Vision Plan.	Supported by funding from ASC and local government, cultural groups invest in grassroots programs to fulfill the Vision Plan.

Goal: Engage local and state government

Current State	Recommended Strategies
Significant reductions in government funding for cultural sector programming over the last decade.	Increase annual support from the City, County and Towns.
	Collaborate to secure a more equitable distribution of state funding across all 100 counties.
	Increase CMS's financial participation in cultural field trips for students.
	Research potential long-term, regional, predictable public revenue sources.

Goal: Support ASC Cultural Partners

Current State	Recommended Strategies
Over six years, the Cultural Partners reduced the amount spent annually on fundraising, marketing and administration by \$7 million, representing a 30% decrease in their investment in activities that generate revenue.	Private sector investments of \$2.5 million per year for 10 years (\$25 million total), targeted for revenue-generating staff and technology resources.
Significant undercapitalization of cultural groups (endowments, cash reserves, etc.) for a region and cultural community of our size.	ASC, Cultural Partners and the Greater Charlotte Cultural Trust design and implement a \$125 million endowment campaign over the next decade.
Many cultural organizations lack financial stability, adequate staff resources or the opportunity to grow programs to meet community demand.	Groups focus on investing in their revenue-generating departments and leveraging those investments for increased income. Groups build their balance sheets through cash reserves and endowments.

Overview of Short-Term Stabilization Strategies – One to Five Years

The strategies proposed in this section reflect recommendations that are intended to relieve current challenges experienced by the arts, science and culture sector.

The focus of these strategies:

1. **ASC and Cultural Partner Structure** including an increased focus on advocacy and promotion, improved data collection, mining and analysis and improved fundraising efficacy.
2. **Increasing private sector support** and involvement by converting ASC's Annual Fund Drive into a true year-round Culture Campaign with a focus on raising money *and* engagement and identifying a new engagement-focused model to respond to the evolving context of workplace giving. Seek significant support of generous private sector donors (\$2.5 million+ per year for ten years) toward marketing and development resource projects for the Cultural Partners.
3. **Rebuilding public sector support** by ASC designing and spearheading a comprehensive public advocacy plan for the cultural sector, serving as the leading advocate for its economic impact and its educational and quality of life

benefits. The advocacy strategy should focus on reinvigorating the public and private partnership that builds the cultural facilities and the cultural sector over the last 40 years. The focus on public sector support includes all levels of government – towns, City of Charlotte, Mecklenburg County and State of North Carolina.

1. ASC & Cultural Partner Structure

ASC begins a comprehensive process to reinvent its mission, board and staff structure and relationship to the cultural sector, focusing on the Cultural Life Task Force recommendations.

Using the proposed increases in support by local government, ASC works to return Cultural Partner operating grants as close as possible to pre-downturn levels. These short-term investments are made in order to secure longer-term self-sufficiency and sustainability. Next, Cultural Partners use additional new dollars to build their revenue generation capacity. Then dollars are allocated for technology and donor stewardship practices to interface with ASC donor database.

As additional funds become available, ASC and the Cultural Partners begin implementation of the Cultural Vision Plan with its emphasis on neighborhood, innovative, grassroots and education programming.

Cultural Partners leverage the private and public sector investments to generate sustainable earned and contributed revenue. National data suggest that over five years, the Cultural Partners would increase their own revenue sources by two times the size of the initial development and marketing infrastructure investment; i.e, an investment of \$4 million in revenue-generating infrastructure could create, over time, additional revenues of \$8 million per year.

Advocacy and Promotion:

ASC embraces the role of leading advocate for the Charlotte region's cultural sector in economic development, legislative and public awareness conversations, and it collaborates with the Chamber, business community, Cultural Partners, universities, leading nonprofits, and elected officials on significant policy initiatives.

Cultural sector leaders, ASC, Chamber, City, County, state legislative delegation and regional councils of governments build a *Regional Cultural Coalition* of arts councils and elected officials to develop a reliable, long-term funding model for the cultural sector.

ASC leads an effort to make the Charlotte region recognized as a cultural tourism destination and a desirable region for corporate relocation. Partnerships are established with the CRVA and other regional tourism agencies to increase regional and national cultural tourism marketing expenditures, based on evidence that it drives significant economic investment in Charlotte. Chambers of commerce, downtown districts and economic development organizations across the region are also engaged to emphasize the sector's economic importance and leverage the sector for corporate relocations. The expectation that relocations and new businesses will support the Charlotte cultural sector financially and be leaders in employee engagement and participation is established.

ASC, in partnership with the Cultural Partners, also designs and implements a comprehensive communication strategy making the case for additional participation and funding while educating the wider community about the value of the cultural sector.

Connections and Data:

ASC makes a major investment in gathering, housing and analyzing **donor and patron** data on behalf of the Cultural Partners, for use as a tool for the Partners to increase their fundraising and marketing capacity.

As part of its commitment to data-driven leadership of the cultural sector, ASC collects Campaign donor preferences and interests, sharing them with the Cultural Partners for additional cultivation. In order to increase workplace engagement and to determine employee interests and preferences, ASC also collects and shares **engagement** data with the Cultural Partners.

Fundraising and Grant-Making:

ASC's expanded funding is invested in the critical data management partnership, increased operating support for the Cultural Partners, and increased grants for projects that reflect the Cultural Vision Plan's emphasis on neighborhood programs, diversity, education and accessibility. A new ASC grant pool – launched with around \$1 million annually and ultimately growing to \$3 million annually – starts funding implementation of the Cultural Vision Plan.

New methods of reaching community donors outside the workplace through programs such as power2give.org and Days of Giving are researched and promoted.

A heavy investment in ASC and Cultural Partner development teams support expansion of current Fund Drive and create new avenues of donor engagement and community giving. As a part of this investment, successful, comparable

development departments are benchmarked and organizations will hire accordingly. At the same time, potential areas of fundraising staff collaboration for ASC and the Cultural Partners are considered (e.g.: endowment, prospect research, corporate, etc.).

2. Private Sector

ASC creates the structures, relationships and operations to convert its Annual Fund Drive into a true year-round **Culture Campaign**, a vital pipeline for citizens in the workplace to become engaged, passionate, loyal patrons, donors and advocates for the Cultural Partners and the sector as a whole. This campaign would both raise money *and* build engagement and participation in arts, science and history programs.

Recognizing that the nature of workplace giving is evolving, ASC and Cultural Partners collaborate to find the best new community fundraising model for the region. A transitional study is commissioned to develop and assess innovative new community-wide “engagement” models (as opposed to fundraising models) as an effective bridge between public and private cultural sector support over the next five to ten years.

Using stories of economic impact, personal involvement, accessibility and solving community challenges, communicate the value and importance of the Cultural Campaign and the sector. Employ this communication campaign to better position the sector as it competes for fundraising and participation dollars with other charitable and entertainment opportunities.

In order to increase the influence and reach of the Campaign, strategically bolster ASC Campaign Cabinet with specifically chosen, senior community and corporate leadership.

Private funders invest strategically in building the fundraising and marketing capacity of cultural groups, enabling them to cultivate patrons and donors to their organizations from among all Charlotte-Mecklenburg residents *and* from among ASC Cultural Campaign participants.

Raise and direct new private sector dollars (\$2.5 million+ per year for 10 years) toward marketing and development resource projects for the Cultural Partners. The ASC and the Greater Charlotte Cultural Trust also invest in training and staff positions within cultural organizations to cultivate and steward major individual gifts.

3. Public Sector

ASC designs and spearheads a comprehensive public advocacy plan for the cultural sector, serving as the leading advocate for its economic impact and its educational and quality of life benefits. The advocacy strategy should focus on rebuilding the public and

private partnership that builds the cultural facilities and the cultural sector over the last 40 years.

Through active participation and leadership within the Chamber of Commerce and Center City Partners, ASC and Cultural Partner leaders help shape the city's legislative and advocacy agenda each year:

City of Charlotte: Request that the City of Charlotte grow its per capita cultural sector operating funding by \$1.30 per capita that generates an additional \$1,040,000 per year, restoring funding to 2002 levels. Focus this additional revenue on additional operating support for the Cultural Partners, shared resources to benefit the sector and rebuilding infrastructure all investments leading to sustainability.

Mecklenburg County: Request that Mecklenburg County increase its cultural program funding by \$1.30 per capita, generating an additional \$1.3 million per year and focusing on stabilization and implementation of the Cultural Vision Plan and neighborhood, grassroots and education programs.

CMS: Charlotte-Mecklenburg Schools restores funding for arts, science and history field trips (currently paid with \$400,000 of ASC and private donor funding), eventually growing to \$1 million per year to fund field trips for every grade pre-K through 12. CMS identifies opportunities to reallocate existing budget funds or seeks new County funds directly. CMS and members of the cultural sector create and strengthen partnerships with MeckEd, Communities in Schools and other nonprofits that are potential collaborators for field trips and enriching cultural experiences, as well as partnering with universities, colleges and community colleges to build a cultural-sector pipeline of innovative, critical thinkers.

Towns: Request that Huntersville, Matthews, Cornelius, Davidson, Pineville and Mint Hill increase their contributions to ASC by \$1.30 per capita, generating an additional \$195,000 per year.

State: Build a coalition of counties across the state to focus on equitable funding distribution for cultural resources, engaging every county in North Carolina. This coalition drives lobbying efforts in collaboration with the Chamber's legislative work group, the state Mecklenburg County delegation and the NC Department of Cultural Resources to determine appropriate, equitable funding for major state cultural resources housed across the state outside of Raleigh, addressing current inequities that exist.

Chart ES.2: Proposed Short-Term Investments

Public Sector Investment Increases

Source	Population	Increase	Total Amount (Annual)
City	793,000	\$1.30 per capita	\$1,040,000
County	1,000,000	\$1.30 per capita	\$1.3 million
CMS	1,000,000	\$1.00 per capita or \$7.50 per child	\$1 million
Towns	150,000	\$1.30 per capita	\$195,000
State	TBD	TBD	TBD
TOTAL			\$3.535 million +

New Private Sector Giving

\$2.0 – \$2.5 million per year from private funders X 10 years

New Cultural Partner Revenues

Strategies to increase contributed and earned revenues.
Leveraging the new public and private investments.

Long-Term Growth Strategies – Five to 10 Years

The strategies proposed in this section are intended to establish a long-term sustainable solution to current and potential future challenges anticipated based on the current state of the cultural sector and to promote overall growth and health of the sector moving forward.

1. Private Sector

The Cultural Trust, Cultural Partners and the ASC design, launch and execute a strategy to generate \$125 million in additional endowment principal from private donors over 10 years.

2. ASC & Cultural Partner Structure

Cultural Partners set specific annual goals for strengthening balance sheets, making financial sustainability a long-term institutional priority. ASC teams with the Cultural Partners to invest in programs that fulfill the Cultural Vision Plan.

3. Public Sector

The ASC, Cultural Partners, City, Towns and County have designated goals within their respective organizations to work in partnership with elected officials to develop a predictable, long-term funding model for the cultural sector.

- Design a sustainable funding source and model unique to the Charlotte region's needs, based on lessons learned from cities and states such as Denver, Minnesota, Portland and others.
- Focus this funding on meeting the sector's critical need for unrestricted operating support.
- Address long-term, dedicated public funding for the cultural sector through a new tax structure to replace and expand upon the additive City, County and Town funds described in the Short-Term Stabilization Strategies section.

Chart ES.3: Proposed Long-Term Investments

Public Sector Investment

Dedicated revenue source for the cultural sector, providing predictable annual support and a foundation for growth.

Private Sector Investment

Cultural sector raises \$125 million in addition to endowment funds.



01

**Overview and Formation
of the Task Force**

Brief History of the Sector

In the closing decades of the twentieth century, the cultural sector in Charlotte-Mecklenburg grew into a nationally recognized model thanks to a unique partnership among three essential sources of support for arts, science, history and heritage programs:

- One of the leading united fund drives in the nation, the **Arts & Science Council's (ASC) Annual Fund Drive** raised the majority of its money through widespread workplace giving campaigns and re-granted it to community cultural nonprofits;
- **Cultural organizations** raised their own dollars from enthusiastic private donors, including individuals, corporations and foundations;
- The **City of Charlotte and Mecklenburg County** provided local government support for creativity and culture, directing dollars to ASC for re-granting and to the maintenance of cultural buildings and museums. The City and County also collaborated on the construction of numerous signature cultural buildings in the area, including the Levine Center for the Arts in Uptown Charlotte.

The result of this partnership has been a vibrant cultural sector that welcomes more than 3.9 million visitors each year – more than attend all local professional sporting events *combined* – and which serves as a major economic and tourism engine for the region. With some 6,200 jobs and an annual economic impact of more than \$202 million, the Charlotte-Mecklenburg nonprofit cultural sector has grown into a critical piece of the region's growth and success.

ASC has played a critical central role in this growth. Founded in 1958, ASC's Annual Fund Drive raises millions of dollars to support 23 cultural organizations through unrestricted operating grants and hundreds more through project, festival and education grants. The Fund Drive garners the majority of its funds through workplace giving campaigns, with hundreds of employers participating and tens of thousands of employees making gifts to ASC through payroll deductions, to be distributed later to arts, science, history and heritage groups throughout the county.

Led by ASC, the Charlotte-Mecklenburg cultural sector flourished through this unique public-private partnership. Prime historical examples of this collaboration include:

- City and County funds given annually to ASC to be re-granted to the sector;
- County funds supporting Spirit Square as an accessible, affordable arts venue, managed privately by the Blumenthal Performing Arts Center;
- City-funded capital improvements to cultural facilities such as the Mint Museum and Discovery Place;

- The major new partnership to create the Levine Center for the Arts on South Tryon Street. The Levine Center leveraged public funds (the City and County paying bond debt for the construction of the physical facilities), corporate management (Wells Fargo's supervision of campus construction), and private fundraising (ASC and cultural nonprofits raising \$83 million for endowments for seven key cultural organizations, including the new Levine Center residents).

Changing Environment

The economic downturn that began in 2008 had a dramatic and negative impact on the local cultural sector. Large-scale corporate layoffs, continuing job insecurity, and increasingly critical health and human service needs led many donors to reduce or eliminate their cultural sector donations. In the span of just 12 months, from the 2008 campaign to the 2009 campaign, ASC Fund Drive revenues dropped by 38%, from \$11.4 million to \$7.1 million. When combined with reductions in government funding and losses in direct donations to nonprofits, this loss began a cycle of budget cuts and unsustainable reductions in revenue-generating functions like fundraising and marketing.

This precipitous drop in financial resources was one of several factors that contributed to the destabilization of a valued cultural sector built diligently over four decades through both public and private generosity. The resources of cultural organizations have shrunk significantly, while demand for affordable cultural activities has increased. Cultural nonprofits are now attempting to do more with less in a way that is unsustainable and threatens their existence, with negative effects for many institutions:

- Revenue-generating departments such as fundraising and marketing, with the greatest potential for return on investment, have been stripped of staff and resources as groups attempt to maintain their community programs;
- Education programming and community activities have been cut;
- Organizations have laid off staff and reduced employment benefits;
- Cash reserves have been reduced as organizations attempt to preserve community programming and accessibility;
- Operating hours, programs and services have been reduced;
- Needed capital investments in buildings and equipment are being delayed.

Cultural Life Task Force

Origin

In 2013, as local cultural organizations continued to experience varying degrees of financial stress, community leaders and ASC began to discuss the need for an independent, citizen-led Task Force to research and recommend a new funding model for Mecklenburg County arts, science, history and heritage organizations.

Essential to the formation of the Cultural Life Task Force were three realizations:

- The funding model to support *existing* cultural programs and organizations was eroding rapidly.
- Through the recent Cultural Vision Plan process, local residents had expressed widespread desire for *expanded* cultural opportunities, particularly innovative, neighborhood-based and educational programs.
- Like many for-profit businesses, the cultural sector needed to adapt to new realities of consumer demand and financial support, building a new model rather than making incremental changes to an old one.

Process

In January 2013, the Arts & Science Council began preliminary conversations with Foundation For The Carolinas, which would later provide a grant to support the Task Force's work, and The Lee Institute, which would facilitate it. The formation of the Task Force continued throughout the spring of 2013:

January	ASC began the planning process and retained The Lee Institute and Carolina PR.
February	ASC officials and Hugh McColl presented the concept of a citizens' Task Force to the Mecklenburg County Board of Commissioners.
March	ASC officials presented the concept of a citizens' Task Force to the Charlotte City Council.
March	Deadline for nominations for Task Force membership. Members were nominated by one of several community partners: <ul style="list-style-type: none">• City of Charlotte• Mecklenburg County• ASC• Charlotte Chamber• Charlotte-Mecklenburg Schools• Charlotte Center City Partners

- Foundation For The Carolinas

- March** Formation of the Cultural Partners Advisory Committee, a group of eight cultural sector executive directors to advise the Task Force and provide insight from the practitioners' perspective.
- April** Finalization of Task Force co-chairs and membership.
- May** Inaugural meeting of the Task Force (May 15).

The Task Force then met either monthly or semi-monthly throughout 2013 and the first half of 2014. (See Appendix B for a complete list of Task Force meeting dates.)

Charge

The charge of the Charlotte-Mecklenburg Cultural Life Task Force was four-fold:

- Examine the long-standing public/private partnership model for the cultural sector.
 - ➔ As part of this work, review and commission research as appropriate, and seek to understand best practices and current innovations in the industry.
- Provide opportunities for community input wherever possible.
- Develop options for a future funding model for the cultural sector.
- Recommend specific actions to implement a new funding model for the cultural sector.

Members

Task Force members were nominated by the community partner organizations listed above, and members were selected by the co-chairs, Valecia McDowell (Moore & Van Allen) and Pat Riley (Allen Tate Company). Task Force membership was curated to balance longtime cultural sector supporters and new voices; new residents and Charlotte natives; public and private sector representatives; urban and suburban residents, as well as geographic dispersion across the County; and overall diversity of perspectives on the cultural sector and its funding model.

For the complete list of members, see Chart C.1 on pg. ii (inside front cover)
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Community Input

Eight Cultural Partner executive directors were invited to serve on the Cultural Partner Advisory Committee of the Task Force. Staff executives from cultural organizations were not, however, included as part of the Task Force. This group met approximately monthly to provide insight and data to the Task Force and to its facilitators. (See Appendix C for a list of Cultural Partner Advisory Committee members.)

ASC Cultural Partner executive directors and board chairs also had several opportunities in the fall and winter of 2013 and the spring of 2014 to attend optional meetings at ASC where they received briefings on the Task Force's progress and offered input into the process.

The meetings of the Task Force from May 2013 through August 2013 were open to the public. In November 2013, WFAE hosted a panel of task force and cultural organization leaders to discuss the process and the findings of the Task Force to date.

Timeline

The Task Force devoted its summer 2013 meetings to learning as much as possible about the current state of the Charlotte-Mecklenburg cultural sector. These early sessions focused on extensive data and presentations around contributed revenue, earned revenue, citizen participation, endowments, ASC operations, and best practices in comparable cities. This "summer of learning" was the first phase of the Task Force's work, followed by model selection and refinement throughout the fall of 2013 and the spring of 2014.

For the original timeline of the Cultural Life Task Force, see Appendix A.
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02

Why the Cultural Sector Matters

Why Are Creativity and Culture Good for Charlotte-Mecklenburg?

Charlotte's creative and cultural community is a unique asset that engages and supports every major element of the local economic ecosystem. Few other sectors touch and benefit everyone from neighbors on the West Side and businesses in Uptown, to middle school students in Myers Park and recent immigrants in East Charlotte. The cultural sector:

- benefits the **corporate sector** by driving tourism and consumer spending, employing thousands of artists and professionals, and making Charlotte more appealing for employee recruitment and business relocations;
- supports **local government** by generating millions of dollars in tax revenue from employees, artists and audience members;
- nurtures, inspires and welcomes **residents from all neighborhoods in Charlotte and neighboring communities**, offering beauty and storytelling, challenging current questions, and reflecting people's hopes and dreams;
- improves the **K-12 educational system** by supplementing knowledge of history, arts, and science, fostering creative thinking and innovation, putting students on more equal footing with those at private educational institutions, and potentially improving academic grades and standardized test scores;
- creates the skilled current and future workforce sought by **employers**, who cite "creativity" and "innovation skills" as among the most important and desirable traits in their new hires;
- bolsters Charlotte's **quality of life** by providing hundreds of performances, exhibitions and other cultural opportunities every month, many of them free or low-cost; and
- contributes to making Charlotte an **international and multi-cultural city** by encouraging cross-cultural understanding and learning.

How Our Neighbors Participate in the Cultural Sector

Each year, local cultural organizations welcome 3.9 million audience members, students and participants to more than 75,000 arts, science, history and heritage programs. Of those cultural experiences, more than 1.7 million (just over 43%) are enjoyed by children and youth. And 40% of total participants (more than 1.5 million people) come from outside Mecklenburg County, making cultural events a vital tourist attraction for the city and county.

Charlotte-Mecklenburg also scores highly on the Creative Vitality Index, which is an annual measure of the health of the area's creative economy. The Index defines the creative economy as both nonprofit and for-profit employment and participation in the arts. Charlotte's Creative Vitality Index score was higher than those for Portland (OR), Chicago, New Orleans and Atlanta, and only 0.06 points behind Denver, which has larger cultural institutions and a \$45 million annual dedicated tax to support the sector.

The Positive Impact of Cultural Participation

The economic impact of this participation in the cultural sector is significant: An average of \$23.54 is spent by local attendees (per person, per event), above ticket prices; almost double that (\$41.28) is spent by visitors from outside Mecklenburg County, over and above ticket prices.

The Charlotte-Mecklenburg *nonprofit* cultural sector employs 6,240 full-time equivalent positions, roughly equivalent to the entire local workforce of Duke Energy. And if *for-profit* creative businesses such as advertising agencies, architects and web designers are included, the number of employees grows to more than 14,000, or roughly equivalent to Bank of America's local workforce.

Charlotte's strong participation in its cultural sector also drives significant public and private economic impact. The sector creates more than \$18.1 million in local and state tax revenues, and it generates more than \$202 million in direct and indirect spending within Mecklenburg County.

How Do Residents Feel About the Cultural Sector?

Two recent studies revealed strong support for the cultural sector and the role it plays in the lives of Charlotte-Mecklenburg residents. In both cases, results affirm growing demand for accessible, engaging cultural programs across Mecklenburg County.

Cultural Vision Plan

In developing the Cultural Vision Plan between 2011 and 2013, ASC asked a wide range of Charlotte-Mecklenburg residents for their input on a new vision for the cultural sector. The planning process engaged 184 people in focus groups, more than 400 people in phone surveys, and another 1,000 residents through online surveys. This high-level planning process concluded with a one-day Cultural Summit for more than 250 cultural community leaders at the Mint Museum.

The completed Cultural Vision Plan revealed three primary themes on which the sector can plan a responsive and inclusive future:

1. Our community thinks the cultural sector should play a greater role to enliven, engage and enrich communities and neighborhoods.
2. Our community believes it is the cultural sector's responsibility to see that residents and visitors enjoy continually refreshed creative opportunities that start with the best home-grown talent and our rich local history and extend to our world-class science, technology and art.
3. Our community wants the cultural sector to do everything possible to make arts, science and history core to K-12 education and see that Charlotte-Mecklenburg's K-12 students are critical, creative thinkers.

Urban Institute Cultural Life Survey

Each year since 2005, the Urban Institute at UNC Charlotte has conducted a Cultural Life Survey for the Arts & Science Council. The 2013 results, gained through randomized, statistically valid phone surveys, featured these highlights:

- **When asked about the many factors that contribute to a positive local quality of life, “culture/arts/science/history” was one of the top four responses.**
- **71% of respondents support government funding for cultural facilities and programs.**
- **66% agree that the local cultural sector makes the region more attractive for corporate and personal relocations.**
- **82% of participants said that arts education is valuable in schools, and 86% said it is important to helping children perform better academically.**
- **62% of participants rated the quality of Charlotte-Mecklenburg's cultural programming as “excellent.”**
- **A rapidly growing percent of residents wants to see more culturally diverse arts programming.**

For more details about the Cultural Life Survey, please see Appendix D.



03

How the Cultural Sector
Works in Charlotte-
Mecklenburg

The creative and cultural community in Charlotte-Mecklenburg brings arts, science, history and heritage programs to neighbors and visitors in remarkable quantity and diversity. The cultural sector includes the Arts & Science Council, its official Cultural Partners, smaller cultural nonprofits and independent artists, all having a positive impact on the region's economy and growth.

Arts & Science Council: Structure and Function

Founded in 1958, ASC serves Mecklenburg County and leads one of the five largest united fund drives in the country. As an independent 501c3 nonprofit, ASC's current mission is "to build appreciation, participation and support for arts, science, history and heritage in Charlotte-Mecklenburg." ASC accomplishes this through seven areas of operation:

- Advocacy
- Capacity Building
- Cultural Planning
- Grant Making
- Education
- Public Art
- Public Resource Development
- Private Resource Development

Most critically for the Task Force and its consideration of the current and potential funding models for the cultural sector, ASC makes more than 350 grants each year, supporting large and small cultural nonprofits, individual artists, health and educational nonprofits offering cultural programming, public art, professional development and education.

The majority of this grant-making activity (more than 57%) provides Operating Support grants for 23 nonprofits designated Cultural Partners of ASC. These organizations receive between 2% and 23% of their annual operating budgets in unrestricted grants from ASC, and they participate in roundtables, quarterly meetings, workshops and fundraising activities in partnership with ASC.

ASC funding and programmatic activities, and the expenses associated with each activity, are included in the chart below:

Chart 3.1: FY2012 ASC Funding and Programmatic Activities

Programs	Dollars Spent	People Reached
Operating Support	\$7.3M	2,500,000
Projects, Festivals and Access grants	\$314,000	75,000
Special Projects and Technical Assistance	\$268,000	N/A
Professional Development Grants	\$65,000	N/A
Education	\$835,000	112,000 students and teachers
Power2Give.org	More than \$1 million raised in Charlotte; 17 cities nationwide, total of \$3 million+	N/A
Cultural Planning	\$66,000	N/A
Public Art	\$441,445	N/A
Artist Grants	\$50,000	N/A
Charlotte Culture Guide.com	\$348,099	337,000 unique visitors

On a total annual budget of approximately \$16 million, the ASC receives 43% of its income from its Annual Fund Drive, primarily through its highly visible workplace giving campaign at hundreds of employers across Mecklenburg County. The ASC allocates its revenues and expenses as follows:

Chart 3.2: FY2013 Budgeted ASC Revenues

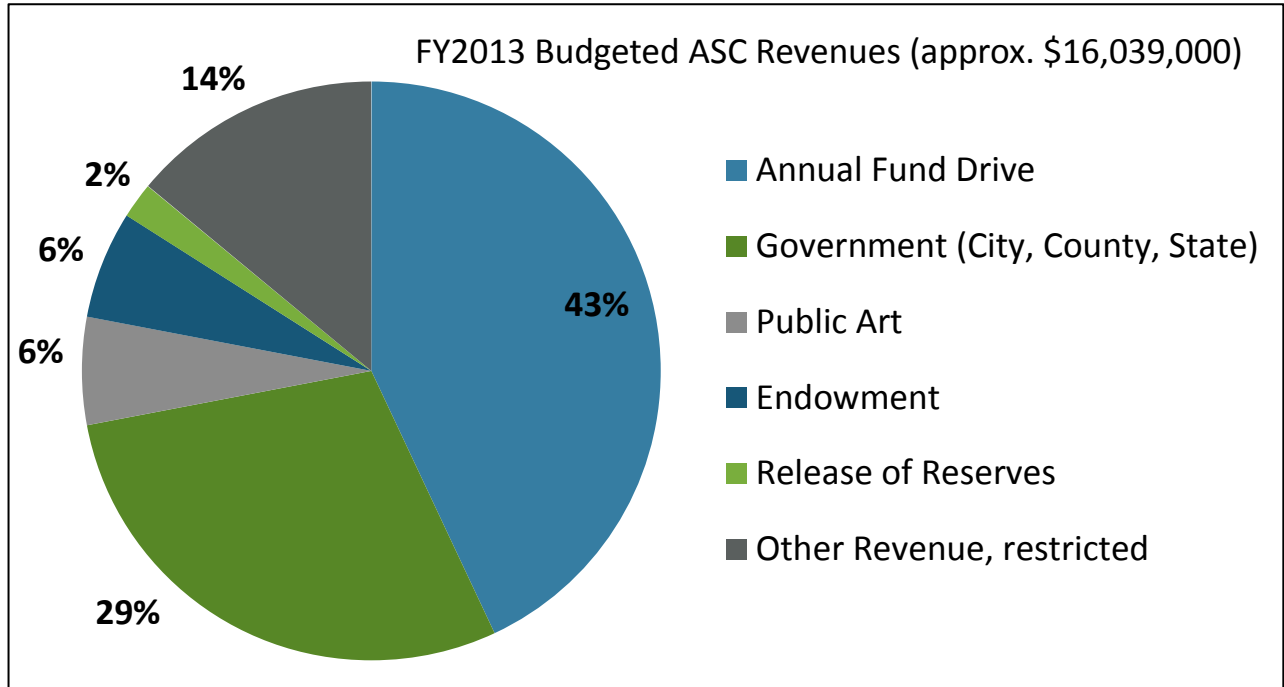
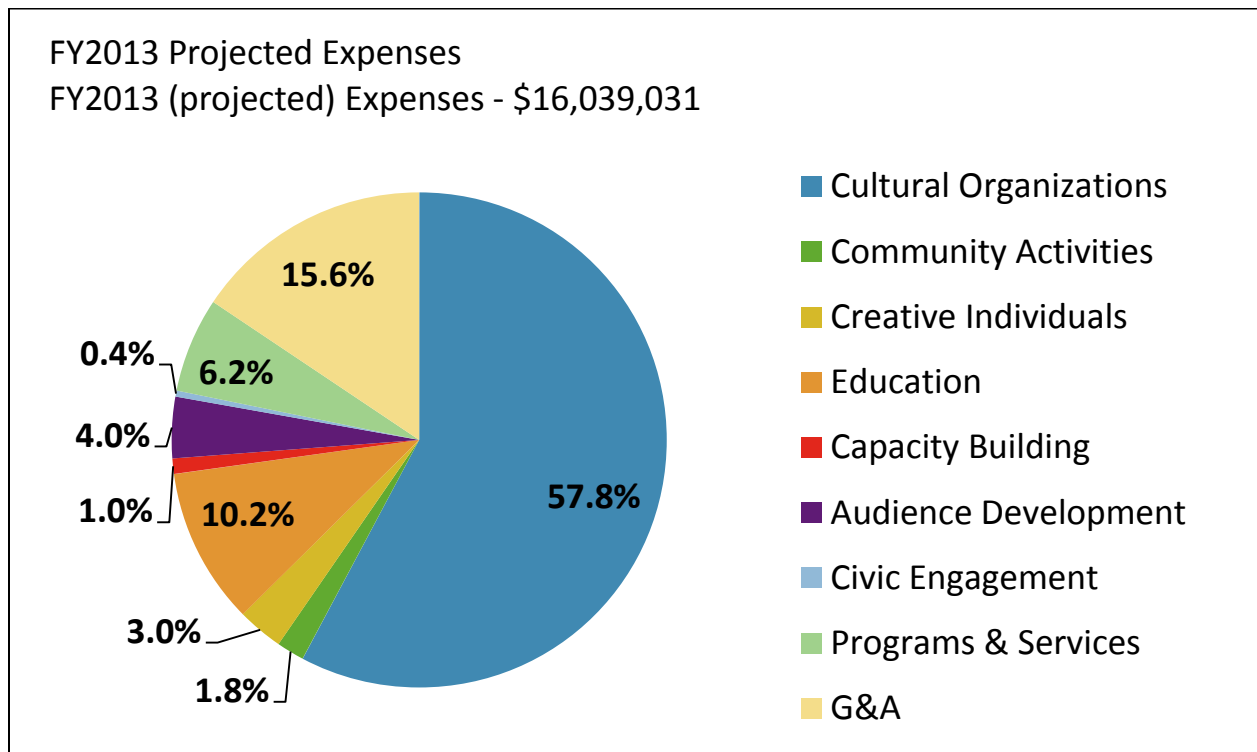


Chart 3.3: FY2013 Projected Expenses



Cultural Partners and Their Programs

The 23 ASC Cultural Partners are, in the words of the Task Force, the **“building blocks of the Charlotte-Mecklenburg cultural community.”** The Task Force believes that if the majority of these core groups are not financially healthy and adequately funded, it will be even more difficult for smaller organizations and individual artists to flourish. They provide a framework for the sector and for the economic and artistic engine it drives, and their strength and stability is a primary goal of the Task Force’s recommended funding model.

Chart 3.4: List of the 23 Cultural Partners

ASC Cultural Partner	
Actor’s Theatre of Charlotte	Davidson Community Players
Bechtler Museum of Modern Art	Discovery Place
Carolina Actors Studio Theatre	Harvey B. Gantt Center for African-American Arts + Culture
Carolina Raptor Center	Latta Plantation
Carolina Voices	Levine Museum of the New South
Charlotte Ballet	McColl Center for Visual Arts
Charlotte Children’s Choir	The Mint Museum
Charlotte Symphony	North Carolina Blumenthal Performing Arts Center
Children’s Theatre of Charlotte	Opera Carolina
Clayworks	Theatre Charlotte
The Community Arts Project	Wing Haven
Community School of the Arts	

Each year, the Cultural Partners produce more than 75,000 programs and events, including performances, exhibitions, lectures, open studios, music lessons, art classes and science workshops. These programs draw more than 2.3 million participants.

Chart 3.5: FY2013 Cultural Partners Total Attendance

Organization Name	Total Attendance	Total Outreach	Grand Total	Percentage of Total Attendance
Actor's Theatre of Charlotte	9,848	5,850	15,698	0.68%
Bechtler Museum of Modern Art	50,706	6,230	56,936	2.47%
Blumenthal Performing Arts	455,063	8,457	463,520	20.14%
Carolina Actors Studio Theatre	5,703	1,012	6,715	0.29%
Carolina Raptor Center	34,642	35,423	70,065	3.04%
Carolina Voices	7,391	7,110	14,501	0.63%
Charlotte Ballet	40,109	27,429	67,538	2.93%
Charlotte Children's Choir	10,678	3,297	13,975	1%
Charlotte Symphony Orchestra	98,300	31,282	129,582	5.63%
Children's Theatre of Charlotte	214,852	68,668	283,520	12.32%
Clayworks	5,730	2,621	8,351	0.36%
Community Arts Project	2,146	2,181	4,327	0.19%
Community School of the Arts	5,720	1,769	7,489	0.33%
Davidson Community Players	9,423	320	9,743	0.42%
Discovery Place, Inc.	586,707	44,822	631,529	27.44%

Organization Name	Total Attendance	Total Outreach	Grand Total	Percentage of Total Attendance
Harvey B. Gantt Center for African-American Arts + Culture	48,695	14,764	63,459	2.76%
Latta Plantation	36,881	1,254	38,135	1.66%
Levine Museum of the New South	45,622	8,472	54,094	2.35%
Light Factory	23,540	1,199	24,739	1.08%
McColl Center for Visual Art	9,605	6,439	16,044	0.69%
Mint Museum	218,870	39,082	257,952	11.21%
Opera Carolina	14,108	25,450	39,558	1.72%
Theatre Charlotte	15,561	1,025	16,586	0.72%
Wing Haven	6,528	1,130	7,658	0.33%
TOTAL	1,956,428	345,286	2,301,714	

Chart 3.6: FY2013 Cultural Partners Total Attendance By Type

Type of Cultural Partner	Attendance	Percentage
Performing Arts	1,046,961	45.49%
Museums, Science Centers & Historic Sites	1,220,611	53.03%
Community/Educational	34,142	1.48%
TOTAL ATTENDANCE	2,301,714	

The Broader Sector

Charlotte-Mecklenburg enjoys a rich cultural landscape beyond ASC and the 23 Cultural Partner organizations. Although less centralized and coordinated than the Cultural Partners, the region is home to dozens more nonprofit cultural organizations and thousands of professional artists, musicians, historians and scientists contributing to a vibrant creative community.

The Task Force described these organizations and artists as important seeds to be nurtured through a new funding model, including many groups that could be the Cultural Partners of future generations.

Each year, ASC provides a range of grant opportunities which include Cultural Project Grants, Cultural Access Grants, Cultural Innovation Grants, Festival Sponsorships, Technical Assistance Grants, Special Project Grants) and considers 200 requests for funding from arts, science and history local nonprofits, other nonprofits who offer or want to offer a cultural program, grassroots and neighborhood groups, local municipalities, houses of worship and groups representing the breadth of diversity in Mecklenburg County.

For a list of organizations applying for ASC support, see Appendix I.

ASC also funds the work of individual artists through grant programs and training opportunities, and by commissioning and showcasing their work through a variety of programs such as public art and Community Supported Art.

Chart 3.9: Individual Artists Living in Charlotte-Mecklenburg

Type	Number	Percentage
Performing Artists	1,902	40.90%
Visual Artists	2,748	59.10%
Total	4,650	

Source: Americans For the Arts, 2012, Creative Industries Report

In building understanding of the broad cultural sector, it is important to note that the diverse portfolio of cultural facilities across Mecklenburg County are owned, managed or leased by a range of public and private organizations. These include public organizations -- the City of Charlotte, Mecklenburg County, local towns, CMS, CPCC,

UNC Charlotte, State of North Carolina and private nonprofit organizations that own their own facilities as well as those facilities that are leased by nonprofits by owned by private organizations.

Economic Impact

The Cultural Community is Big Business

- 6,240 full time employees in the area, as many as Duke Energy
- Adding the impact of for-profit creative businesses such as advertising agencies, architects and web designers are included, the number of employees grows to more than 14,000, or around Bank of America's local workforce
- \$202 million annual economic impact
- \$18.1 million in local and state government tax revenue currently; more state revenue expected in 2015 when new taxes take effect
- 3.9 million participate in 75,000 separate events, exhibitions and performances annually - more than all local professional sporting events combined
- 1.7 million who participate are children and youth
- 40% of participants from outside Mecklenburg County. Non-residents spend twice as much as locals on ancillary expenses in addition to the cost of tickets or admission (\$41.58 per person per event, versus \$23.54 for locals)

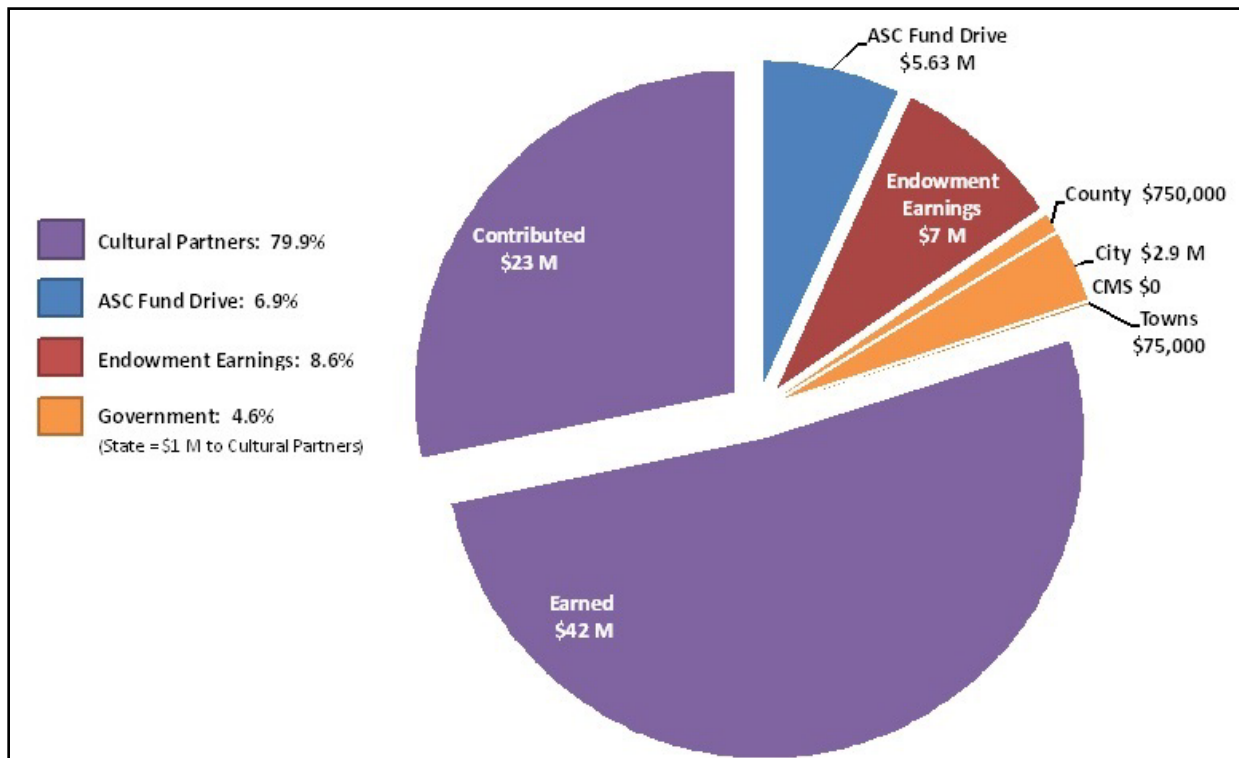
Historic Funding Model


For purposes of describing the overall funding model for the sector, this report will use the 23 ASC Cultural Partner organizations as representatives of the Charlotte-Mecklenburg cultural community. ASC collects detailed financial information on these groups, information that is not readily available for the many smaller organizations that receive either project grants from ASC or no ASC grants at all. This examination will focus on the ongoing operating funds needed to produce community performances and exhibitions, support education programs, pay artists and staff, and ensure buildings are open and welcoming to the public; it will not delve into the capital campaigns of cultural organizations or their current endowment initiatives.

In 2012, Cultural Partners received their operating revenue from seven key sources, some of which are given directly to the groups and some of which are channeled through ASC to be re-granted:

- Earned revenue (ticket sales, tuition, etc.)
 - 51.5%
- Contributed revenue (individual, corporate and foundation gifts)
 - 28.3%
- Arts & Science Council Operating Support Grants
 - 6.9%
- City of Charlotte support
 - 3.6%
- Mecklenburg County support
 - 1.0%
- Support from the six towns in Mecklenburg County
 - Less than 1/100th of a percent
- Endowment earnings
 - 8.6%

Chart 3.11: Cultural Partners Current Funding Model – Operating Funds





Key among the Task Force's findings was the knowledge that the Cultural Partners generate, through earned, contributed and endowment revenue, more than 80% of their own operating funds. They generate four-fifths of their resources, on average, with little to no reliance on public funds from local governments. Although ASC's annual Operating Support Grants are important to the Cultural Partners, those grants have shrunk by more than 25% over the last five years.

That reality has led Cultural Partners to cut programming while at the same time finding and searching for additional funding independent of ASC.

This self-sufficiency is, in large measure, a function of the decline in ASC grants and local government funding, which has decreased the pie slices for those sources and increased both the earned revenue and contributed revenue portions of the groups' budgets over the last five years. The cultural groups making this transition, however, lacked the funds to invest in building the human and technical capital to generate more earned and contributed revenue. This has led to instability and unsustainability, with many nonprofits being starved for resources at the very moment they need to invest in their capacity to generate more funds. The next chapter highlights those key funding trends that led cultural groups to become less reliant on ASC and government support, and the challenges and consequences of this shift.



04

Recent Funding Trends in
the Cultural Sector

Over the last decade, a combination of reduced government support and an economic downturn that affected Charlotte particularly severely has damaged the local cultural community. Built over 50 years through a public/private partnership that engaged the entire region, from corporate leaders to neighbors to school children, the cultural sector is now at risk of losing the institutions that drive economic development, tourism, quality of life and creative education.

ASC: Annual Fund Drive

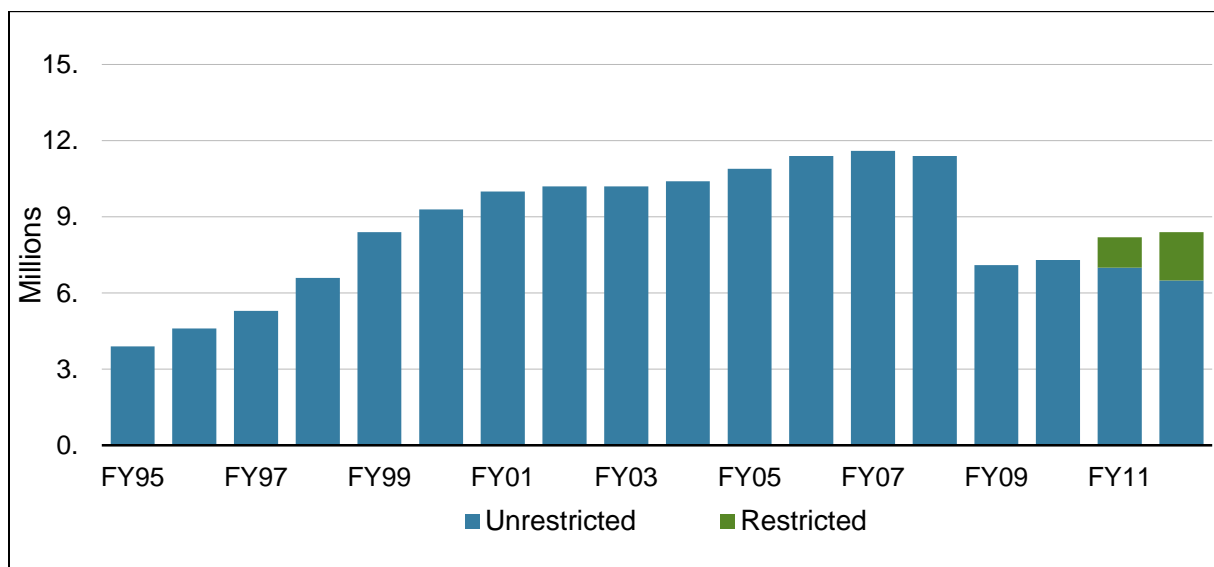
ASC's Annual Fund Drive was, prior to the economic downturn, the second-largest united arts campaign in the nation, and a testament to the rapid growth and generosity of Charlotte's corporate community.

ASC's 2007 campaign raised \$11.6 million from 37,000 donors, but the impact of the recession was acute and worse in Charlotte than in almost any other major city with an annual fund drive. **By 2012, the campaign raised \$8.2 million from 21,000 donors, representing a 43% drop in the number of donors and a 29% drop in the dollars donated.**

The largest drop was in the number of corporate and foundation donors to ASC, which fell from 625 in 2007 to just 196 in 2012. Similarly, the number of employers conducting ASC Fund Drive workplace giving campaigns fell 27% over five years.

Perhaps most critically, the amount of unrestricted money (the lifeblood of the Cultural Partners' operations) given to ASC fell, as more donors chose to restrict their gifts to specific areas of use, such as education. The *unrestricted* dollars given to ASC Fund Drive between 2007 and 2012 fell by 45%, representing a loss of nearly \$4 million each year in operating support to the sector.

Chart 4.1: ASC Annual Fund Drive Track Record



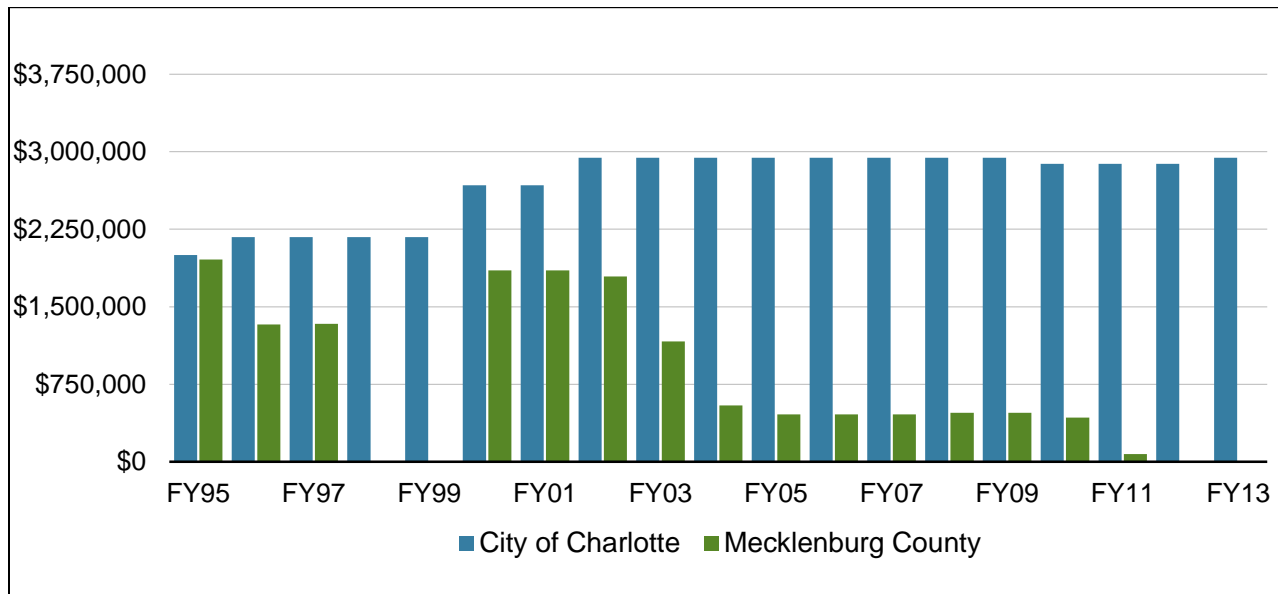
This resulted, almost immediately, in significant cuts to ASC’s Operating Support grants to the Cultural Partners, who were forced to find new sources of revenue, cut their programs and staffs, or (frequently) a combination of both. ASC Operating Support grants were cut by 25% in 2009 and have remained at depressed levels over the last four fiscal years .

Public Funding: Local and State Government

Since ASC’s founding in 1958, and well into the 1990s, local governments were a strong and frequently leading partner in funding the Charlotte cultural sector. It was not until 1996, for example, that private sector giving surpassed government undesignated support as the leading source of funds for ASC. The City of Charlotte and Mecklenburg County were generous supporters of new facility construction, facility operations and operating support for cultural institutions, often through City and County grants to ASC.

In the early 2000s, however, two trends in local public funding emerged. Mecklenburg County funds given to ASC for re-granting to the cultural sector were eliminated entirely, declining from a high of nearly \$2 million in FY2001 to zero in FY2012. And although the City of Charlotte held its unrestricted funding steady at roughly \$2.9 million per year, it has not kept pace with the population growth of the region and the resulting increase in demand for cultural programs. Between 2000 and 2013, the community’s population increased by 42%, while unrestricted City funding remained flat and unrestricted County funding was eliminated.

Chart 4.2: Unrestricted City & County Funding to ASC



The City and County continue their tradition of extraordinary support for new cultural facilities, making bond payments of roughly \$9 million a year to pay for the construction of the Levine Center for the Arts in Uptown and other cultural facility projects. The Levine cultural campus supports only a portion of the Cultural Partners, however, and the most critical need is for unrestricted operating support, making increased government funding of the arts, science and history community essential. Without predictable, ongoing operating funding, the groups that utilize Charlotte’s cultural facilities may not have the resources to produce high-quality programs in them.

State funding has remained slightly more stable during the economic downturn, but a significant imbalance remains: Several cultural organizations in the Raleigh area receive extremely large line-item allocations directly from the State Legislature, while Mecklenburg County organizations of equal or greater size and impact receive much smaller grants through the North Carolina Arts Council (NCAC). All Mecklenburg County cultural organizations *combined* receive approximately \$1 million per year, while the North Carolina Symphony in Raleigh receives \$2.5 million per year.

Similarly, science and history sites/museums outside of Raleigh receive substantially less than their counterpart organizations in Wake County. For example the North Carolina Museum of Natural Science receives \$11.6 million in its annual allocation, and the North Carolina Museum of History receives \$5.6 million in its annual operating allocation. The State budget does provide some funding for science museums across the State, but unlike arts organizations, funding is provided by formula, not by a competitive review process. No State funding is available for history museums or sites not identified as a State Historic Site.

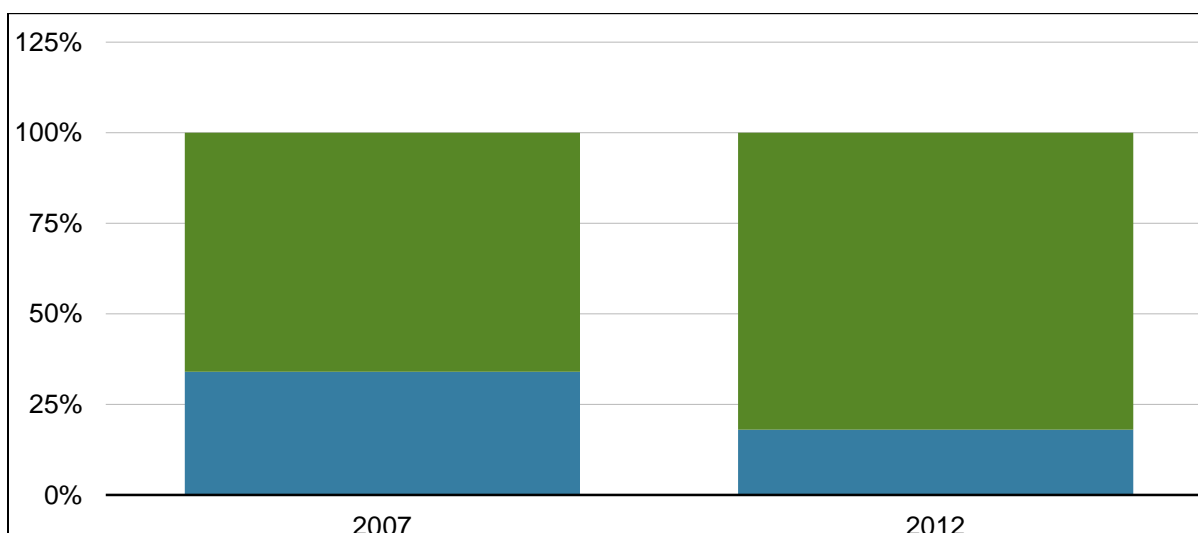
Critical Convergence: The Effect on Cultural Partners

In Charlotte-Mecklenburg, ASC Cultural Partner organizations responded to these financial challenges by replacing lost revenue from ASC, increasing their earned revenue opportunities, shifting more of their resources to programming, and significantly reducing the amount spend on fundraising and marketing. New data analysis shows that although this shift reflects an admirable commitment to preserving community programming and serving audiences, it places organizations in a precarious financial position and is unsustainable in even the short term.

Key findings from the new analysis of Cultural Partner audited financial statements from FY2007 to FY2012 include:

- Total revenue for the sector increased by \$16 million, all of which was attributable to new or expanded facilities and organizations. Increased revenue was driven by new or expanded buildings and sites, such as the Bechtler Museum, Discovery Place Kids (2), the Mint Museum Uptown, the Charlotte Ballet building, the Gantt Center and the Knight Theatre.
- When growth attributable to those new facilities was removed from consideration, total revenue for the Cultural Partners actually declined, losing significant ground to both inflation and population growth.
- Over six years, the Partners reduced the amount spent on fundraising, marketing and administration by \$7 million, representing a 30% decrease in their annual investment in activities that generate revenue.
- These funds have shifted to programming, as the Partners attempted to continue providing services to their community and to meet growing demand for cultural activities. This led groups to move to a collective Program Expense Ratio of 82%, far above nationally recommended benchmarks for sustainable organizations (typically 65-75%).

Chart 4.3: Program Expense Ratio



With the only revenue growth in the sector tied to recent building expansion, which tends to experience a “bump” soon after opening and then return to a slower growth rate, expense growth is outpacing revenue growth. In FY2013, 56.5% of Cultural Partners posted deficits, an increase from 43.5% in FY2007. And early indications are that audits for FY2013 will reflect an even larger collective deficit for the Partners.

Without significant short-term reinvestment in fundraising and marketing capacity, the Cultural Partners will not be able to generate enough revenue to cover growing costs and maintain the current level of community programming. The solution to these trends should include both increases in unrestricted operating support to the Partners and increased investments in Partner infrastructure, for long-term sustainability.

Consequences and Risks

This intersection of reduced contributed revenue from ASC and government, combined with increased demand for accessible cultural programs, paired with dramatic decreases in revenue-generating fundraising and marketing staff, poses serious risks for the Charlotte region and the cultural community.

Already, the sector has seen major negative effects:

- Cutbacks in operating hours and programming, offering fewer opportunities for families, visitors and patrons to enjoy performances and exhibitions;
- Fewer education, free and access programs, which generally do not generate revenue and are more dependent on grant and donor funding;

- Layoffs and long-term staff vacancies;
- Reduction of staff benefits, making it more difficult to attract top talent;
- Organizations ceasing operations temporarily or permanently;
- Significant reductions in cash reserves, as institutions attempt to preserve their services to the community in the face of declining income.

These negative developments are not easily reversible, and any longer-term incremental recoveries in contributed revenues or government support are not projected to arrive in time to save organizations now operating without sufficient staff, cash reserves, technology infrastructure or revenue-generating assets.

The Task Force's review of ASC and Cultural Partner data reveals the imminent danger that without increases in operating support, as well as targeted investments in fundraising and marketing staff capacity, Charlotte will see more groups go the way of the Light Factory, which recently ceased operations as a professionally staffed nonprofit, and the Charlotte Museum of History, which temporarily halted operations and is now open only three regular days each week for a total of twelve hours. **56.5% of Cultural Partners have a deficit.**



05

Key Findings by
Sector/Source

Throughout the Task Force's work, key pieces of research prompted insights and important conclusions about how the Charlotte-Mecklenburg cultural sector can thrive in the future.

These insights and conclusions have been grouped by sector, based on how research was presented to the Task Force: private sector donors, public sector funding, and the structure of the Arts & Science Council and the Cultural Partners.

These findings and conclusions inform -- and were essential to the creation of -- the recommendations that follow in Chapter 6.

PRIVATE SECTOR

Private Sector Findings

The Charlotte creative and cultural sector has enjoyed a decades-long and beneficial relationship with individual, corporate and foundation donors, who supported the sector's rapid growth and transformed Charlotte into a nationally recognized center for arts, science, history and heritage.


Private sector donors will continue to play an essential role in the transformation of the creative community, helping strengthen the building blocks of the sector and nurture young and emerging organizations and artists.

The Task Force envisions a wider, deeply engaged family of private sector donors giving to ASC Fund Drive and directly to the cultural organizations and causes they love. Two steps are critical to building this wider philanthropic culture: 1) Investing in marketing and development capacity of the core local creative nonprofits; 2) Developing the database and ability to transfer ASC donors to cultural groups in which donors are interested.

Private Sector Background

Highlights of the Task Force's research into private sector giving, donor trends, cultural organization critical needs, and funding models in comparable cities include:

- Nearly 3,000 private citizens expressed their opinions about the cultural sector through the Cultural Vision Plan, and they resoundingly asked for more programming, particularly in neighborhoods, through education initiatives, and in culturally relevant and innovative programs. Surveys through the Urban Institute reinforce that local residents value cultural programming, want arts and science



education in the public schools, and support government funding for the creative sector.

- The cultural sector is a major regional employer, a leading driver of tourism and economic development, and essential to business and employee relocations to Charlotte. Private sector investments in the cultural sector pay tangible financial dividends *for* the private sector.
- Private sector support is essential to the stability and growth of the cultural sector, and increasing private donations directly to cultural organizations is a key long-term solution for sustainable financial support.
- Over the last six years, the number of donors to ASC has declined, and the number of donors to the Cultural Partners has not increased correspondingly. As other sources of funding (e.g., ASC grants, public funding) decreased, this has made Cultural Partners more dependent on a relatively small number of private sector donors for increasing amounts of funding.
- After years of funding cuts, the cultural sector is not in a position to expand programs or grow revenues without a strategic expansion of its development and marketing staff capacity.

Private Sector Conclusions

The Task Force's research led members to several conclusions about how the private sector can and should be involved in the Charlotte cultural community's renaissance.

- The most significant, sustainable growth in the cultural sector will come from nurturing committed donors who are personally and directly involved with one or more arts, science or history nonprofits.
- ASC Fund Drive has enormous untapped potential as a conduit for connecting workplace giving donors to cultural organizations throughout the community, building passionate donors and patrons.
- With support to strengthen their marketing and development staffs, the Cultural Partners can shepherd, steward and welcome ASC Fund Drive donors by helping them find the organizations and programs they enjoy the most.
- The wider Charlotte community does not have a clear understanding of the important role the cultural sector plays in our civic growth, financial well-being, education and quality of life

Recommendations for Private Sector

ASC creates the structures, relationships and operations to convert its Annual Fund Drive into a true year-round Culture Campaign, a vital pipeline for citizens in the workplace to become engaged, passionate, loyal patrons, donors and advocates for the Cultural Partners and the sector as a whole. This campaign would both raise money and build engagement and participation in arts, science and history programs.

Short-Term Stabilization Strategies – One to Five Years

- ASC and Cultural Partners, recognizing that the nature of workplace giving is evolving, collaborate to find the best new community fundraising model for the region. This includes commissioning a transitional study to develop and assess innovative new community-wide “engagement” models (as opposed to fundraising models), that will be an effective bridge between public and private cultural sector support over the next five to ten years.
- Communicate the value and importance of the Cultural Campaign and the sector through stories of economic impact, personal involvement, accessibility and solving community challenges. Use this communication campaign to better position the sector as it competes for fundraising and participation dollars with a wide range of other charitable and entertainment opportunities.
- Strategically bolster the ASC Campaign Cabinet with strategically chosen senior community and corporate leadership to increase the influence and reach of the Campaign.

Private funders invest strategically in building the fundraising and marketing capacity of cultural groups, enabling them to cultivate patrons and donors to their organizations from among all Charlotte-Mecklenburg residents and from among ASC Cultural Campaign participants.

- Raise and direct new private sector dollars (\$2.5 million+ per year for 10 years) toward marketing and development resource projects for the Cultural Partners. These include staff, training and technology, preferably through multi-year project grants;
- ASC and the Greater Charlotte Cultural Trust invest in training and staff positions within cultural organizations to cultivate and steward major individual gifts.

The Cultural Trust, Cultural Partners and ASC design, launch and execute a strategy to generate \$125 million in additional endowment principal from private donors over 10 years.

PUBLIC SECTOR

Public Sector Findings

Over the course of four decades, the Charlotte-Mecklenburg creative and cultural community was built through a unique partnership between the private and public sectors. Local governments invested in arts, science and history for the benefit of all citizens, and private donors worked in collaboration with elected officials to cultivate high-quality programs, organizations and artists for Charlotte.

Until 1996, the public and private sectors provided almost equal support to the cultural organizations. After 1996, the balance shifted to the majority of support being provided by an enlightened and generous private sector. By 2013, the public sector provided almost no unrestricted programming dollars to the cultural sector. At the same time, the public sector provides millions of dollars annually in bond debt payments, along with operating/capital maintenance for City and County owned facilities.

After years of reductions in operating funds available to the sector, the Task Force recommends that the historically equal public/private partnership be renewed in order to preserve and expand cultural opportunities for future generations.


Public Sector Background

Highlights of the Task Force's research into public sector support, long-term trends, cultural organization critical needs, and funding models of comparable local governments include:

- In supporting creativity and culture, elected officials reflect the will of Charlotte-Mecklenburg residents: The Cultural Life Survey found that 71% of citizens support government funding for arts, science and history, and 82% of citizens strongly value art, music, drama and dance instruction in public schools.
- The Charlotte cultural sector welcomes 3.9 million attendees per year, with more than 1.7 million of them being children and youth whose education is enhanced by arts and science education.

- Currently, there is no funding for professional cultural programming in public schools. The program and transportation costs for CMS cultural field trips and in-school residencies are paid for entirely by private donors giving to ASC and the Cultural Partners.
- Students who participate in the arts in school have higher GPAs, higher standardized test scores and lower dropout rates. STEM programs offered by science organizations have been identified as a key component of careers that drive the emerging economy.
- Significant public support is key to many local and regional cultural funding models, ranging from cultural facility ownership and operations (Dallas) to a regional sales tax generating \$45 million per year for cultural groups in a multi-county area (Denver).
- In a significant number of comparable cities nationwide, the cultural sector is represented by a City or Mayor's office department. In Charlotte, this function is performed by the Arts & Science Council, an independent 501c3 nonprofit.
- Charlotte's reputation as a national model for cultural sector growth and quality was born from the combination of government, corporate and individual support for the sector.
- Local government funding for the cultural sector has not kept pace with the demographic growth of the community: Since 2000, unrestricted City funds have remained flat in the face of 32% population growth, and unrestricted County funds were eliminated entirely.
- Investment in the cultural sector produces positive returns for government: The local nonprofit cultural sector employs more than 6,200 people, generates \$202 million in economic impact, produces \$18.1 million in local and state tax revenues, and offers 75,000 annual programs and events.
- Creativity, especially in an innovative workforce, is essential to a thriving community and region. Cultural activities are a key factor in corporate relocation decisions, and a recent IBM Global CEO survey cited creativity as the #1 desired skill for new employees.
- The State of North Carolina provides disproportionate support to cultural organizations in Wake County because of their state resource designations, despite Mecklenburg County having comparable or larger populations, attendance figures and community impact.

Public Sector Conclusions



The Task Force's research led members to several conclusions about how the public sector can and should be involved in the Charlotte cultural community's stabilization and growth.

- Charlotte-Mecklenburg residents want expanded cultural programming that is accessible to even more people, and they support government funding to make that happen.
- Local government has invested generously in physical facilities, but funding for programming and operations has fallen dangerously behind the need, especially as the City and County population boomed. This creates the risk of beautiful cultural buildings without enough programs, funding or staff to operate them.
- Access to high-quality arts, science, history and heritage programs is essential to Charlotte's quality of life and a core part of Charlotte's identity as a progressive Southern city.
- Public funding for the cultural sector represents an investment in the region's quality of life, its attractiveness to new businesses, its innovative workforce, and its tourism industry.
- Public funding for the cultural sector can ensure access to cultural programs for *all* residents, including those who otherwise could not participate, and it can help make the Cultural Vision Plan a reality.
- Providing cultural opportunities such as field trips and residencies for CMS students should be a shared effort between CMS and private sector donors.
- By investing in creativity and culture, elected officials can build Charlotte's brand as an innovation hub and an attractive place for businesses to locate and recruit employees.
- Mecklenburg County would benefit from a reallocation of state funding to a more equitable distribution among North Carolina cultural organizations.

Recommendations for Public Sector

ASC designs and spearheads a comprehensive public advocacy plan for the cultural sector, serving as the leading advocate for its economic impact and its educational and quality of life benefits. The advocacy strategy should focus on rebuilding the public and private partnership that built the cultural facilities and the cultural sector over the last 40 years.

Short-Term Stabilization Strategies – One to Five Years

Through active participation and leadership within the Chamber of Commerce and Center City Partners, ASC and Cultural Partner leaders help shape the city's legislative and advocacy agenda each year:

City of Charlotte: Request that the City of Charlotte grow its per capita cultural sector operating funding by \$1.30 per capita to generate an additional \$1,040,000 per year. This would restore funding to 2002 levels and generating additional operating support for the Cultural Partners, as well as funding shared resources to benefit the sector (investing in the data project, increased marketing, etc.) and to rebuild infrastructure that leads to sustainability.

Mecklenburg County: Request that Mecklenburg County increase its cultural program funding by \$1.30 per capita, generating an additional \$1.3 million per year and focusing on stabilization and implementation of the Cultural Vision Plan and neighborhood, grassroots and education programs.

Towns: Request that Huntersville, Matthews, Cornelius, Davidson, Pineville and Mint Hill increase their contributions to ASC by \$1.30 per capita, generating an additional \$195,000 per year.

CMS: Charlotte-Mecklenburg Schools restore funding for arts, science and history field trips (currently paid with \$400,000 of ASC and private donor funding), eventually growing to \$1 million per year to fund field trips for every grade pre-K through 12. CMS identifies opportunities to reallocate existing budget funds or seeks new County funds directly. CMS and members of the cultural sector create and strengthen partnerships with MeckEd, Communities in Schools and other nonprofits that are potential collaborators for field trips and enriching cultural experiences.

State: ASC, Center City Partners, Cultural Partners and the CRVA build a coalition of counties across the state to focus on equitable funding distribution for cultural resources, engaging every county in North Carolina. This coalition drives lobbying efforts in collaboration with the Chamber's legislative work group, the state Mecklenburg County delegation and the NC Department of Cultural Resources to determine appropriate, equitable funding for major state cultural resources housed across the state outside of Raleigh. (One example: One museum in Raleigh receives \$16 million in state support each year, while all Mecklenburg County cultural organizations *combined* receive \$1.4 million total from the NC Arts Council and the Grassroots Science Fund. Another: State funding for Wake County is approximately \$30 per capita, while Mecklenburg County receives \$1.40 per capita from the state.)

ASC, Cultural Partners, City, Towns and County have designated goals within their respective organizations to work in partnership with elected officials to develop a predictable, long-term funding model for the cultural sector.

Long-Term Growth Strategies- Five to 10 years

- Design a sustainable funding source and model unique to the Charlotte region's needs, based on lessons learned from cities and states such as Denver, Minnesota, Portland and others.
- Focus this funding on meeting the sector's critical need for unrestricted operating support.
- Address long-term, dedicated public funding for the cultural sector through a new tax structure to replace and expand upon the additive City, County and Town funds described in the Short-Term Stabilization Strategies section.

ASC & Cultural Partners Findings

As the Task Force delved into the intricacies of the cultural sector's funding model, consensus emerged that the Arts & Science Council was an essential and vitally important consideration in any recommendations or changes to the sector.

The Task Force supports ASC's role as Charlotte-Mecklenburg's local arts agency, and it recommends continuation of ASC's Annual Fund Drive and workplace giving fundraising efforts. Members believe, however, that ASC is in need of reconsideration and reinvention, and it can better fulfill its potential through a strategic redefinition of its purpose and services.

ASC & Cultural Partners Background

Highlights of the Task Force's research and findings about the current cultural sector funding model and the role of ASC include:

- ASC Fund Drive remains the largest and most effective way to generate new donors for the cultural sector, although the participation and engagement of many of those donors remains low.
- ASC has begun adapting its 20th century workplace giving funding model for the 21st century through innovative new programs like Power2Give.org, which has attained national success and recognition.
- Operating support is the most critical type of funding for local cultural organizations, and the one most difficult to obtain, as many funders have shifted primarily to project grants. Operating support from ASC to the Cultural Partners has declined by more than \$4 million per year over the last five years.
- ASC remains the largest local grantor of unrestricted operating dollars, giving more than \$6 million per year to its Cultural Partners.
- Over the last six years, revenue growth among the Cultural Partners has been attributable entirely to new buildings in Uptown Charlotte. When revenue related to the new buildings is removed, total revenue for the rest of the Partners has contracted.
- The Cultural Vision Plan calls for more accessible, neighborhood-based, culturally relevant programming that engages all Charlotte-Mecklenburg residents.
- The local cultural sector is a major driver of tourism and economic development, but the sector and ASC remain poorly integrated into the larger business and tourism promotion organizations.
- ASC has untapped potential for expanded advocacy, promotional and marketing functions, assuming staff and technology investments in those areas.
- Cultural organizations lack the internal resources to collect and analyze donor and patron data in a cost-effective and strategic manner. ASC has begun to

address this through its multi-year data management and analysis project with consultant Louise Stevens.

- Cultural Partners are spending a greater percentage of their budgets on programming than is recommended by national groups like Charity Navigator and Guidestar, while spending an inappropriately low percentage on fundraising and administration. This process of “starving” revenue-generating departments like fundraising and marketing is unsustainable.

ASC & Cultural Partners Conclusions

The Task Force’s research led members to several conclusions about how ASC can and should be involved in the Charlotte cultural community’s stabilization and growth.

- ASC can leverage the arrival of its new CEO this spring as an opportunity to reinvent its mission, programs and structure.
- The Annual Fund Drive and its workplace giving components need to be strengthened and grown, in parallel with investing in innovative new fundraising models that can complement the Annual Fund Drive.
- ASC can better serve as a conduit for new cultural donors to learn about and support specific Cultural Partners.
- The 23 Cultural Partners are the building blocks of the entire cultural community, and community members and donors want to see them supported and strengthened through Operating Support Grants.
- Smaller groups, educational programs and individual artists should also be part of ASC’s focus.
- The cultural community is a major player in the fields of tourism and economic development, and it needs to be “at the table” and well integrated into the region’s promotional organizations.
- ASC is uniquely well positioned to serve as the sector’s data collection, management and analysis center, providing donor and patron insights that can help Cultural Partners increase attendance and donations.

Recommendations for ASC and Cultural Partners

ASC begins a comprehensive process of reinventing its mission, structure and relationship to the cultural sector, focusing on the new and expanded goals and recommendations in this report.

Short-Term Stabilization Strategies – One to Five Years

- Restructure ASC board of directors, governance process, staff and operations to fulfill these recommendations.
 - ➔ Focus the board on the messaging, fundraising, advocacy and influence skills needed to implement these Recommendations and elevate the sector's funding over the next ten years.
 - ➔ Consider the creation of an advisory board for ex-officio members, enabling a smaller and more focused governing and fundraising board for ASC.
- In part with increases in government funding, ASC works to return Cultural Partner operating grants as close as possible to pre-downturn levels. Short-term increases in funding support are made with the goal of longer-term self-sufficiency and sustainability.
- With new dollars, Cultural Partners first build their revenue generation capacity, including the technology and donor stewardship practices to interface with ASC donor database.
- As additional funds become available, ASC and the Cultural Partners begin to implement the Cultural Vision Plan with its emphasis on neighborhood, innovative, grassroots and education programming.
- Cultural Partners leverage the private and public sector investments to generate sustainable earned and contributed revenue. National data suggest that over five years, the Cultural Partners would increase their own revenue sources by two times the size of the initial development and marketing infrastructure investment; i.e. an investment of \$4 million in revenue-generating infrastructure could create, over time, additional revenues of \$8 million per year.

Advocacy and Promotion:

- ASC embraces the role of leading advocate for the Charlotte region’s cultural sector in economic development, legislative and public awareness conversations, and it collaborates with the Chamber, business community, Cultural Partners, universities, leading nonprofits, and elected officials on significant policy initiatives.
 - ➔ ASC takes the lead on coordinated advocacy for changes in public funding of the cultural sector, charitable tax law, zoning and other regulatory issues.
 - ➔ ASC investigates additional opportunities to serve the cultural community as a trade association or professional association.
- Cultural sector leaders, ASC, Chamber, City, County, state legislative delegation and regional councils of governments build a *Regional Cultural Coalition* of arts councils and elected officials to develop a reliable, long-term funding model for the cultural sector.
- Make the Charlotte region recognized as a cultural tourism destination and a desirable region for corporate relocation.
 - ➔ Strengthen partnerships with the CRVA and other regional tourism agencies to increase regional and national cultural tourism marketing expenditures, based on evidence that it drives significant economic investment in Charlotte.
 - ➔ Partner with chambers of commerce, downtown districts and economic development organizations across the region to emphasize the sector’s economic importance and leverage the sector for corporate relocations.
 - ➔ Through corporate leadership networks, create the expectation that relocations and new businesses will support the Charlotte cultural sector financially and be leaders in employee engagement and participation.
- ASC, in partnership with the Cultural Partners, designs and implements a comprehensive communication strategy that makes the case for additional participation and funding *and* educates the wider community about the value of the cultural sector (economic development, quality of life, employment, education, etc.). This strategy includes design and communication of creative benefits for businesses participating in the cultural sector, both financially and through employee engagement initiatives.

Connections and Data:

- ASC makes a major investment in gathering, housing and analyzing **donor and patron** data on behalf of the Cultural Partners, to be used as a tool for the Partners to increase their fundraising and marketing capacity.
 - ➔ Start-up costs include the hardware and software needed for data analytics, for supporting the Cultural Partners and their participation in the data project, and for implementation of a loyalty card and cultural sector rewards program.
- As part of its commitment to data-driven leadership of the cultural sector, ASC collects Campaign donor preferences and interests, sharing them with the Cultural Partners for additional cultivation;
- As part of its focus on workplace engagement and determining employee interests and preferences, ASC also collects and shares **engagement** data with the Cultural Partners. This information would come from vehicles (surveys, focus groups) that encourage employees to provide input regarding their connections to and interest in the cultural sector and its programming.

Fundraising and Grant-Making:

- Focus additional expansion in ASC funding on the data management project, increased operating support for the Cultural Partners, and increased grants for projects that reflect the Cultural Vision Plan's emphasis on neighborhood programs, diversity, education and accessibility.
- Create a new ASC grant pool to begin funding implementation of the Cultural Vision Plan, beginning with \$1 million-\$1.5 million per year and increasing to \$3 million annually within five years.
- Research and promote new methods of reaching community donors outside the workplace through programs like power2give.org and Days of Giving.
- Invest heavily in ASC and Cultural Partner development teams to support expansion of current Fund Drive and create new avenues of donor engagement and community giving.
 - ➔ Benchmark successful, comparable development departments (Chamber, major nonprofits, universities, hospitals) and hire accordingly.
 - ➔ At the same time, potential areas of fundraising staff collaboration for ASC and the Cultural Partners are considered (ex: endowment, prospect research, corporate, etc.)



Long-Term Stabilization Strategies – Five to 10 years

- Cultural Partners set specific annual goals for strengthening balance sheets, making financial sustainability a long-term institutional priority.
- ASC teams with the Cultural Partners to invest in programs that fulfill the Cultural Vision Plan.



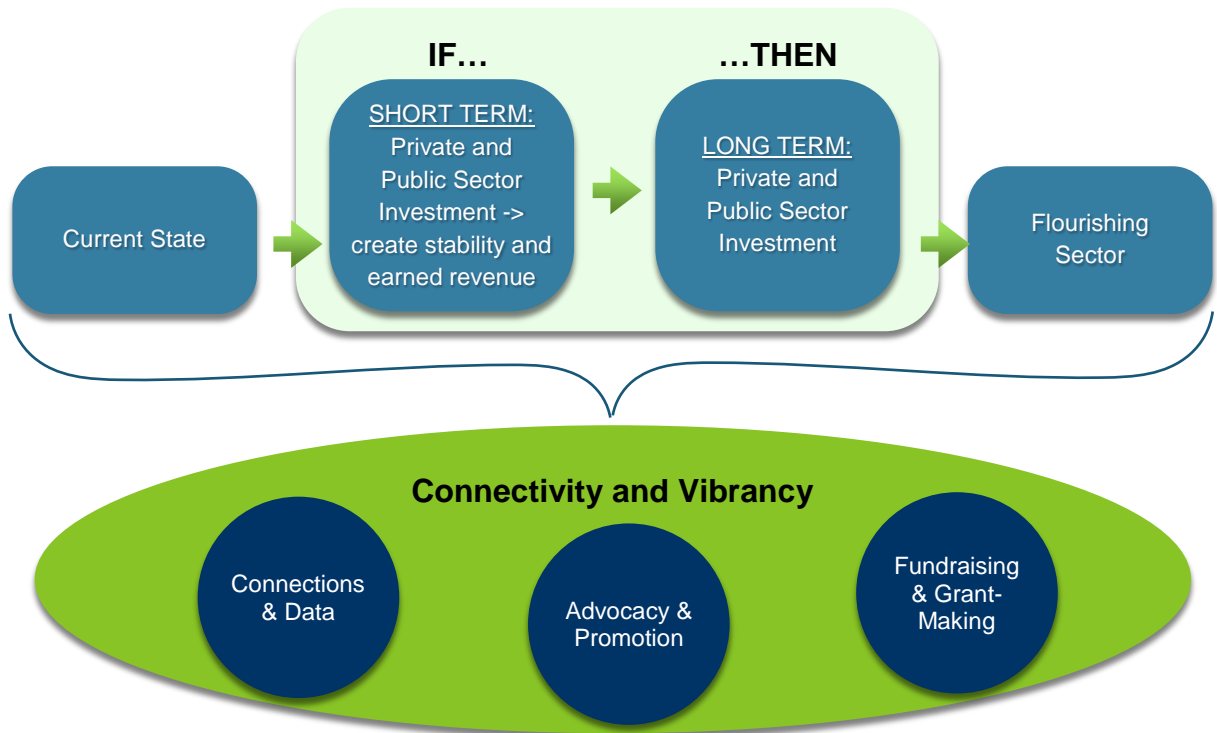
06

Recommendations by
Sector/Source

As it crafted recommendations for the Cultural Sector, the Task Force grouped potential changes into two categories: short-term stabilization efforts and long-term growth initiatives.

This sector-wide transformation begins with stabilization by private donors and government, continues through increased efficiency, engagement and outreach by local cultural groups, and moves toward long-term solutions through a restored public/private funding partnership.

Chart ES.1: Cultural Sector Process of Change



Key Goals of the Recommendations

The Cultural Life Task Force recommends four key actions to ensure vibrant, accessible arts, science and history programs for future generations in Charlotte-Mecklenburg:

- Restructure Arts & Science Council and private sector giving to increase individual, corporate and foundation donations *directly* to the Cultural Partners and other nonprofit cultural organizations. Establish ASC as the gateway for *new* cultural donors and participants who enter the sector through a workplace campaign and are then invited to develop strong relationships directly with Cultural Partners. ASC develops a donor data base that is shared with Cultural Partners to move donors' information and connections to the Cultural Partners.

- Engage local and state government to recommit and expand support for the cultural sector to restore the public/private partnership that built and grew the local arts, science and history sector.
- Reinvent ASC and its mission from the ground up so that it can be more effective in leading the cultural community's adaptation to 21st-century trends in philanthropy, demographics and citizen participation. Focus ASC on adapting to a constantly changing environment, continuously refreshing the case for the cultural sector and allocating funds responsively.
- Support the ASC Cultural Partners with administrative, fundraising and managerial resources as they focus on revising, building and continuously improving their programmatic, revenue and governance operations and sustainability.

To achieve these goals, the Task Force recommends strategies in two categories: short-term stabilization and long-term growth.

Short-Term Stabilization Strategies – One to Five Years

The strategies proposed in this section reflect recommendations that are intended to relieve current challenges experienced by the arts, science and culture sector.

ASC & Cultural Partner Structure:

- ASC begins a comprehensive process of reinventing its mission, structure and relationship to the cultural sector, focusing on the new and expanded goals and recommendations in this report.
- Restructure ASC board of directors, governance process, staff and operations to fulfill these recommendations.
 - ➔ Focus the board on the messaging, fundraising, advocacy and influence skills needed to implement these Recommendations and elevate the sector's funding over the next ten years.
 - ➔ Consider the creation of an advisory board for ex-officio members, enabling a smaller and more focused governing and fundraising board for ASC.
- In part with increases in government funding, ASC works to return Cultural Partner operating grants as close as possible to pre-downturn levels. Short-term

increases in funding support are made with the goal of longer-term self-sufficiency and sustainability.

- With new dollars, Cultural Partners first build their revenue generation capacity, including the technology and donor stewardship practices to interface with ASC donor database.
- As additional funds become available, ASC and the Cultural Partners begin to implement the Cultural Vision Plan with its emphasis on neighborhood, innovative, grassroots and education programming.
- Cultural Partners leverage the private and public sector investments to generate sustainable earned and contributed revenue. National data suggest that over five years, the Cultural Partners would increase their own revenue sources by two times the size of the initial development and marketing infrastructure investment; i.e. an investment of \$4 million in revenue-generating infrastructure could create, over time, additional revenues of \$8 million per year.

Advocacy and Promotion:

- ASC embraces the role of leading advocate for the Charlotte region's cultural sector in economic development, legislative and public awareness conversations, and it collaborates with the Chamber, business community, Cultural Partners, universities, leading nonprofits, and elected officials on significant policy initiatives.
 - ➔ ASC takes the lead on coordinated advocacy for changes in public funding of the cultural sector, charitable tax law, zoning and other regulatory issues.
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- Make the Charlotte region recognized as a cultural tourism destination and a desirable region for corporate relocation.
 - ➔ Strengthen partnerships with the CRVA and other regional tourism agencies to increase regional and national cultural tourism marketing expenditures, based on evidence that it drives significant economic investment in Charlotte.

- ➔ Partner with chambers of commerce, downtown districts and economic development organizations across the region to emphasize the sector's economic importance and leverage the sector for corporate relocations.
- ➔ Through corporate leadership networks, create the expectation that relocations and new businesses will support the Charlotte cultural sector financially and be leaders in employee engagement and participation.
- ASC, in partnership with the Cultural Partners, designs and implements a comprehensive communication strategy that makes the case for additional participation and funding *and* educates the wider community about the value of the cultural sector (economic development, quality of life, employment, education, etc.). This strategy includes design and communication of creative benefits for businesses participating in the cultural sector, both financially and through employee engagement initiatives.

Connections and Data:

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 - ➔ Start-up costs include the hardware and software needed for data analytics, for supporting the Cultural Partners and their participation in the data project, and for implementation of a loyalty card and cultural sector rewards program.
- As part of its commitment to data-driven leadership of the cultural sector, ASC collects Campaign donor preferences and interests, sharing them with the Cultural Partners for additional cultivation;
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- Focus additional expansion in ASC funding on the data management project, increased operating support for the Cultural Partners, and increased grants for projects that reflect the Cultural Vision Plan's emphasis on neighborhood programs, diversity, education and accessibility.

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- Invest heavily in ASC and Cultural Partner development teams to support expansion of current Fund Drive and create new avenues of donor engagement and community giving.
 - ➔ Benchmark successful, comparable development departments (Chamber, major nonprofits, universities, hospitals) and hire accordingly.
 - ➔ At the same time, potential areas of fundraising staff collaboration for ASC and the Cultural Partners are considered (ex: endowment, prospect research, corporate, etc.).

Private Sector:

- ASC creates the structures, relationships and operations to convert its Annual Fund Drive into a true year-round **Culture Campaign**, a vital pipeline for citizens in the workplace to become engaged, passionate, loyal patrons, donors and advocates for the Cultural Partners and the sector as a whole. This campaign would both raise money *and* build engagement and participation in arts, science and history programs.
 - ➔ ASC and Cultural Partners, recognizing that the nature of workplace giving is evolving, collaborate to find the best new community fundraising model for the region. This includes commissioning a transitional study to develop and assess innovative new community-wide “engagement” models (as opposed to fundraising models), that will be an effective bridge between public and private cultural sector support over the next five to 10 years.
 - ➔ Communicate the value and importance of the Cultural Campaign and the sector through stories of economic impact, personal involvement, accessibility and solving community challenges. Use this communication campaign to better position the sector as it competes for fundraising and participation dollars with a wide range of other charitable and entertainment opportunities.
 - ➔ Strategically bolster the ASC Campaign Cabinet with strategically chosen, senior community and corporate leadership to increase the influence and reach of the Campaign.

- Private funders invest strategically in building the fundraising and marketing capacity of cultural groups, enabling them to cultivate patrons and donors to their organizations from among all Charlotte-Mecklenburg residents *and* from among ASC Cultural Campaign participants.
 - ➔ Raise and direct new private sector dollars (\$2.5 million+ per year for 10 years) toward marketing and development resource projects for the Cultural Partners. These include staff, training and technology, preferably through multi-year project grants;
 - ➔ ASC and the Greater Charlotte Cultural Trust invest in training and staff positions within cultural organizations to cultivate and steward major individual gifts.


Public Sector:

- ASC designs and spearheads a comprehensive public advocacy plan for the cultural sector, serving as the leading advocate for its economic impact and its educational and quality of life benefits. The advocacy strategy should focus on rebuilding the public and private partnership that builds the cultural facilities and the cultural sector over the last 40 years.
- Through active participation and leadership within the Chamber of Commerce and Center City Partners, ASC and Cultural Partner leaders help shape the city's legislative and advocacy agenda each year:

City of Charlotte: Request that the City of Charlotte grow its per capita cultural sector operating funding by \$1.30 per capita that generates an additional \$1,040,000 per year. This would restore funding to 2002 levels and generating additional operating support for the Cultural Partners, as well as funding shared resources to benefit the sector (investing in the data project, increased marketing, etc.) and to rebuild infrastructure that leads to sustainability.

Mecklenburg County: Request that Mecklenburg County increase its cultural *program* funding by \$1.30 per capita, generating an additional \$1.3 million per year and focusing on stabilization and implementation of the Cultural Vision Plan and neighborhood, grassroots and education programs.

CMS: Charlotte-Mecklenburg Schools restore funding for arts, science and history field trips (currently paid with \$400,000 of ASC and private donor funding), eventually growing to \$1 million per year to fund field trips for every grade pre-K through 12. CMS identifies opportunities to



reallocate existing budget funds or seeks new County funds directly. CMS and members of the cultural sector create and strengthen partnerships with MeckEd, Communities in Schools and other nonprofits that are potential collaborators for field trips and enriching cultural experiences, as well as partnering with universities, colleges and community colleges to build a cultural-sector pipeline of innovative, critical thinkers.

Towns: Request that Huntersville, Matthews, Cornelius, Davidson, Pineville and Mint Hill increase their contributions to ASC by \$1.30 per capita, generating an additional \$195,000 per year.

State: ASC, Center City Partners, Cultural Partners and the CRVA build a coalition of counties across the state to focus on equitable funding distribution for cultural resources, engaging every county in North Carolina. This coalition drives lobbying efforts in collaboration with the Chamber's legislative work group, the state Mecklenburg County delegation and the NC Department of Cultural Resources to determine appropriate, equitable funding for major state cultural resources housed across the state outside of Raleigh. (One example: One museum in Raleigh receives \$16 million in state support each year, while all Mecklenburg County cultural organizations *combined* receive \$1.4 million total from the NC Arts Council and the Grassroots Science Fund. Another: State funding for Wake County is approximately \$30 per capita, while Mecklenburg County receives \$1.40 per capita from the state.)

Chart ES.2: Proposed Short-Term Investments

Public Sector Investment Increases

Source	Population	Increase	Total Amount (Annual)
City	793,000	\$1.30 per capita	\$1,040,000
County	1,000,000	\$1.30 per capita	\$1.3 million
CMS	1,000,000	\$1.00 per capita or \$7.50 per child	\$1 million
Towns	150,000	\$1.30 per capita	\$195,000
State	TBD	TBD	TBD
TOTAL			\$3.535 million +

New Private Sector Growth

\$2.0 – \$2.5 million per year from private funders X 10 years

New Cultural Partner Revenue

Strategies to increase contributed and earned revenues.
Leveraging the new public and private investments.

Long-Term Growth Strategies – Five to 10 Years

The strategies proposed in this section are intended to establish a long-term sustainable solution to current and potential future challenges anticipated based on the current state of the cultural sector and to promote overall growth and health of the sector moving forward.

Private Sector:

- The Cultural Trust, Cultural Partners and ASC design, launch and execute a strategy to generate \$125 million in additional endowment principal from private donors over 10 years.

ASC & Cultural Partner Structure:

- Cultural Partners set specific annual goals for strengthening balance sheets, making financial sustainability a long-term institutional priority.
- ASC teams with the Cultural Partners to invest in programs that fulfill the Cultural Vision Plan.

Public Sector:

- ASC, Cultural Partners, City, Towns and County have designated goals within their respective organizations to work in partnership with elected officials to develop a predictable, long-term funding model for the cultural sector.
 - ➔ Design a sustainable funding source and model unique to the Charlotte region's needs, based on lessons learned from cities and states such as Denver, Minnesota, Portland and others.
 - ➔ Focus this funding on meeting the sector's critical need for unrestricted operating support.
 - ➔ Address long-term, dedicated public funding for the cultural sector through a new tax structure to replace and expand upon the additive City, County and Town funds described in the Short-Term Stabilization Strategies section.

Chart ES.3: Proposed Long-Term Investments

Public Sector Investment

Dedicated revenue source for the cultural sector, providing predictable annual support and a foundation for growth.

Private Sector Investment

Cultural sector raises \$125 million in addition to endowment funds.



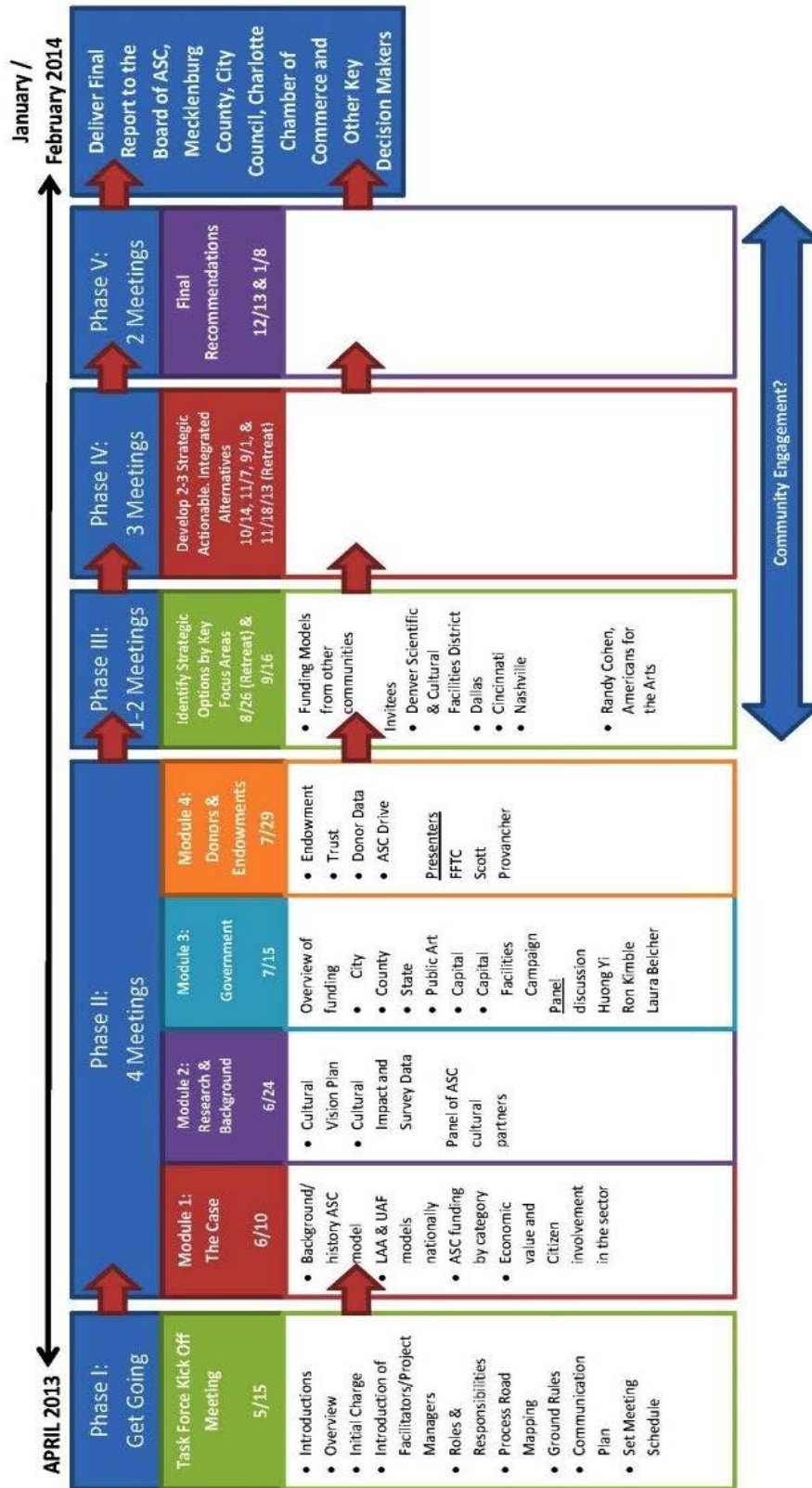
Appendices



Appendix A:

Cultural Life Task Force Original Timeline

APPENDIX A: Original Cultural Life Task Force Timeline





Appendix B:

Cultural Life Task Force Meeting Schedule

APPENDIX B: Cultural Life Task Force Meeting Schedule

Date	Time
May 15 th , 2013 (Wednesday)	3:00 – 5:00 pm
June 10 th , 2013 (Monday)	3:00 – 5:00 pm
June 24 th , 2013 (Monday)	3:00 – 5:30 pm
July 15 th , 2013 (Monday)	3:00 – 5:30 pm
July 29 th , 2013 (Monday)	3:00 – 5:30 pm
August 2 nd , 2013 (Friday)	12:00 am – 2:00 pm
August 26 th , 2013 (Monday)	9:00 am – 4:00 pm (Retreat) ¹
September 16 th , 2013 (Monday)	3:00 – 5:30 pm
October 14 th , 2013 (Monday)	3:00 – 5:30 pm
November 7 th , 2013 (Thursday)	3:30 – 5:30 pm
November 18 th , 2013 (Monday)	9:00 am – 1:00 pm (Retreat) ²
December 13 th , 2013 (Friday)	8:00 – 10:00 am
January 31 st , 2014 (Friday)	8:00 – 10:30 am
February 10 th , 2014 (Monday)	8:00 – 10:30 am
March 17 th , 2014 (Thursday)	8:00 – 10:30 am
June 6 th , 2014 (Friday)	8:00 – 10:30 am

All regular meetings took place at the Arts and Science Council Board Room.

¹Morning portion of the retreat took place at the Charlotte-Mecklenburg Library – Main Library. Afternoon portion of the retreat took place at Foundation for the Carolinas – Silverman Pavilion.

²Retreat took place at the Arts and Science Council Board Room.



Appendix C:

Cultural Partner Advisory Committee

APPENDIX C: Cultural Partner Advisory Committee

Committee Member	Position	Organization
Adrienne Dellinger	Executive Director	Clayworks Inc.
Tom Gabbard	President	Blumenthal Performing Arts
Kathleen Jameson, Ph. D.	Executive Director	The Mint Museum
Bruce LaRowe	Executive Director	Children's Theatre of Charlotte
John Mackay	President and CEO	Discovery Place
Doug Singleton	Executive Director	Charlotte Ballet
Jim Warren	Executive Director	Carolina Raptor Center
Emily Zimmern	President and CEO	Levine Museum of the New South



Appendix D:

ASC Cultural Life Survey

2013

APPENDIX D: ASC Cultural Life Survey 2013




ASC Cultural Life Survey 2013

Presented by
Eric Caratao, Social Research Specialist
UNC Charlotte Urban Institute

June 24th, 2013




1



Presentation Agenda

- Survey Background
- Background characteristics of survey respondents
- Survey findings (2013 and earlier)
- Main Points of Analysis
- Q & A



2

- In **2003**, ASC placed questions on the Charlotte-Mecklenburg Annual Survey conducted by the UNC Charlotte Urban Institute
- Since **2005**, ASC has commissioned an annual Charlotte-Mecklenburg Cultural Life Survey through the UNC Charlotte Urban Institute
- **2013** marks the 9th consecutive year of the project



3

- Survey of Mecklenburg County residents
- Random Digit Dialing (RDD) sample of households, supplemented with wireless numbers
- Telephone interview with 401 randomly identified adults aged 18+ (offered in English & Spanish)
- Interviewing conducted April 4 – April 25, 2013
- Data weighted to reflect adult population by age, gender, race, and ethnicity



4

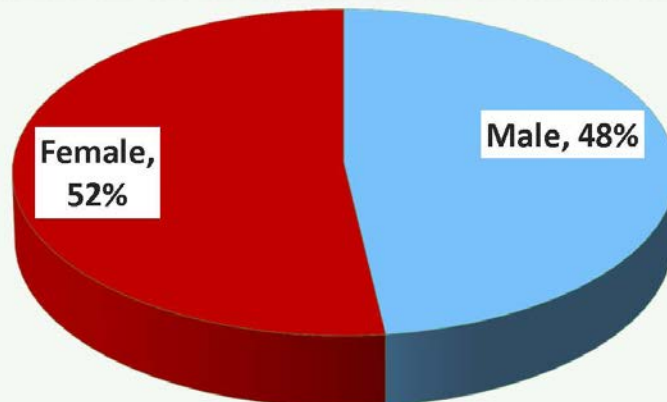


Cultural Life Survey 2013 Demographics

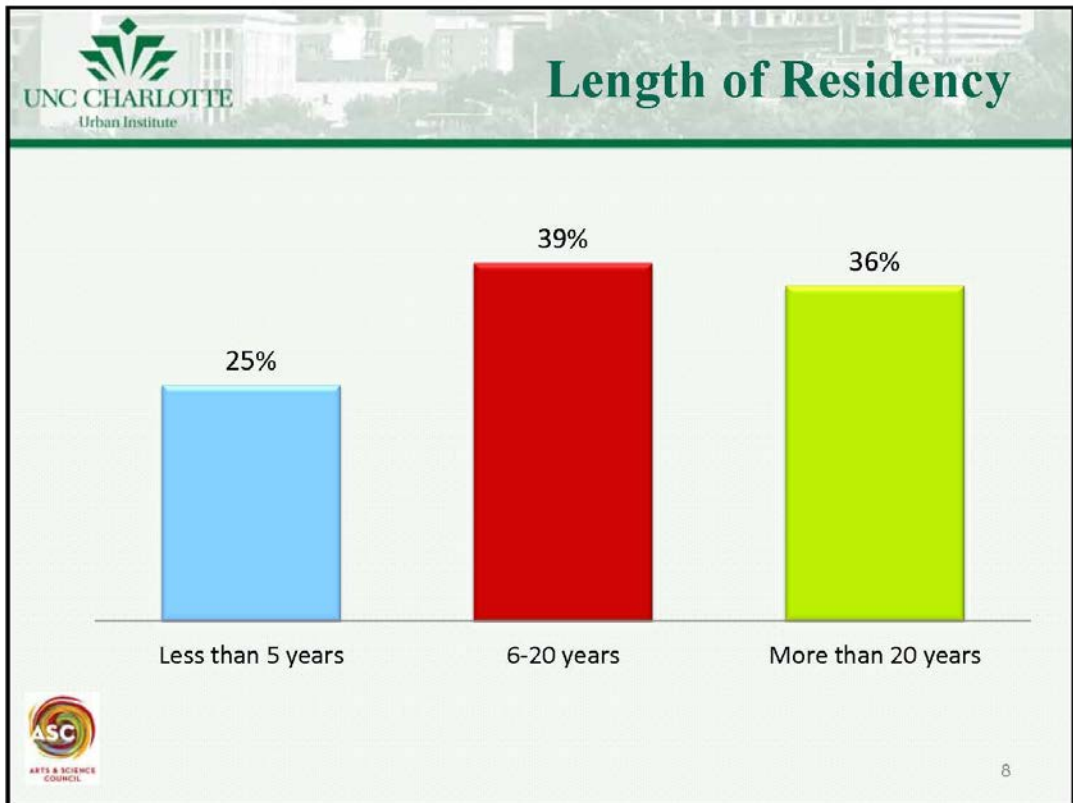
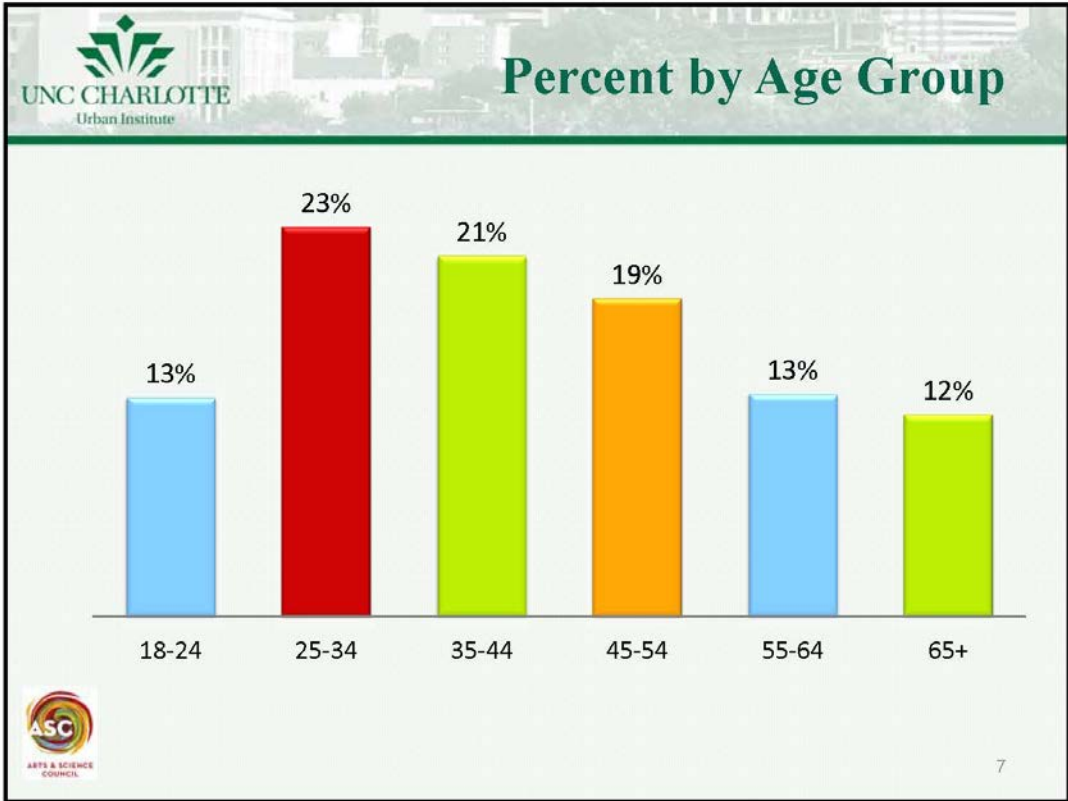


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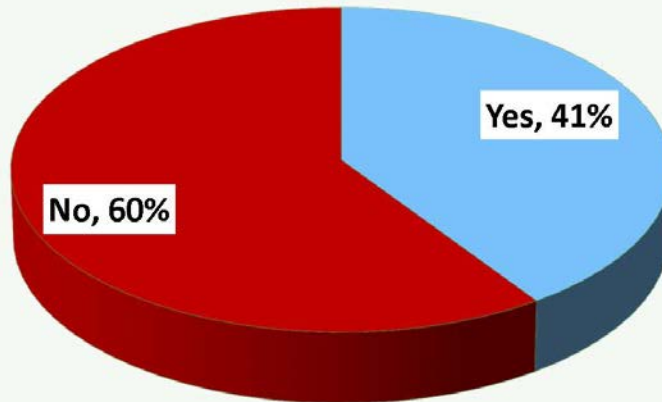
Gender



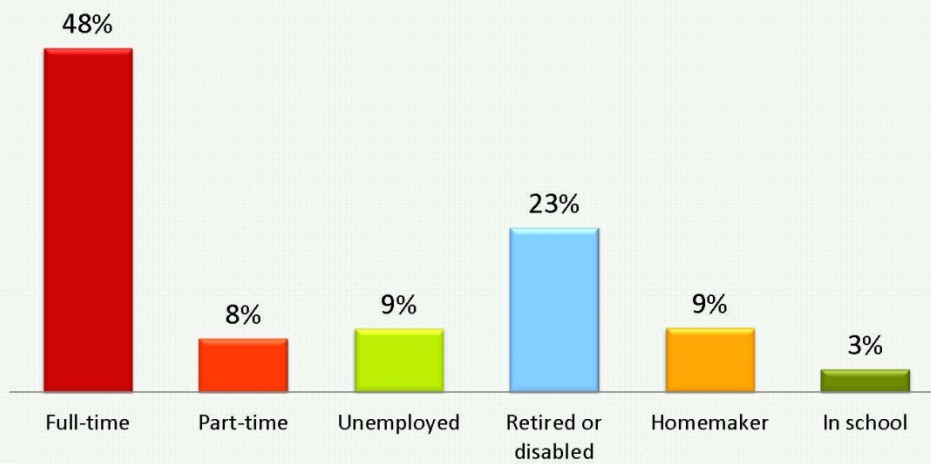
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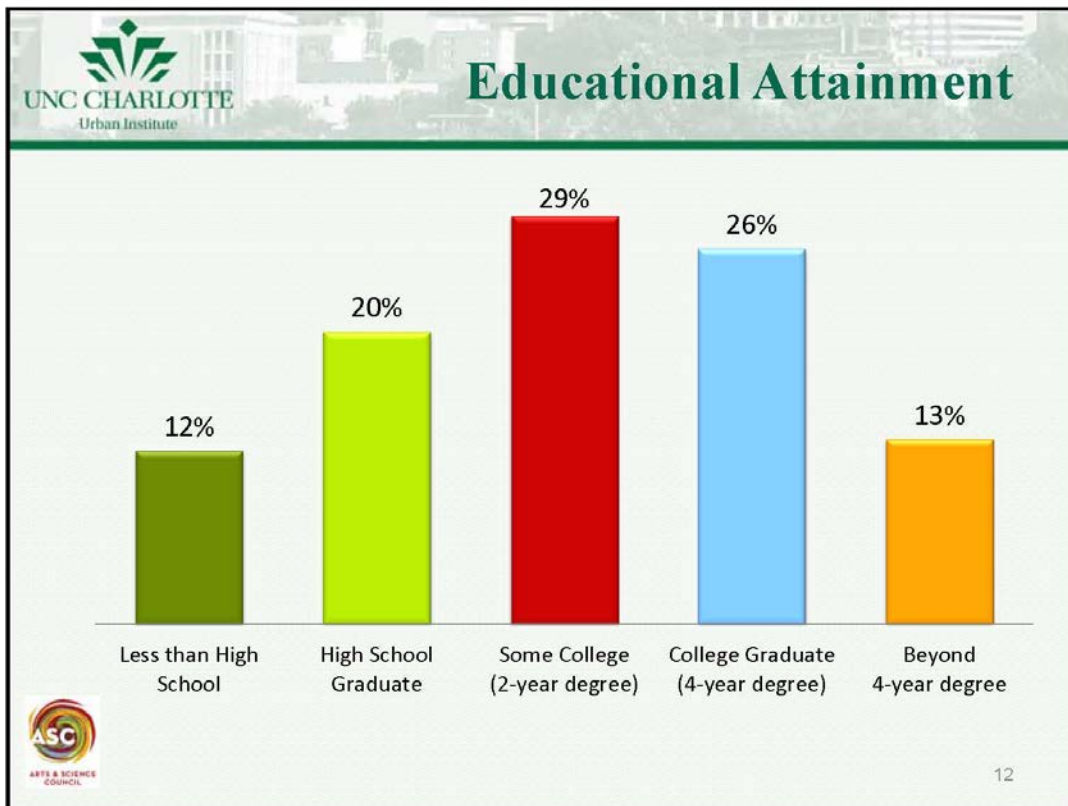
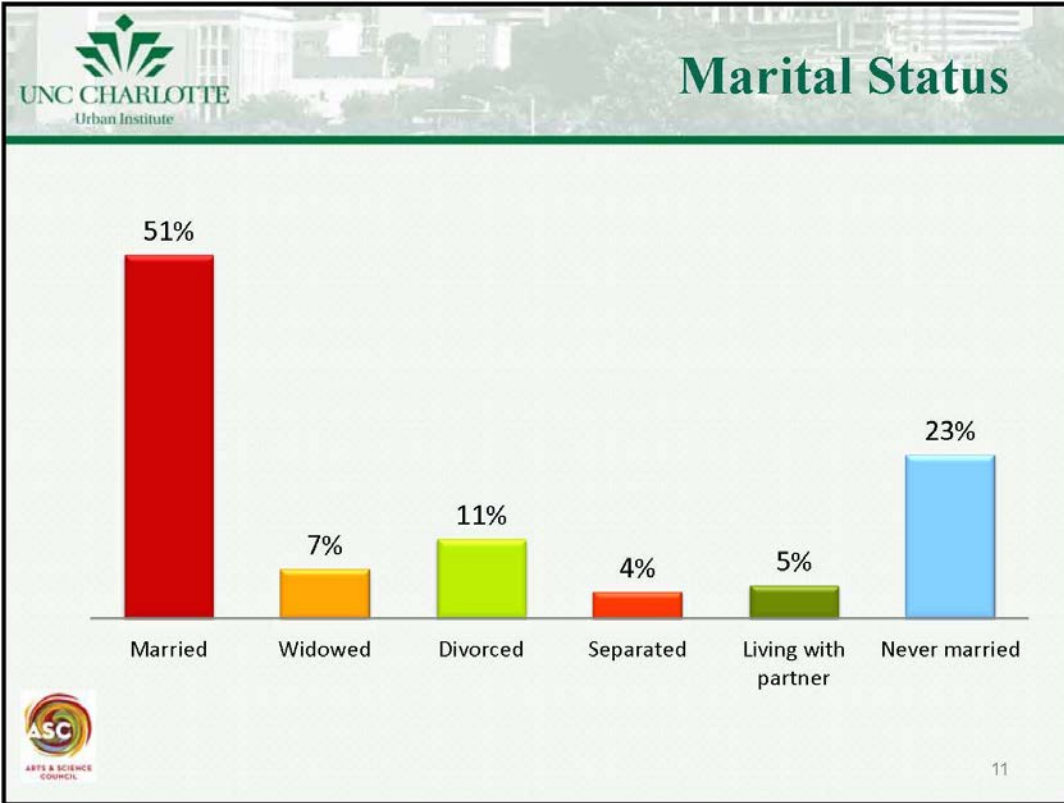


Children under 18 living in household

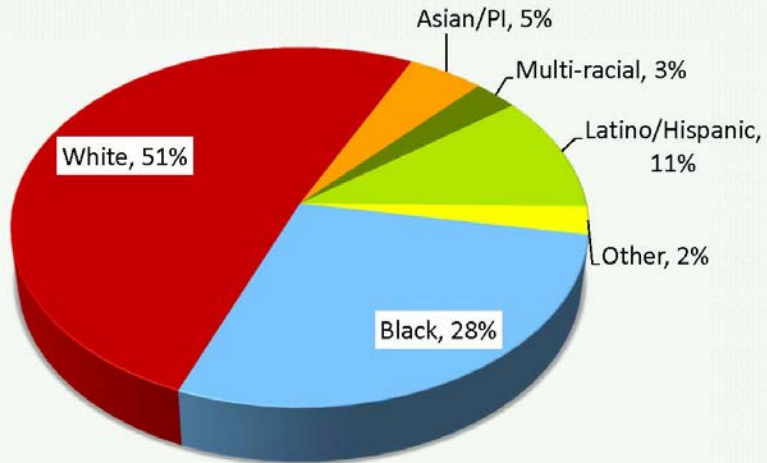


Employment Status

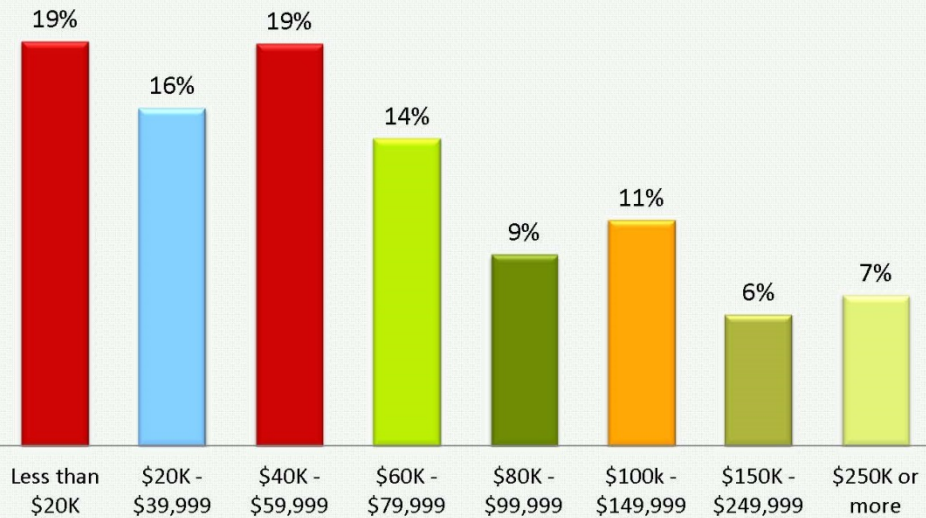




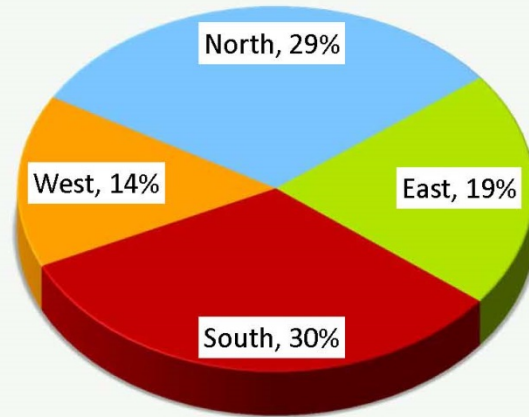
Race/Ethnicity



Annual Household Income



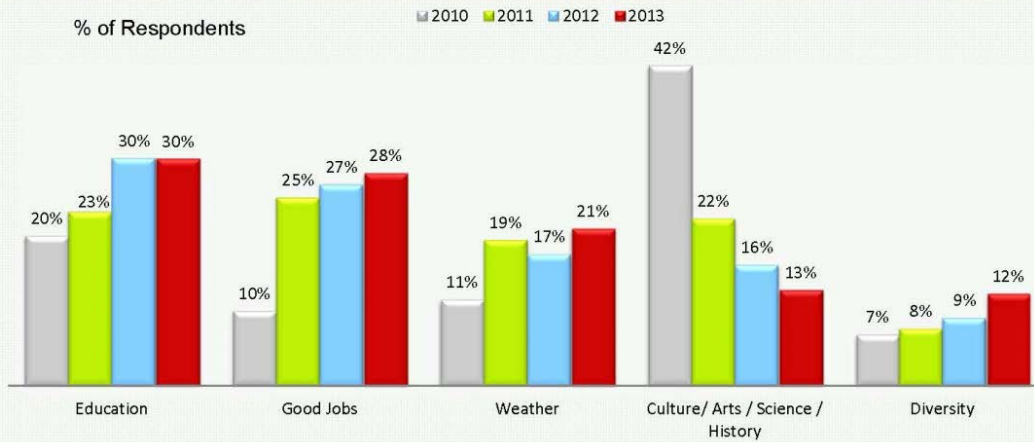
Respondent Geographic Location by Zip Code



Cultural Life Survey 2013 Findings: Quality-Related Questions



Quality of Life Factors (Top Five)



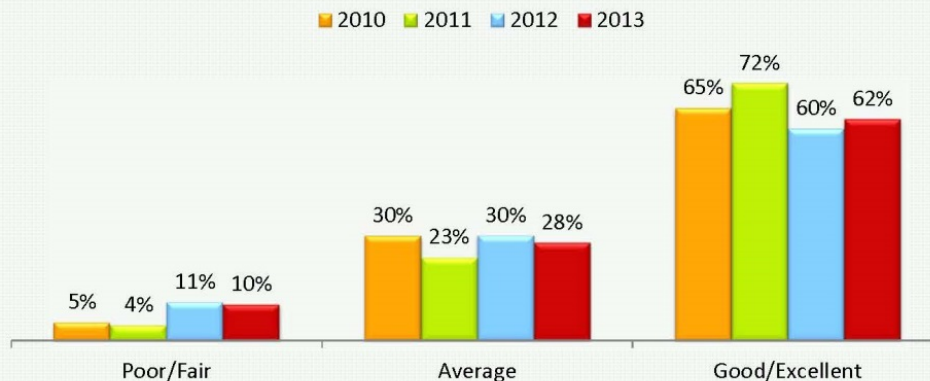
Respondents were asked to think of the two most important factors that contribute in a positive way to the quality of life in Charlotte-Mecklenburg. Education has remained the top factor since 2010 with both Good Jobs and Weather increasing in importance over the same period. For the first time in 2013, Diversity falls into the top five quality of life factors.



17

The Quality of Arts, Science, and History Programs and Activities

Rating on the Quality of Arts, Science, and History Programs and Activities in Charlotte-Mecklenburg



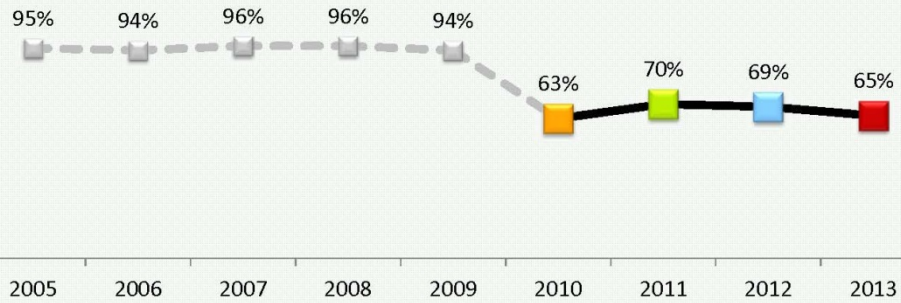
The majority of respondents rated the quality of arts, science, and history programs and activities in Charlotte-Mecklenburg as being Good or Excellent.



18

Positive Contribution to Quality of Life

% of Respondents who agree that arts, science, and history contribute to quality of life



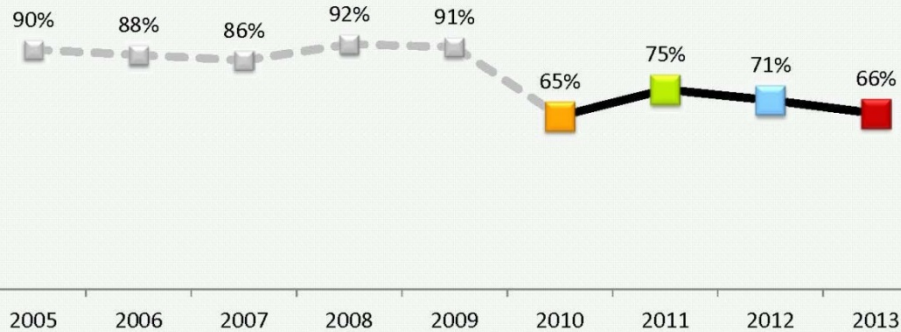
The percentage of survey respondents who agreed that arts, science and history organizations contribute to the quality of life in Charlotte-Mecklenburg decreased slightly from 2012, but is within the margin of error. This question was a Yes/No prior to the 2010 survey.



19

Makes Charlotte-Mecklenburg Attractive for Relocation

% of Respondents who agree that arts, science, and history make Charlotte-Mecklenburg more attractive for relocation



The percentage of survey respondents who agreed that arts, science and history organizations make Charlotte-Mecklenburg attractive to businesses and individuals decreased by five percent since 2012. This question was a Yes/No prior to the 2010 survey.



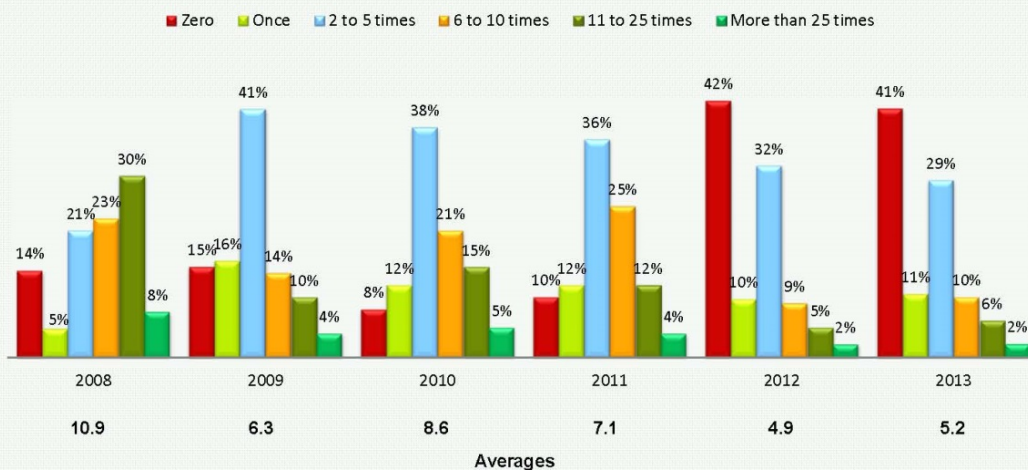
20



Cultural Life Survey 2013 Findings: Programs and Events Attendance



Attendance Frequency



The average number of programs and/or activities attended increased slightly from 2012 to 2013. Prior to 2012, zero attendance was determined by the number of respondents who were skipped on this question.



Barriers to attending arts & cultural events in Charlotte

% of Respondents

TOP BARRIERS	2010	2011	2012	2013
Traffic/Distance/Parking/Location	51.1%	72.5%	81.6%	83.6%
Already Do Enough or Too Busy	53.2%	56.8%	61.5%	53.6%
Cost of Tickets	51.4%	50.8%	51.7%	53.2%
Do not know what there is to do	27.8%	27.2%	35.3%	39.0%
No Interest	31.9%	33.8%	32.6%	30.8%
Children at home/Family	34.4%	24.1%	37.1%	30.4%
Too hard to get tickets	11.6%	16.2%	24.3%	27.4%
Access to Public Transportation	N/A	14.1%	21.0%	21.7%
Poor quality programs	9.9%	12.8%	18.5%	17.8%

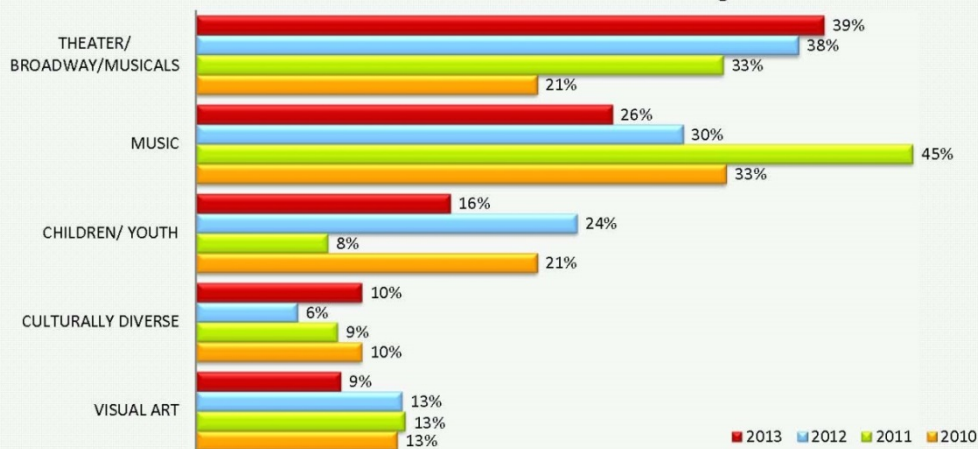
Barriers relating to traffic, distance, parking, and location are cited the most followed by too busy to attend and cost of tickets.



23

Desired Programs to Attend (Top Five)

% of Respondents: Type of Programs Respondents Would Like to Attend More of in Charlotte-Mecklenburg



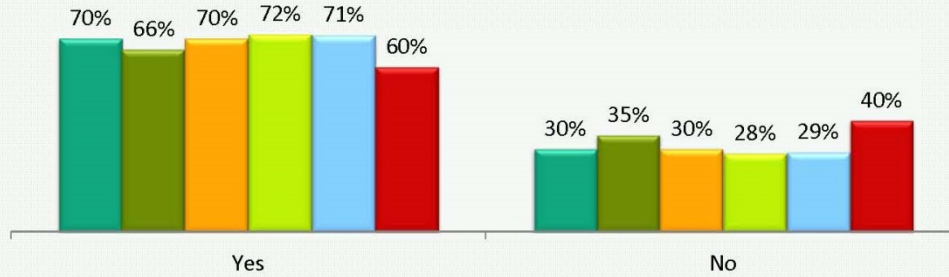
Similar to previous years, respondents prefer to see more Theater/Broadway programs, followed by Music programs. Between the 2012 and 2013 surveys, the percent of respondents who would like to see more Culturally Diverse programs increased by four percent.

24

Diversity of Programs Reflects Diversity of Community

Do you think that the arts, science or history programs available in Charlotte-Mecklenburg reflect the diversity of our community's population?

2008 2009 2010 2011 2012 2013



Overall, the majority of respondents continue to feel that the diversity of programs available in Charlotte-Mecklenburg reflects the diversity of the community. Noting this, the strength of agreement has decreased by eleven percent since 2012.



25



Cultural Life Survey 2013 Findings: Arts, Music, Drama and Dance in Schools

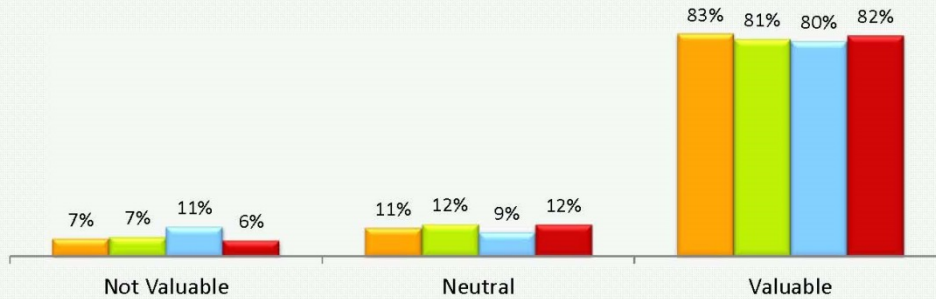


26

The Value of Arts, Music, Drama and Dance Instruction in Schools

Rating on the Value of Arts, Music, Drama and Dance Instruction in Schools

2010 2011 2012 2013



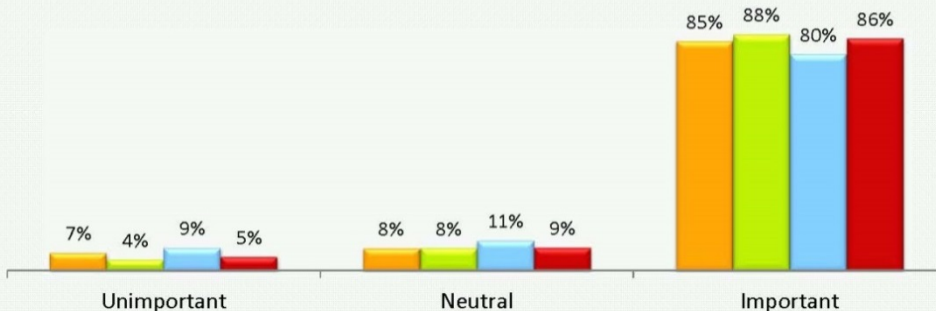
As with previous years, a strong majority of respondents stated that arts, music, drama and dance instruction in the schools to the education of children is valuable.



The Importance of Arts, Music, Drama and Dance Education Programs in Schools in Other Academic Subjects

Rating on the Importance of Arts, Music, Drama and Dance Education Programs in Schools

2010 2011 2012 2013

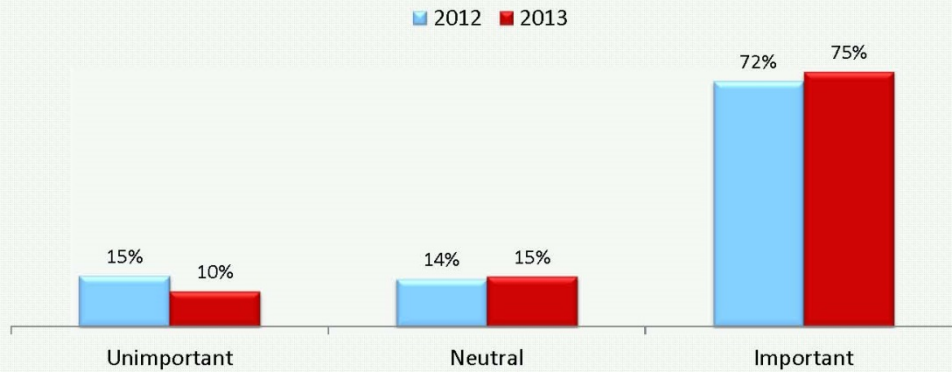


A strong majority of respondents stated that arts, music, drama and dance education programs in the schools are important in helping children do better in other academic subjects. The percentage of respondents who believed this increased by six percentage points between 2012 and 2013.



The Importance of Arts, Music, Drama and Dance Education Programs in Schools in Helping STEM Programs

Rating on the Importance of Arts, Music, Drama and Dance Education Programs in Schools (STEM programs)



The majority of respondents stated that arts, music, drama and dance education programs in the schools are important in helping children do better in STEM programs. The percentage of respondents who believed this increased by three percentage points between 2012 and 2013.



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Cultural Life Survey 2013 Findings: Public Support

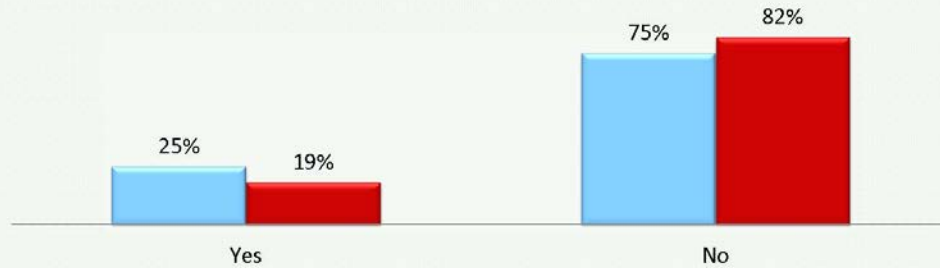


30

Contribution to ASC

Have you contributed money to the Arts & Science Council in the past 24 months?

■ 2012 ■ 2013



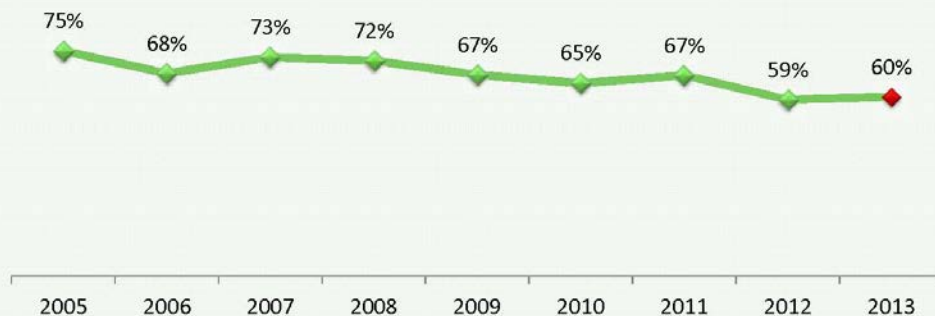
Almost a one fifth of respondents have contributed money to the Arts & Science Council in the past two years. This is a decrease from 2012 when a quarter of respondents had contributed money.



31

Support for Enhanced Facilities with Public Art

% of Respondents Supporting 1% of Costs of Constructing Public Buildings Designated for Public Art



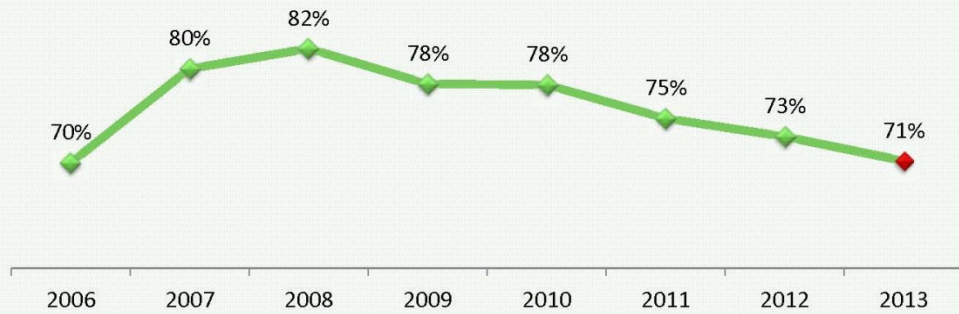
The percentage of survey respondents who support 1% of the costs of constructing public buildings to be designated for public art has remained almost unchanged from 2012 when the percentage decreased by eight percent from the previous year.



32

Support Local Government Funding of Facilities

% of Respondents Supporting Local Government Funding for Arts, Science and History Facilities

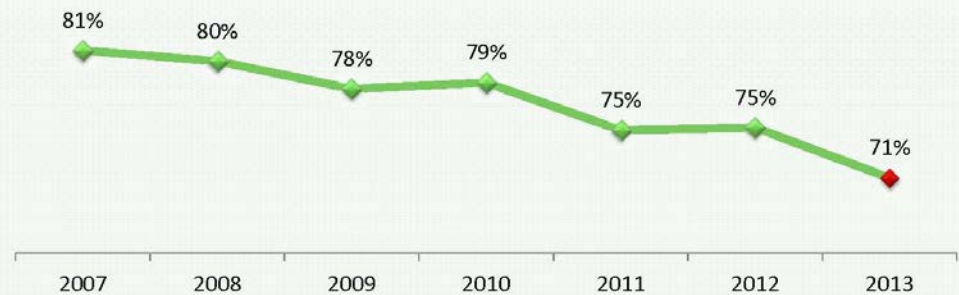


The percentage of survey respondents who support local government funding for arts, science and history facilities declined only slightly from 2012 but represents an eleven percent decrease from an all time high in 2008.



Support Local Government Funding of Programs

% of Respondents Supporting Local Government Funding for Arts, Science and History Programs



The percentage of survey respondents who support local government funding for arts, science and history programs decreased slightly by four percentage points for 2013, however this level of support is consistent within the margin of error.





Cultural Life Survey 2013 Conclusions



35

Takeaway Points of Analysis

- Majority of respondents gave positive ratings to the quality of arts, science, and history programs and activities in Charlotte-Mecklenburg
- Arts, Science & History programs and activities continue to be seen as critical to the quality of life in the community and to the education of children
- Arts, Science & History organizations and programs are viewed as important assets to attract businesses and individuals considering relocation
- Traffic, distance, parking, and location as a whole were the most cited barriers to attending arts and cultural events
- While we see a decline in public support of using public funding to support programs and facilities, the level of support is at the level that indicates broad support of public funding
- There's a growing opinion that Arts, Science & History programs do not reflect the diverse population of the community



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ASC Cultural Life Survey 2013

Presented by:

Eric Caratao, Social Research Specialist

UNC Charlotte Urban Institute

Email: fcaratao@uncc.edu

Phone: (704) 687-1191





Appendix E:

Cultural Life Task Force Key Findings

Cultural Life Task Force Key Findings

September, 2013

Prepared by:



Table of Contents

Task Force Formation and Membership

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- Timeline

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 - Arts and Culture Recognized as Part of Successful Participation in the Workplace
- Trends, Themes and Concepts
 - Strong Communities

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- Five Comparison Cities

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- Some Thoughts About Giving Trends
- Two Possible Solutions

TASK FORCE FORMATION AND MEMBERSHIP

Formation

In winter 2013, the Arts & Science Council proposed the creation of a community task force to address challenges in funding the Charlotte/Mecklenburg arts, science and history sector.

Factors leading to the creation of the Task Force included

- The public/private funding partnership that had nurtured a thriving cultural sector for the last four decades was eroding due to a number of environmental and economic factors;
- Through the ASC's Cultural Vision Plan, regional residents expressed a desire for more accessible and relevant programming, greater programmatic innovation, and more cultural education programs;
- A new model for funding the entire cultural sector is essential to addressing recent changes *and* meeting residents' needs.

In presentations to both the City Council and the County Commission, the ASC received support for a task force with a four-fold mission:

- Examining the public/private partnership model:
 - Reviewing and commissioning research as needed
 - Understanding best practices
- Providing opportunities for community input
- Developing options for a future funding model
- Recommending actions

Membership

Task Force members were appointed by the City of Charlotte, Mecklenburg County, the Charlotte Chamber, Charlotte Center City Partners, Charlotte Mecklenburg Schools, Foundation For The Carolinas, and the Arts & Science Council. Members include:

Task Force Member

Business/Civic Affiliation

Valecia McDowell, Co-Chair

Moore & Van Allen

Pat Riley, Co-Chair

Allen Tate Company

Charity Bell

CMS

Charles Bowman

Bank of America

Edwin Peacock

Pomfret Financial

Hazen Blodgett

Town of Matthews

Janice Travis

Civic Leader

Joan Lorden

UNCC

Laura Meyer Wellman

E4E Relief

Laurissa Hunt

Behavioral Health

Lucia Zapata Griffith

Federal Reserve Bank

Lee Keesler

Charlotte Mecklenburg Library

Madelyn Caple

Wells Fargo

Martique Lorry

Centaur Arts

Melissa McGuire

Sherpa

Krista Tillman

Community Volunteer

Mohammad Jenatian

Greater Charlotte Hospitality and
Tourism Alliance

Shirley Fulton

Retired Judge

Stephanie Tyson

Primary Care

Susan Patterson

Knight Foundation

Todd Gorelick

Gorelick Brothers Capital

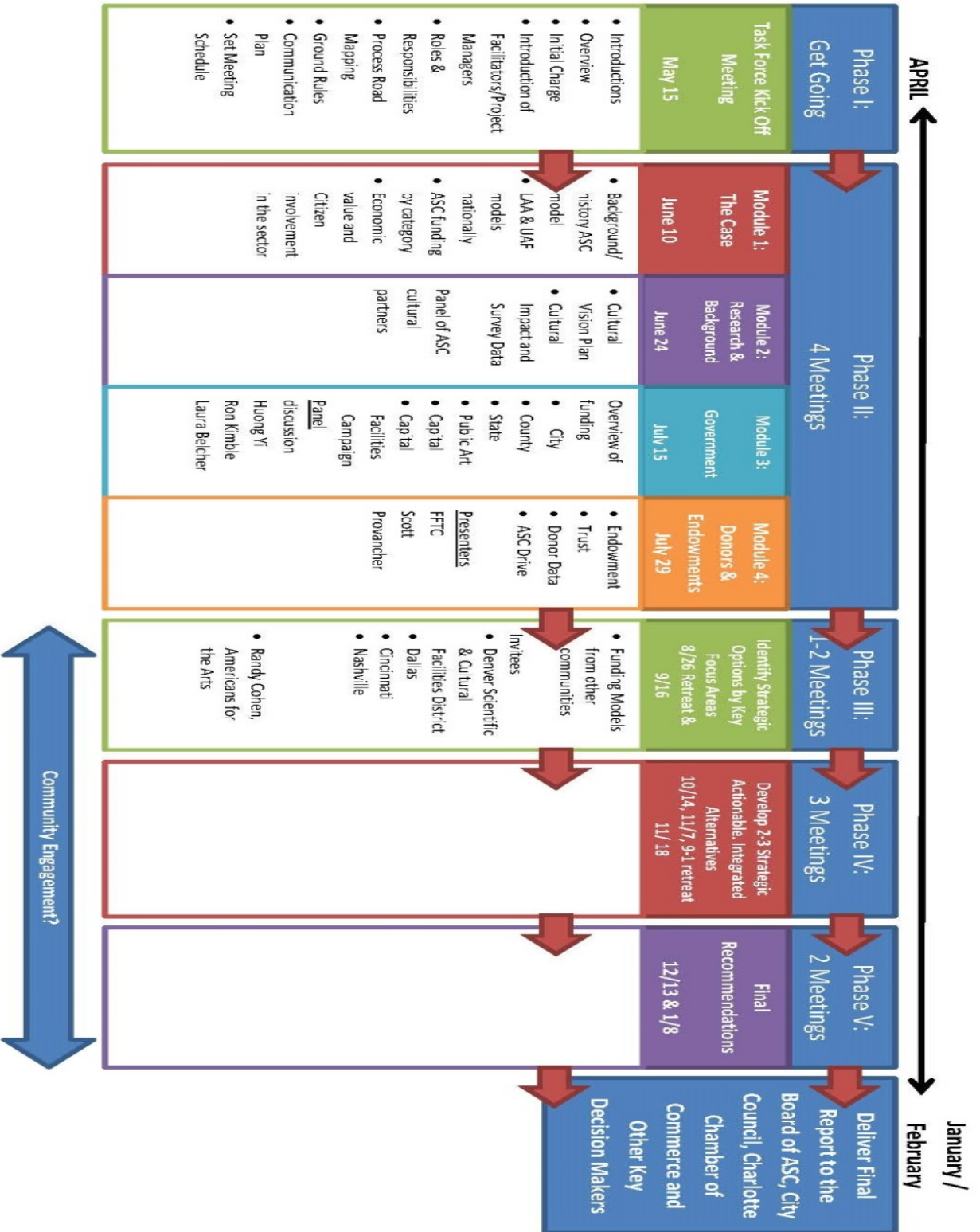
Tom Murray

Charlotte Regional Visitors Authority

Wayne Powers

Artist

Timeline



ECONOMIC IMPACT AND SIGNIFICANCE

Key Learnings

Economic Impact: Art and Culture Are Big Business

Investment in arts and culture supports jobs, generates tax revenues, promotes tourism and advances creativity-based economy.

Nationally

- US exports of arts goods grew to \$64 billion in 2010
- \$135b in economic activity – 4.1 million jobs
- \$22.3b in government revenue


Local Cultural Non-Profit Sector

- Provides \$202 million in economic impact (direct and indirect)
- Employs 6,240 full-time positions
- Produces \$18.1 million in local and state government revenues
(Source: Arts & Economic Prosperity IV, Americans for the Arts,

- More than \$125 million in annual revenues for ASC and its 24 Operating Support Partners. Made up of:
 - 31,000 annual donors
 - \$51.7 million in annual private contributions
 - \$41.7 million in earned revenue
 - \$180 million+ in endowments for individual organizations, which generates between \$5 million and \$8 million to sector annually
- 75,000+ annual programs and events
 - In FY13 over 3.3 million annual customer experiences
 - More than all professional sports teams combined
 - Includes 1.7 million cultural experiences for children and youth
 - More than 40% of annual customer experiences are by non-Mecklenburg County residents
 - In addition to the cost of admission, attendees spend \$30.72 per person
 - Non-residents spend twice as much as locals (\$41.58 vs. \$23.54)

Arts and Culture Recognized as Part of Successful Participation in the Workplace

Provides sought-after skills in 21st century workplace



Creativity is among top five skills sought by business:

- 72% say creativity is of high importance when hiring
- Creativity was identified as the #1 desired skill by the IBM Global CEO Survey

STEM programs at science organizations develop a base of careers that drive economy.

Nearly ½ of healthcare institutions across the country provide arts programming for patients, family and staff, leading to improved outcomes for patients including shorter hospital stays, better pain management and less medication.

Trends, Themes and Concepts

Strong Communities

A vibrant arts and culture sector helps to establish stronger levels of civic engagement, more social cohesion, improved child welfare, and lower poverty rates. Students who participate in the arts have higher GPA's, higher scores on standardized tests and lower drop-out rates – regardless of socio-economic status.

ARTS & SCIENCE COUNCIL CURRENT MODEL

Key Information

Mission: To build appreciation, participation and support of the arts, sciences, history and heritage in Charlotte-Mecklenburg.

Seven Core ASC Functions

Function	Job Description
Advocacy	Coordinate advocacy efforts of the local cultural community at the local, state and federal level
Capacity Building	Provide ongoing professional and volunteer development programs to increase the capacity of arts and cultural organizations
Cultural Planning	Lead cultural planning efforts for Charlotte-Mecklenburg
Grant Making	Distribute public and private funds through a competitive grant process and monitor grant recipients' use of funds
Education	Support arts, science and history/heritage education efforts in public, charter and independent schools including funding for in-school programs and field trips; out-of-school programs including funding for programs and pilot efforts to address educational needs for at risk children and youth; and provide professional development of educators
Public Art	Manage public art program for City, County and private clients
Public and Private Resource Development	Annual Fund Drive, private fundraising, securing city, county and state public funding

Current ASC Board Composition: 40 Members

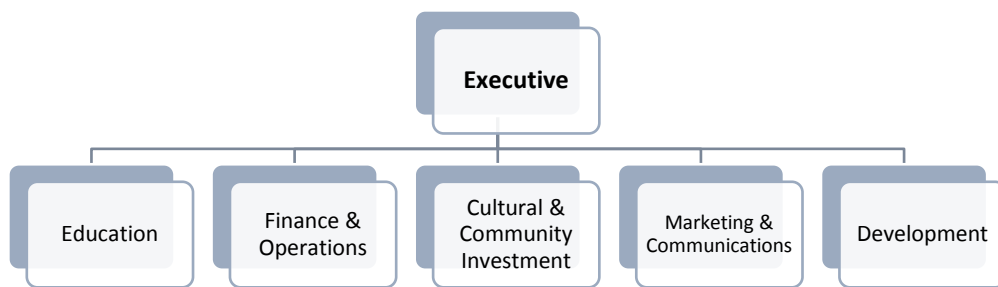
Number	Process	Terms
24	Elected	2 – three year terms
12	Appointed (City, County, CMS – 2 each; Mecklenburg County Towns – 1 each)	Serve at discretion of the appointing board
3	Ex-Officio (Chair, Public Art Commission; CEO or designee of Charlotte Center City Partners and Charlotte Regional Visitors Authority)	
1	Cultural Leadership Training Program Apprentice	Non-voting

ASC has been working over the past several years to downsize the board from a high of 56 members. The purpose of this effort is to:

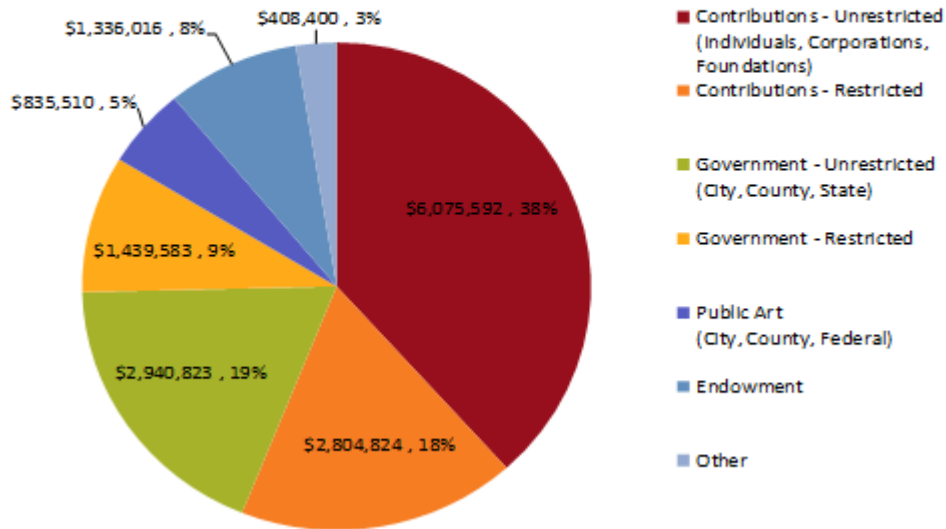
- Meet the fund raising needs, representation, counsel, fiduciary needs and skills sets required to achieve mission.
- Ensure productive engagement and communication of Board members.
 - Every director’s participation counts.
 - Directors get to know each other and create unified voice.
- Build more ownership and engagement for work of ASC.
- Create Board that is nimble and entrepreneurial in response to our changing community.

Staff

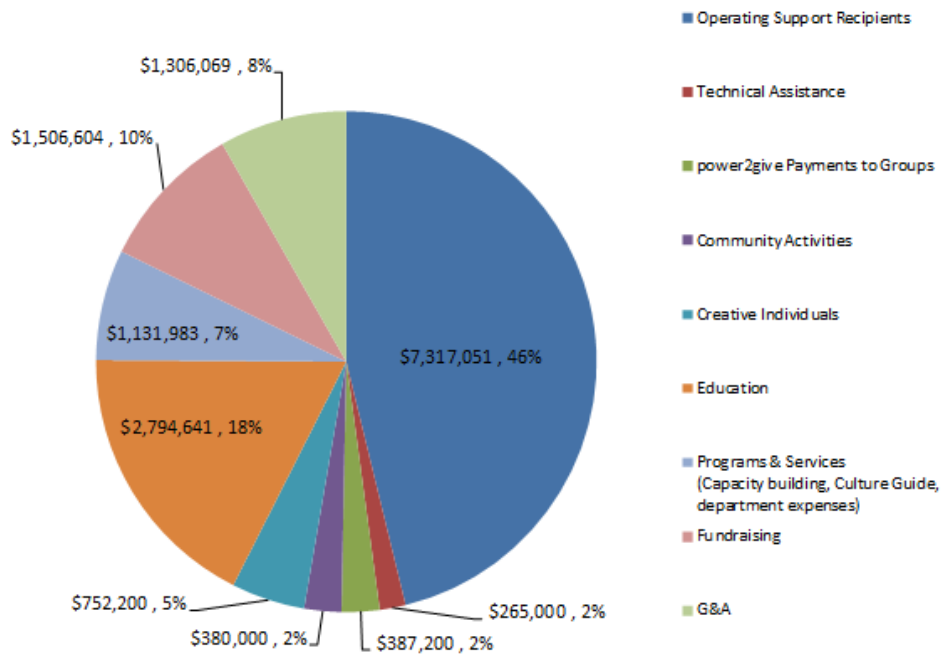
26 FTEs in 6 Departments



FY 2014 Budgeted ASC Revenues: \$15,840,748



FY14 Budgeted Expenses - \$15,840,748



Works with 200 cultural organizations (increase from just 8 in 1958)

Works with established regional arts council network

ASC 2013 Grants & Programs

Grant	Amount	Purpose	Community Participation
Operating	\$6,954,138	Operating support to 24 cultural partners	2.3 million people
Education –in-school & out-of-school time	\$1,221,905	School grants, Field trips, professional development, NC Wolf Trap, Studio 345 & other efforts	172,707 students & teachers
Cultural Projects & Festivals	\$351,220	Neighborhood Programs and Cultural Festivals	750,000
Regional Artist Projects	\$49,853	Project support for career development of local artists	32
Special Projects	\$76,512	Grants to support opportunities identified during fiscal year	Included in #s above
Technical Assistance/Professional Development	\$248,441	Grants to support planning, innovation efforts and Professional Development for cultural partner staff and volunteers	Included in #s above
Total	596 Grants		

ASC Operating Grant Recipients in 2013

- Actor's Theatre of Charlotte
- Bechtler Museum of Modern Art
- Carolina Raptor Center
- Carolina Voices
- Carolina Actors Studio Theatre (CAST)
- Charlotte Children's Choir
- Charlotte Symphony
- Children's Theatre of Charlotte
- Clayworks
- Community Arts Project
- Community School of the Arts
- Davidson Community Players
- Discovery Place
- Harvey B. Gantt Center for African American Arts + Culture
- Historic Latta Plantation
- Levine Museum of the New South
- McColl Center for Visual Art
- Mint Museum
- Blumenthal Performing Arts Center
- Charlotte Ballet

- Opera Carolina
- Theatre Charlotte
- Wing Haven

ASC is currently organized as a hybrid agency: Combines traditional Local Arts Agency (LAA) with the role of a United Arts Fund (UAF)

LAA: As the community leader for arts and culture: the LAA is charged with:

- Building the capacity of
 - Cultural organizations
 - Creative individuals to make a living in their discipline
 - The community to support, enjoy and participate in cultural opportunities
- Providing linkages between:
 - Arts community
 - Local government
 - Businesses
 - Educational institutions
 - Other organizations involved in civic progress

UAF: Private agencies that work to:

- Broaden support for the arts
- Promote excellence in the arts and arts management
- Ensure arts organizations are financially stable

Historically, UAF's also raise unrestricted money on behalf of three or more organizations through a combined appeal to their communities.

Since 1975 – ASC has operated as a public/private partnership

- City of Charlotte
- Mecklenburg County
- Towns
- Private Donors – Corporations, foundations and individuals

A broad range of interests – Art, Science and History/Heritage

Nationally recognized model for support

Maximizes impact by combining public resources provided by local and state government with the private resources provided by corporations, foundations and individuals

Trends, Themes and Other Concepts

Education

- Used to be accomplished by funding an external organization (originally called Cultural Education Collaborative and then re-organized as ArtsTeach in 2003)
- July 2009, ASC brought this initiative back in house.
- Spring, 2011, ASC and CMS created a new Blueprint for Education to guide partnership.
- Studio 345: Studio 345: Innovative, out-of-school program designed to increase high school graduation rates using digital photography and digital media arts. Offered free of charge to students, funded by Mecklenburg County and private funds raised by ASC. Partners: CMS, Project L.I.F.T., Charlotte-Mecklenburg Juvenile Court System

Constituent Services

- Capacity Building for professional and volunteer development
- Special training for creative individuals
- Audience Development
- CharlotteCultureGuide.com
- Random Acts of Culture
- Cultural Leadership Training
- Power2give
 - 17 power2give sites nationwide; raised more than \$3M.; posted 1,398 projects, processed 13,392 donations

Community Services

- Cultural Planning
- Research & Studies

Partnering with Creative Individuals & Regional Arts Councils

- Regional Artist Project Grants Program – 25 grants for equipment; 7 grants for professional development
- Restricted endowment providing funding for 11 regional arts council to use for education programs and technology

CULTURAL PLANNING

Key Findings

ASC has led four cultural action plans that have contributed to a vibrant and diverse arts, science and history community:

- 1. 1976 – restructured ASC and focused on development of cultural facilities in what is now known as the Charlotte Cultural District on North Tryon and restructured ASC into the agency we see today, established public/private funding platform that continues to this day**

Many important facilities were conceived and developed as part of this first plan: Spirit Square (1976), Discovery Place (1980), Afro-American Cultural Center (1985), NC Blumenthal Performing Arts Center (1992), McColl Center for Visual Art (1999), Mint Museum of Craft +Design (1999)

- 2. 1991 – focused on the stabilization of organizations, privatization of Mint Museum and diversity issues**

Both public sector and private sector increased annual funding through ASC to address stabilization issues and ASC led first unified endowment effort which formed foundation of now Greater Charlotte Cultural Trust assets. Second unified endowment effort in 1999 endowed new McColl Center for Visual Art and Mint Museum of Craft+Design.

- 3. 1998 – broadened access to arts, science and history; resulted in the expansion of the mission of ASC to include history/heritage and increased community-based program support**

City and County increased annual support to ASC to address increased neighborhood and grassroots activity (City) and added history/heritage organizations to ASC supported organizations (County).

- 4. 2013 – Cultural Vision Plan**

Constructed as “Imagine 2025”

Developed through a community listening and visioning effort including in-person sessions, gatherings of community leaders, random phone survey, on-line survey and a Summit with cultural sector leaders

Three Vision Themes

- 1. *Build Community***: the cultural sector should play a greater role to enliven, engage and enrich communities and neighborhoods

2. *Increase Program Relevance & Innovation:* the cultural sector's responsibility to see that residents and visitors enjoy refreshed creative opportunities that start with home-grown talent, rich local history and extend to world-class science, technology and art
3. *Support Education:* cultural sector should do everything possible to make arts, science and history core to K-12 education and make sure that Charlotte-Mecklenburg's students are critical, creative thinkers

Cultural Facilities Master Plan

Bundled approach for new cultural facilities plan failed in bond referendum in 2001. ASC was asked to prioritize cultural facility needs.

Phase 1 = public/private investment of \$250 million

Bechtler Museum of Modern Art	Knight Theatre
Discovery Place	Mint Museum
Harvey B. Gantt Center	Charlotte Ballet
Charlotte Symphony	

City and County funded \$158 million for capital costs for facilities. Increased rental car tax and designating an incremental portion of the increased property value of new development.

ASC led a campaign to raise \$83 million to endow the facilities from Phase 1, endow programs and complete NCDT facility/endowment campaign. Value of donation of Bechtler Collection is in addition to the contributions to this effort.

FUNDING AND SUPPORT

By The Numbers

ASC was established to work with 8 organizations in 1958; now works with more than 200 and an established regional arts council network

ASC invested more than \$7.3 M in 24 cultural partners in 2013

Since 1980, the population of Mecklenburg County has grown 144%

Mecklenburg County no longer provides any unrestricted support to ASC and has reduced support of the operations of Spirit Square; City of Charlotte's unrestricted support is steady but population has increased

Local Cultural Sector = \$202 M in annual, economic impact; 6,240 full time positions and \$18.1 M in local and state government revenues.

3.3 million annual customer experiences; 40% from outside of Mecklenburg County. More than all of the professional sports teams combined

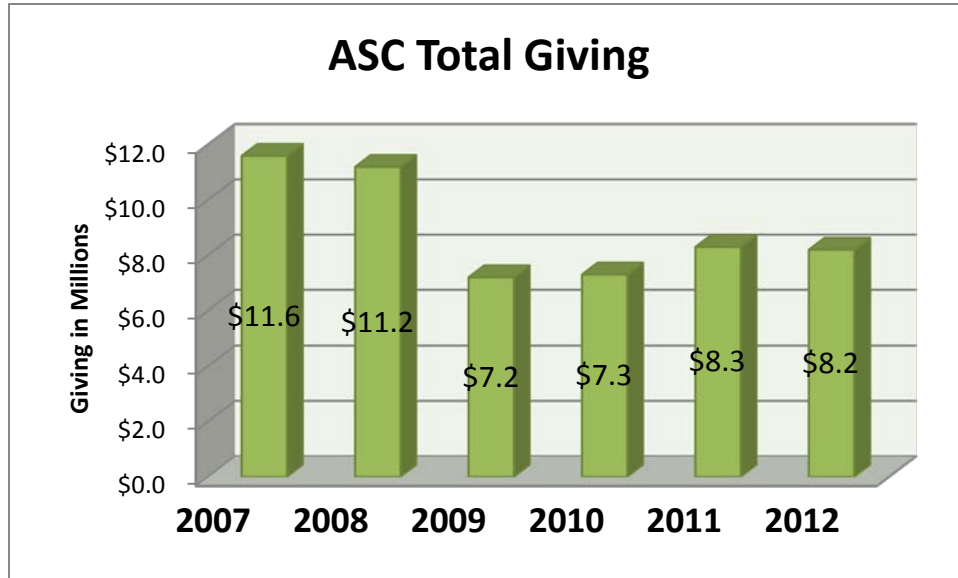
Workplace giving has reduced by both the number of campaigns and the number of donors

Cultural Facilities campaign was successful in raising \$83 million; however, the pledge payment schedule extends over a decade resulting in lower than expected endowment draws for the operation of City-owned facilities. Groups are covering difference but it is impacting their reserves and ability to invest in programming and needed personnel to meet demand for services

ASC Total Giving
2007 to 2012

Down

29%



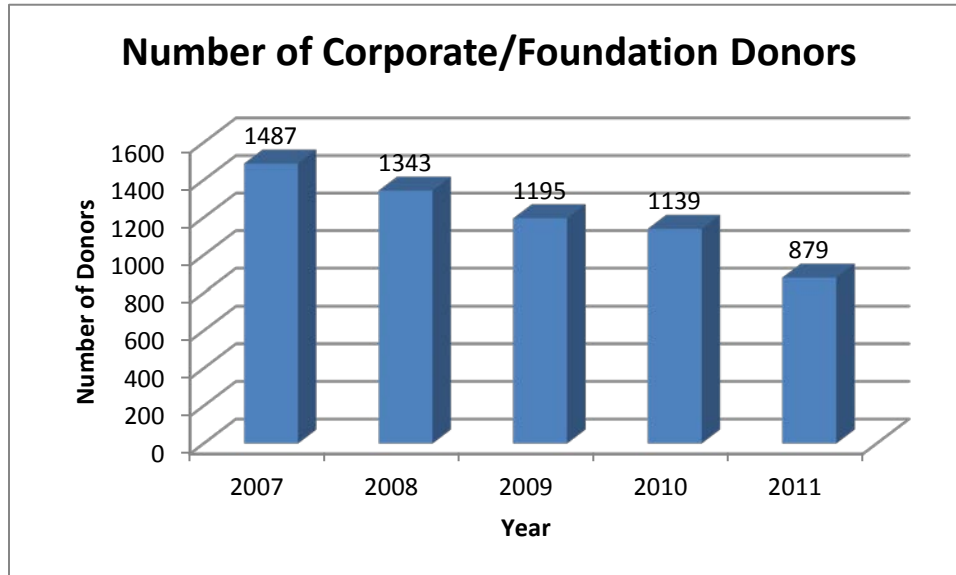
Reduction in Total Giving to ASC
\$11.6 m to \$8.2 m

For individual giving to ASC



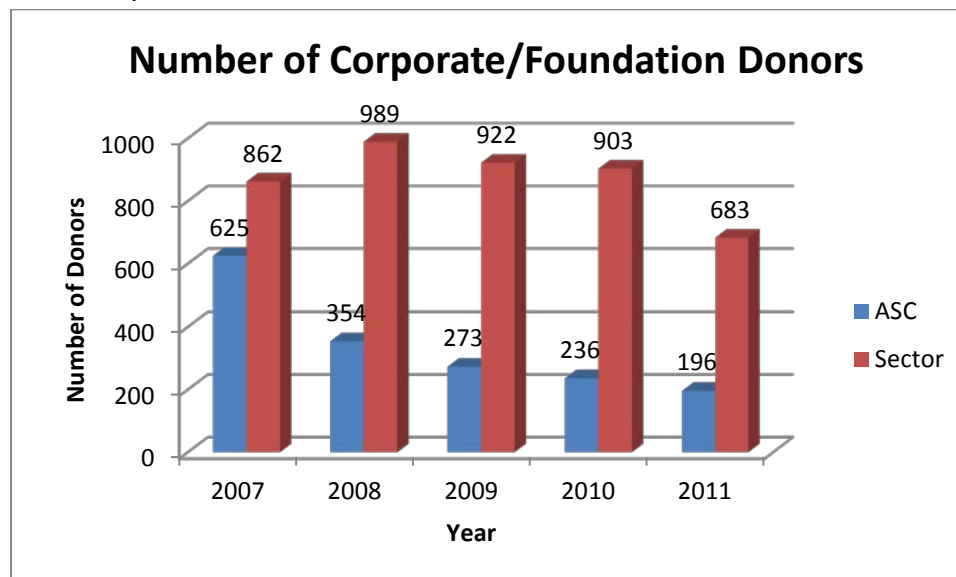
Corporate Support

In the last five years, the combined sector lost 41% of corporate/foundation donors.



ASC lost a greater percentage of corporate/foundation donors than the rest of the sector:

- ASC lost 65% of corporate and foundation donors
- Sector lost nearly 21%





A Decade of Funding Cuts

- Unrestricted private funding to ASC has dropped 51% since 2007:
 - ASC's unrestricted annual fund drive has dropped from \$11.5 million in 2007 to \$ 5.6 million in 2013
 - Workplace giving by individuals decreased from \$7,941,450 (2008) to \$3,952,848 (2013) a 51% decrease
- Restricted private funding to ASC has increased from \$0 in 2010 to \$3.4 million in 2013
 - ASC's Education Fund and power2give were established to try and replace some of the unrestricted losses
- Overall, private funding to ASC has dropped 22% since 2007

A double whammy for the ASC – losing 65% in the number of gifts and 46% in the size of gifts

Support of the ASC by these entities is in a dramatic decline – the number of gifts has declined by 65% when looking at 2007 v. 2012 and gifts in 2012 were only 46% of the size of gifts made in 2007

For Partner Organizations – fewer supporters but larger gifts

Interestingly, the size of gifts from these entities to Partners is actually greater in 2012 than in 2007. (\$10,214 in 2007 v. \$15,943 in 2012)

Workplace Giving

Workplace giving is not working as it is currently constructed.

Top companies are supportive of ASC, but not proactive in considering workplace engagement.

The breadth and depth of corporate united campaigns has changed over the last five years, both locally and nationally. More corporations are shifting to open campaigns, in which employees may give to hundreds of nonprofits and causes, instead of focused campaigns for groups like the ASC and the United Way. In Charlotte, these expanded campaigns have resulted in significant losses to the ASC campaigns in key corporations.

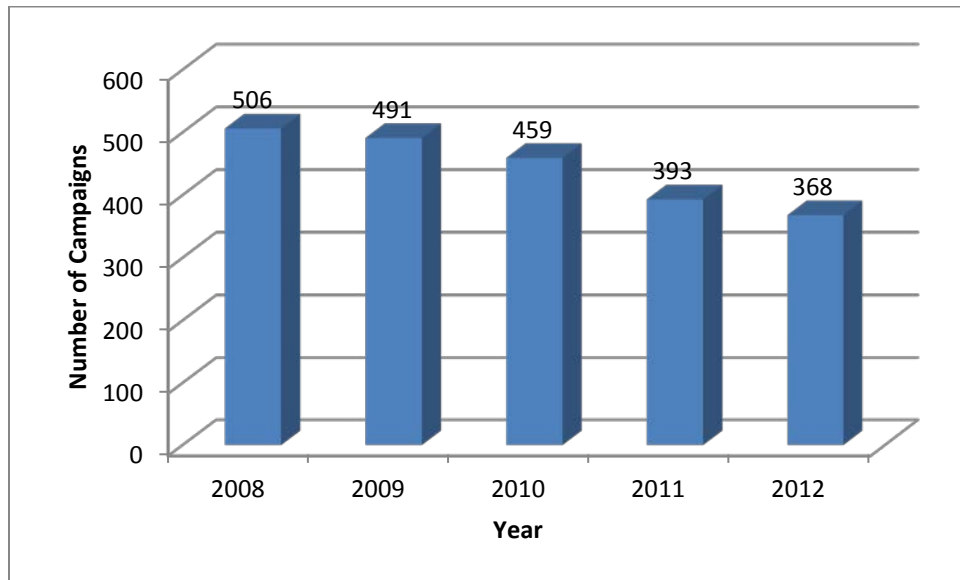
This is an issue that is bigger than its impact on arts and culture – it is a true community issue.

All aspects of workplace giving have declined: number of campaigns and number of donors.

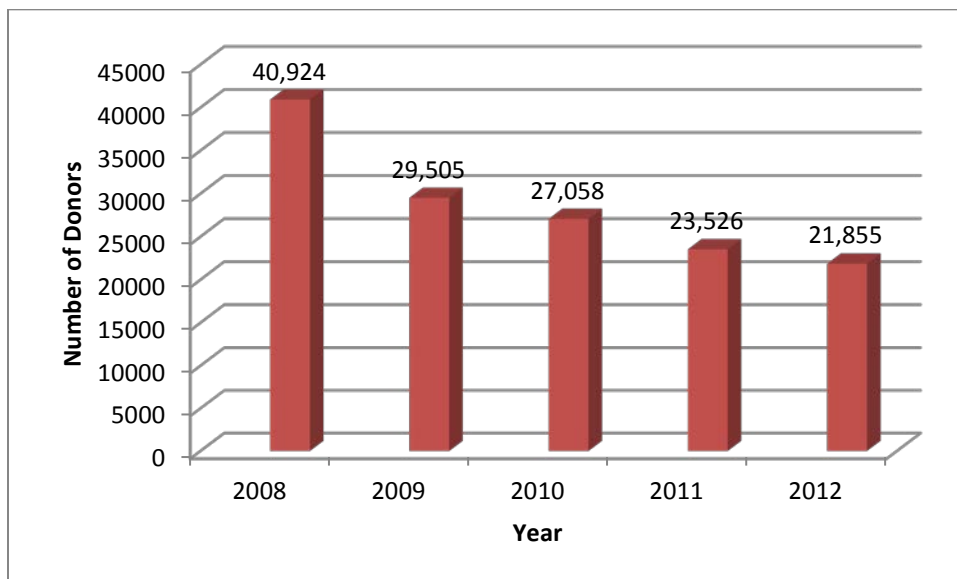
There has also been a significant decline in the impact of larger employers:

The results for the nine campaigns run for companies that employ 101,000 or more accounted for 72% of the loss in giving between 2008 and 2012

**Number of ASC Workplace
Campaigns
2008-2012
27% Loss**



**Number of ASC Workplace
Donors
2008-2012
46% Loss**



Individual Giving

Key Learnings

2007 = high water mark for giving in cultural sector

Recession + Dramatic Change in workplace giving campaigns (Both number and structure = Decrease in support for ASC

Recession had a greater negative impact on individual giving to ASC than on the results for the individual cultural organizations.

2007 – 2012

ASC lost more donors than the total sector

ASC's share of the *number* of donors reduced by 28%

ASC share of the *total* dollars given by individuals reduced by 16%

Change in Individual Donors			
	2007	2012	Change
ASC	37,000	21,000	-43%
SECTOR	18,000	22,000	+22%
TOTAL	55,000	43,000	-22%
ASC as % of TOTAL #	66%	48%	-28%
ASC as % of TOTAL \$	39%	23%	-16%

Since low point of recession, gradual return of individual giving to the total sector, but no anticipated return to 2007 high point.

Giving by individuals to cultural partners has actually increased by 22% when comparing the results of 2012 with 2007. Increase could be because of success of power2give and capital and endowment efforts. But, increases by individual partners cannot make up for the large loss by ASC.

Change in Individual Donors			
	2007	2012	Change
ASC	\$207	\$199	3.8%
SECTOR	\$730	\$643	12%

Average Individual Gift

Average annual gift to ASC has always lagged the size of gifts to the overall sector. However, average gift to the sector as a whole and ASC is lower in 2012 than 2007

Trends, Themes and Concepts

Impacts from negative trends in individual giving include:

Changes in Corporate Employee Campaigns

Corporations have adopted new 'single campaign' models which allow employees to contribute to a wide range of non-profits including churches, colleges and universities where they once only offered United Way and ASC as primary options.

"Donor Churn"

High levels of donor attrition and donor turn-over coupled with the reduction in the number of gifts to the sector requires the continuous priming of the pipeline of new prospects. Securing new donors is more expensive than maintaining current donors.

Examples: Performing arts audience has changed by 78% between 2007 and 2012. Museum membership pool has changed by 133% in the six years.

Stable annual giving efforts have high donor retention rates which allow the creation of deeper, "high-touch" relationships.

Small, Concentrated Donor Universe

Over-reliance on 28207 and 28203 zip codes, 100%+ penetration

Very small universe of multi-institution donors

<u>In 30 Mile Area</u>	
452,002	Total Households
147,902 (37%)	Connected to cultural sector
43,000 (9.5%)	Donors

Impact on Agencies in the Cultural Sector

- Reduced performances and exhibitions
- Reduced hours for some organizations
- Education programs and community activities slashed
- Significant job cuts

- Exhaustion or reduction of critical cash reserves
- Cultural infrastructure and programming built over the last 40 years at risk

Cultural Endowments

Currently, cultural sector organizations have their own endowment funds, whose earnings that support from <1% to 23% of annual revenue/support

<p>Why do donors support endowment efforts?</p> <ul style="list-style-type: none"> • Care about the organization/mission • Ensure the sustainability of the organization • Favorable tax treatment • Have capacity to give

Greater Charlotte Cultural Trust

Established in 2002; planned giving focus; evolved in tandem with Campaign Cultural Facilities

Greater Charlotte Cultural Trust Board Composition

Number	Process
7	Cultural Partner Representatives
5	ASC at-large representatives
2	Ex-Officio
1	FFTC

- Manages 92 separate funds on behalf of the cultural sector; represents @ 25 non-profits
- Provides all back office administration
- Annual spendable income is currently 4.5%
- Significant Growth over the last 10 years- \$38 m in 2002 – \$136 m in 2012
- Favorable investment returns – 5.8% annualized returns since inception

Combined Endowment Campaign History

- 1990-92 NC Blumenthal Performing Arts Campaign: \$62 million private/public campaign
 - Built performing arts center and created a \$5 million endowment for the cultural sector

- 1993-1995 Endowment Campaign for the Sector: \$27 million
 - Donors were given options – give to ASC; give to ASC designated to a cultural partner; give to specific cultural partner
- 1998 - \$10 million Visual Arts Campaign
 - Created McColl Center for Visual Art and Mint Museum of Craft+Design
- 2004-2007 - \$83 million Cultural Facilities Campaign
 - Supporting the cultural facility master plan priorities
 - 5 facility endowments; operating support; construction support

Government Funding

Overview

The two major government funding sources for the cultural sector in Charlotte-Mecklenburg include:

- City of Charlotte Total funding of \$12.7 M in FY2013; per capita \$16.08;
 - In terms of sustainability of the groups in the cultural sector, unrestricted funding provided to the ASC is an important facet of government support. City of Charlotte's unrestricted support has remained consistent despite population increases.
- Mecklenburg County Total funding of \$4.2 M in FY2013; per capita \$4.34;
 - Unrestricted support of ASC is no longer part of Mecklenburg County Funding. In 1996, Mecklenburg County made an unrestricted contribution to ASC of \$1.33M and \$1.24M to operations at Spirit Square. Support of the operations of Spirit Square has also declined by 37%.

			Support of City or County Owned Cultural Facilities				
FY13 Funding	Unrestricted Funding	Education Funding	Annual Maintenance	Capital Maintenance	Bond Payments	Public Art	Total Cultural Funding
City of Charlotte	\$2,940,823		\$1,860,078	\$605,091	\$6,270,563	\$998,526	\$12,675,081
Mecklenburg County		\$350,000	\$750,000 Spirit Square \$228,000 ImaginOn		\$2,948,000 Interlocal Agreement Mint, Bechtler, Knight, Gantt		\$4,276,000

Three other sources of government funding for the cultural sector include:

- State of North Carolina \$220,000 restricted funding provided to the ASC in FY13 for project grants, education program and grants to artists. Total state funding provided to Mecklenburg County for arts, science and history organizations totals over \$1.7 million for FY13
- 6 municipalities in Mecklenburg County allocated \$75,000 total
- CMS has eliminated funding to support field trips to cultural institutions and the cost of transporting students (approximately \$300,000 annually). These costs are now covered by private donations to ASC

***A note about public art funding:**

- Support of public art is tied to percentage of construction cost so investment by City or County increases or decreases according to the projects
- For FY13, City support for public art was \$998,526, including the Charlotte Area Transit System Art-in-Transit allocation of \$347,509 (this program is not administered by ASC), Aviation allocation of \$617,017, and General Capital allocation of \$34,000; County support for public art was \$0. However, it must be noted that most public art projects take 2 to 3 years (some longer) to complete due to construction schedules. While the County did not have any new public art projects in FY13, ASC continued work on projects approved in prior year budgets
- 15% administrative allocation for operating the public art program does not cover actual cost and is subsidized by ASC private fund raising

In considering the 11 communities¹ for comparison, Charlotte has the lowest government programming investment and the second lowest level of per capita funding by the government.

Mecklenburg County Overview

Historically, 5 categories of funding by Mecklenburg County

- Unrestricted Support of ASC
- Public Art
- Education
- Operating Support for Spirit Square
- Financial Support for Joint Projects (Mint Museum, Knight Theater, Gantt Center, Bechtler Museum, Discovery Place) and County projects - ImaginOn

*Over last 3 years, Mecklenburg County has eliminated unrestricted support to ASC

Education support is a restricted grant for ASC programming

Mecklenburg County's support is declining both in terms of real dollars and per capita investment; also eliminated unrestricted support of ASC

From high water mark of \$3,052,000 in total support in 2000 & 2001 – for Spirit Square maintenance and unrestricted support, Mecklenburg County has reduced support to \$1,100,000 in 2013 or 63%.

Mecklenburg County's population has grown 65% since 1995.

City of Charlotte Overview

5 categories of funding by the City of Charlotte

- Unrestricted support of ASC
- Public Art
- Support of City Owned Facilities
 - Bond Payments
 - Capital Maintenance
 - Annual Maintenance

Unrestricted Funding by the City has been consistent over time

City allocation to arts has increased 47% since 1995; total funding growth has slowed since 2001.

¹ The eleven comparable communities include Denver, CO; Albuquerque, NM; Miami-Dade, FL; Los Angeles, CA; Chicago, IL; Cleveland, OH; Charlotte, NC; Mesa, AZ; Dallas, TX; San Jose, CA; San Francisco, CA

Population of the City has grown 65% since 1995

Summary of Current Government Funding Categories	
City of Charlotte	Mecklenburg County
Unrestricted support of ASC	n/a
Public art	Public art
City-owned facilities: Bond payments	Financial support for joint projects (bond payments)
City-owned facilities: Annual maintenance	Operating support for Spirit Square
City-owned facilities: Capital maintenance	Education

FIVE COMPARISON CITIES

Five Comparison Cities

- Houston
- Denver
- Nashville
- Cincinnati
- Dallas

Organization and Funding for the Five Comparison Cities

	Houston	Nashville	Dallas	Denver	Cincinnati
Name	Houston Arts Alliance	Metro Nashville Arts Commission	City of Dallas Office of Cultural Affairs	Denver Scientific & Cultural Facilities District	ArtsWave
Type	501c3	City Office	City Office	Tax District	501c3
Funds	Private & Public	Private & public	Public	Public	Private
Sources	Hotel occupancy tax; private gifts	Percent for art; general fund; private gifts	City budget allocation	1¢ tax on every \$10 in sales for a 7-county region	Workplace, individual, foundation, corporate
Budget	\$10 – \$18M	\$6M	\$16.5M	\$45 M	\$11.5M

Grant Making and other Key Factors

	Houston	Nashville	Dallas	Denver	Cincinnati
Groups Supported	250+	11 majors plus project, education & access grants	20 facilities plus grants	300	100+
Grant Size	\$5,000 - \$750,000	\$1,200 - \$130,000	\$1,000 - \$2.5M	\$500 - \$7M	\$500 - \$3M
Panel or Formula	Panel & formula	Panel	Capital Decisions & Panels	Panels & Formula	Panel
Workplace Giving?	No	No	No	No	Yes
Other Key Factors	Major galas; personal philanthropy	Recently began raising private funds	Large majority for facilities (ownership & maintenance)	Tax revenue = \$16 per resident	\$85M endowment

FUTURE THEMES AND IDEAS

Charlotte-Mecklenburg Cultural Vision Plan

Imagine 2025 Statement

Charlotte-Mecklenburg is known for its creative and innovative cultural sector that engages all citizens and visitors, is accessible and relevant to every age and ethnicity, supports legacy and emerging arts, science, history/heritage organizations and is educating our children to be the creative and critical thinkers required for life in the 21st Century.

Three Vision Themes

Build Community & Neighborhoods	Ensure Program Relevance and Access	Increase Cultural Education Opportunities
<ul style="list-style-type: none">• Extend reach of arts and cultural institutions throughout the County• Forge new and innovative partnerships to drive economic & neighborhood development	<ul style="list-style-type: none">• Ensure cultural programming is accessible and relevant to the changing demographics of the region• Cultural sector should be a leader in serving the entire community	<ul style="list-style-type: none">• Build a sustainable and measurable system that aligns the cultural sector to the goals of CMS, Higher Education, and key partners• Drive innovation and creativity in educational programming for the community

Some Thoughts About Giving Trends

- Giving trends nationwide show donors don't want to give to institutions but to causes
- Companies need global platforms and solutions for workplace giving campaigns
- Social giving and communication technology is lacking in current approach
- People still need to be asked in order to give

CREDITS AND ACKNOWLEDGEMENTS

This Resource Guide was compiled and edited by The Lee Institute to serve as a resource for the Charlotte Mecklenburg Cultural Life Task Force and its partners: The City of Charlotte, Mecklenburg County, the Charlotte Chamber, Charlotte Center City Partners, Charlotte Mecklenburg Schools, Foundation For the Carolinas, and the Arts & Science Council. The Task Force is deeply grateful to the many researchers, executives, community leaders and public officials who have shared their knowledge with the community throughout the Task Force process.

The Task Force is also thankful to Foundation For The Carolinas and the Greater Charlotte Cultural Trust for fully underwriting the work of the Task Force.

As part of the Task Force’s commitment to transparency and public accountability, the presentations and reports from which this Guide was drawn are all available to the public at www.artsandscience.org/cultural-planning/cultural-life-task-force. These presentations and reports, which form the foundation for this Resource Guide, include:

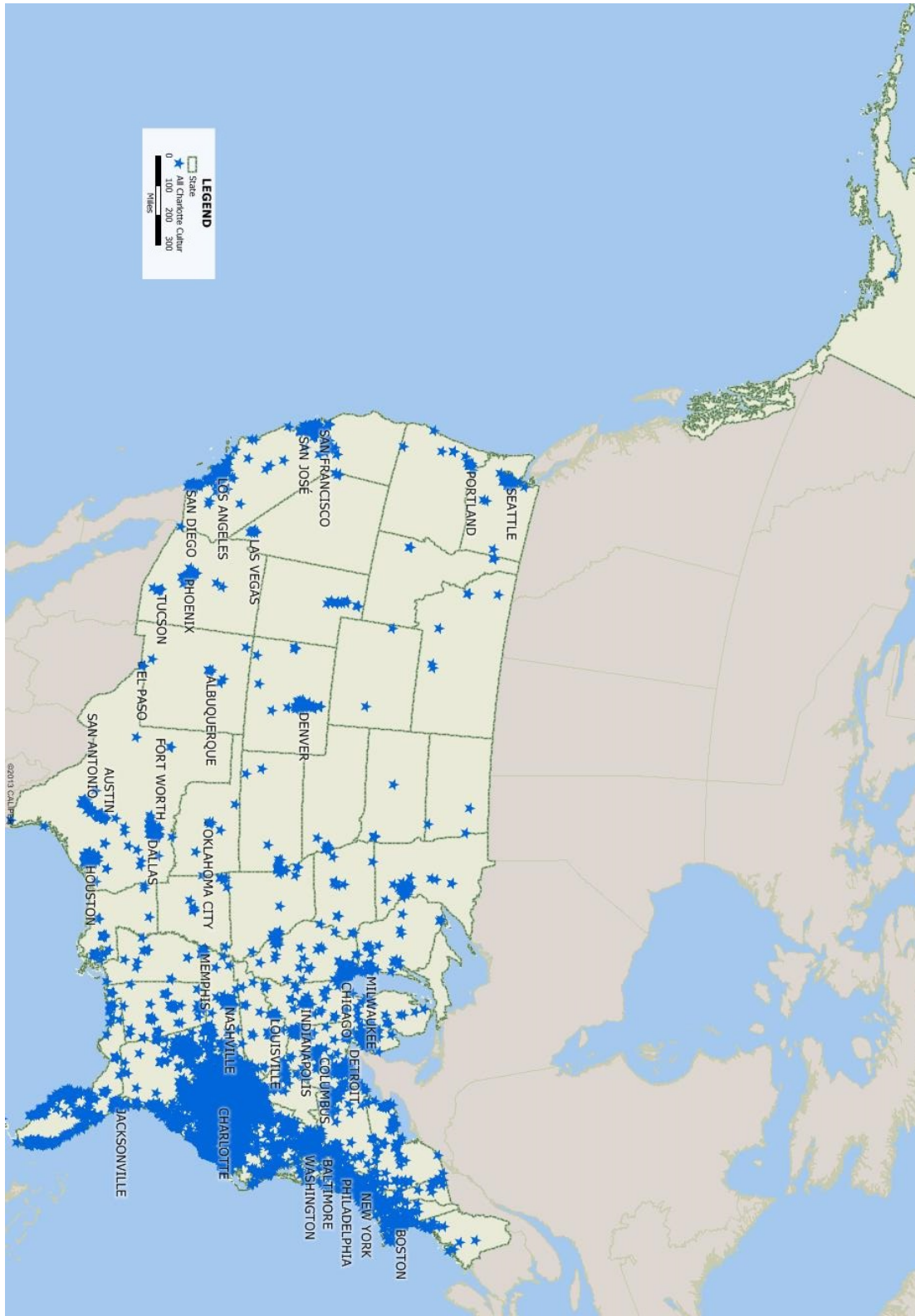
Arts & Science Council:	ASC Fund Drive History; ASC Grantmaking History and Trends; Cultural Plans and the 2013 Cultural Vision Plan; Campaign for Cultural Facilities Update
ArtsMarket and Provancher and Associates:	“Private Giving to Charlotte’s Cultural Sector” (2013)
UNCC Urban Institute:	2013 ASC Cultural Life Survey
Giving USA:	“Fundraising’s Recovery Could Take Until 2018,” June 2013
Greater Charlotte Cultural Trust:	“Cultural Life Task Force: A Focus on the Cultural Endowment”
Americans for the Arts:	Presentation to the Task Force by Randy Cohen, AFTA VP of Policy and Research
City of Charlotte:	Presentation to the Cultural Life Task Force (July 15, 2013)
Mecklenburg County:	Presentation to the Cultural Life Task Force (July 15, 2013)
North Carolina Arts Council:	History of Grant Funding to Mecklenburg County Organizations
Five City Comparisons:	Houston Data from the 2013 Charlotte Chamber Trip to Houston; Presentation by Jonathan Glus, CEO of Houston Arts Alliance; Presentation by Mary McCullough-Hudson, ArtsWave, Cincinnati; Presentation by Maria Munoz-Blanco, Office of Cultural Affairs, Dallas; Presentation by Peg Long, Denver Scientific and Cultural Facilities District; Presentation by Jennifer Cole, Metro Nashville Arts Commission



Appendix F:

Charlotte Cultural Partners Audience and Donor Home Locations for 2012-13

APPENDIX F: Charlotte Cultural Partners Audience and Donor Home Locations for 2012-13





Appendix G:

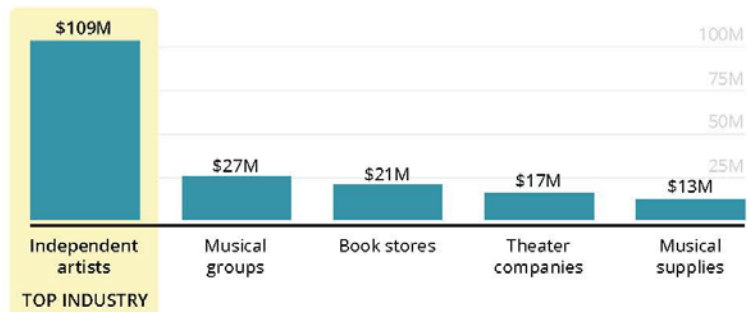
Charlotte-Mecklenburg 2013 Creative Economy

APPENDIX G: Charlotte-Mecklenburg 2013 Creative Economy

TOP INDUSTRY REVENUE (\$ MILLION)



Charlotte - Mecklenburg's creative economy is supported by its core industry: independent artists, writers and performers. This industry brought \$109 million in revenues to the county, more than 48% of all Charlotte - Mecklenburg's creative industries. Record store sales increased by 128% in 2012, adding \$4 million to the county's revenue.



\$222 Million

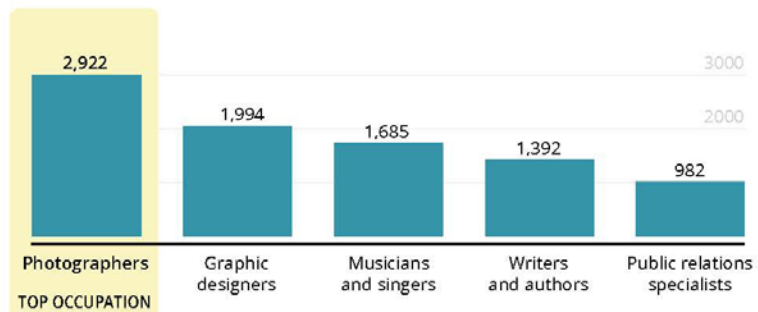
Total creative industry revenue

INDUSTRIES	CHANGE % FROM 2011	REVENUES \$ MILLION
Independent artists, writers, and performers	44.3	109M
Musical groups and artists	15.6	27M
Book stores	-21.4	21M
Theater companies and dinner theaters	-5.1	17M
Musical instrument and supply stores	31.8	13M

TOP OCCUPATIONS (# OF JOBS)



In 2012, Charlotte - Mecklenburg had 17,677 creative jobs. Photographers had the largest number, with 2,922 jobs. Graphic designers showed the greatest change in 2012, with an increase of 16%, adding an additional 278 jobs to Charlotte - Mecklenburg's economy.



17,677 Creative jobs

Total creative jobs

OCCUPATIONS	CHANGE % FROM 2011	JOBS
Photographers	-3.1	2,922
Graphic designers	16.2	1,994
Musicians and singers	-10.7	1,685
Writers and authors	-0.3	1,392
Public relations specialists	-16.4	982

For more information and/or a copy of The Creative Vitality™ Index Report for Charlotte-Mecklenburg, please visit www.ArtsandScience.org

Data provided by Economic Modeling Specialists International (EMSI) and the National Center for Charitable Statistics (NCCS).
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Appendix H:

Types of Programs Offered by the ASC Cultural Partners

APPENDIX H: Types of Programs Offered by the ASC Cultural Partners

Organization Name	Programs Offered
Actor's Theatre of Charlotte	Theatre performance, cult movie series
Bechtler Museum of Modern Art	Exhibitions, collections, education, film screenings, jazz and chamber music performances, guest lectures
Blumenthal Performing Arts	Performing arts, touring performances, education, special events, facility management and rentals
Carolina Actors Studio Theatre	Theatre performance
Carolina Raptor Center	Outdoor exhibitions, education, raptor rehabilitation/medical center, summer camps
Carolina Voices	Community choirs, choral concerts, Summer camps for kids
Charlotte Ballet	Dance performance, School of Dance, education and outreach
Charlotte Children's Choir	Classes, choral concerts
Charlotte Symphony Orchestra	Symphonic music performance (Classics and Pops), in-school residencies, summer pops at SouthPark, Knight Sounds series
Children's Theatre of Charlotte	Classes, theatre performance, traveling company for in-school residencies
Clayworks	Classes, lecture series, studio space, exhibitions
Community Arts Project	Classes, gallery space
Community School of the Arts	Lessons, classes and summer camps in visual arts and music
Davidson Community Players	Community theatre, theatre performance, year round after school youth training
Discovery Place, Inc.	Exhibitions, education, summer camps, IMAX, Discovery Place KIDS, Charlotte Nature Museum

Organization Name	Programs Offered
Harvey B. Gantt Center for African-American Arts + Culture	Exhibitions, lectures/demonstrations, workshops, film screenings, education & outreach, artist-in-residence program
Latta Plantation	Camps, classes, workshops, exhibitions, reenactments, festivals, historic tours
Levine Museum of the New South	Exhibitions, collections, guest lectures, workshops, walking tours, education, special events
McColl Center for Visual Art	Artist-in-Residence program, exhibitions, education, Innovation Institute
Mint Museum	Exhibitions, collections, education, outreach, guest lectures, special events
Opera Carolina	Opera performance, school performances, Random Acts of Culture
Theatre Charlotte	Community theatre, theatre performance, Summer camps
Wing Haven	Classes, lecture, tours, workshop, events



Appendix I:

Organizations (or Individuals through a Fiscal Sponsor) Requesting ASC Project Support FY2012 - FY2014

**APPENDIX I: Organizations (or Individuals through a Fiscal Sponsor)
Requesting ASC Project Support FY2012 - FY2014**

- **Includes:** Approved and Declined requests for: Cultural Project Grants, Cultural Access Grants, Cultural Innovation Grants, Festival Sponsorships, Technical Assistance Grants, Special Project Grants
- **Does Not Include:** Current Cultural Partners

Organizations		
100 Black Men of Charlotte, Inc.	Dance Collective	Mint Hill Scottish Society
A Sign Of The Times of the Carolinas	Davidson College	Mint Museum of Art
ACAL of Mexico	Davidson Farmers Market Inc.	Mothering Across Continents Inc.
Ada Jenkins Center	Deltas of Charlotte, Incorporated	Music at St. Alban's
ADAPT	Dilworth Community Development Association Inc.	Nix-Sullivan Complex For Family
Adult Day And Health Care Services Inc.	Downtown Davidson	NODA School of Arts
African Diaspora Arts Program And Theater	Echo Contemporary Dance Company	North Carolina Wildlife Federation
Allegro Foundation	Faithworks International, Inc.	North Mecklenburg Community Chorus Inc.
American Guild of Organists, Charlotte Chapter	Festival in the Park	Obey Foundation Inc.
Armed Forces Museum & Archives Of The Carolinas Ltd	Filipino American Community of the Carolinas	Omimeo Mime Theatre
Arts For Life	Firebird Arts Alliance Inc.	On Q Performing Arts
Bechtler Museum of Modern Art	First Baptist Church West Community Services Association	One Voice Chorus
Behailu Academy	FIRST LOVE MINISTRIES	Oneaka Collective Inc.

Organizations		
Brawley, Eleanor	Gay Men's Chorus of Charlotte	PaperHouse Theatre
Carolinas Asian-American Chamber of Commerce	Gil Project	Parkinson Association of the Carolinas
Carolinas Aviation Museum	Hanzal, Carla	Partners for Parks
Carolinas College of Health Sciences	Hickory Grove Presbyterian Church-- Neighborhood Afterschool Ministries	Partners in Out of School Time
Carolinas Latin Dance Company	Historic Charlotte, Inc.	Playing For Others Inc.
Caroline Calouche & Co.	Historic North Charlotte Neighborhood Assoc. Inc.	Polk Memorial Support Fund Inc.
Central Avenue Bilingual Preschool	Historic Rosedale Plantation	Porch Productions
Central Piedmont Community College Foundation	Historic Rural Hill, Inc.	Possibility Project-Charlotte
Charlotte Area Science Network	I And I United Inc.	Puerto Rican Cultural Society Of Charlotte
Charlotte Art League	India Association of Charlotte	Queen Charlotte Chorus
Charlotte Artery	Indie Film Force	Queen City Prep Basketball Inc.
Charlotte Black Film Festival	Inspire the Fire	Queens University of Charlotte
Charlotte Book Fair	Institute For The Arts And Education Inc.	Que-OS
Charlotte Center City Partners Community Trust	International House of Metrolina, Inc.	Salvation Army
Charlotte Center for Urban Ministry	Japanese Association in Charlotte	Savvy Organization Inc.
Charlotte Chamber Music	Jarvi, Carmella	Scott, Donna

Organizations		
Charlotte Children's Choir	Jazz Arts Initiative	Senior Activities & Services Inc.
Charlotte City Market	John Kennedy	Silent Images Inc.
Charlotte Civic Orchestra	Johnson C Smith University Incorporated	Siskey Family YMCA
Charlotte Concert Band	Kids Voting Mecklenburg County	South Mecklenburg High School National Society of Black Engineers
Charlotte Contemporary Ensemble	La Escuelita Bilingual Preschool at Holy Comforter	Southeast Asian Coalition
Charlotte Dance Collective	Lake Norman Big Band	Speech Garden Institute, Inc.
Charlotte Dance Festival	Lake Norman YMCA	St. Ann Catholic Church
Charlotte Day Academy Corp - C/O Charlotte Black Film Festival	LATIBAH Collard Green Museum -affiliate program of ADEPT ARTIST Inc. 501[c] 3	StageWorks Theatre
Charlotte Film Community	Latin American Coalition	Starving Artist Productions
Charlotte Folk Society	Lesbian & Gay Community Center	Stephen Seay Productions
Charlotte Jazz Society	Levine Jewish Community Center	Stratford Richardson YMCA
Charlotte Jewish Film Festival	Levine Museum of the New South	Supportive Housing Communities Inc.
Charlotte Mecklenburg Schools	Light Factory	Taproot Ensemble
Charlotte Museum of History	Lower Providence Women's Club	Time Out Youth
Charlotte Observer	Lowry, William	Tomorrow's R.O.A.D.
Charlotte Regional History Consortium	Machine Theatre, Inc.	Tosco Music Parties
Charlotte Renaissance	Manning, Annabel	Town of Cornelius
Charlotte ViewPoint	Many Journeys	Town of Davidson

Organizations		
Charlotte Youth Ballet	Martha Connerton/Kinetic Works	Town of Huntersville Parks & Recreation
CHARLOTTE YOUTH HARMONY FESTIVAL	Matthews Chamber of Commerce	Town of Mint Hill
Charlotte-Mecklenburg Historic Landmarks Commission	Matthews Historical Foundation	Town of Pineville
Chickspeare	Matthews Parks, Recreation and Cultural Resource Department	Tri-Languages Haitian Church
Choir School at St. Peter's	Matthews Playhouse of the Performing Arts	Triptych Collective
Circle De Luz Inc	McColl Center for Visual Art	University of North Carolina at Charlotte
City at Peace - Charlotte, Inc.	Mecklenburg County Park and Recreation - Hickory Grove Recreation Center	Vietnamese American Senior Association In Greater Charlotte
Civic & Cultural Arts Center of Pineville	Mecklenburg Historical Association Inc.	Warehouse PAC
Civilized Films, Inc.	Mecklenburg Ministries	Wing Haven
Classical Music Association of Charlotte	Metrolina Native American Association	Womens Inter-Cultural Exchange
Collaborative Arts Theatre	Metrolina Theatre Association	World Parade and Festival
Community Building Initiative	Mint Hill Arts	WTVI
Cornelius Youth Orchestra	Mint Hill Historical Society	



Appendix J:

Cultural Facilities Ownership

APPENDIX J: Cultural Facilities Ownership

Facility	Owned By
Hezekiah Alexander Homesite	Aldersgate Methodist Retirement Community, operated by Charlotte Museum of History
Billy Graham Library	Billy Graham Evangelistic Association
Carolina Raptor Center	Carolina Raptor Center on land owned by Mecklenburg County
Halton Theatre	Central Piedmont Community College
Pease Auditorium	Central Piedmont Community College
Midwood International & Cultural Center	Charlotte Mecklenburg Schools, leased to International House
Carolinas Aviation Museum	Charlotte-Douglas International Airport
Bechtler Museum of Modern Art	City of Charlotte
Blumenthal Performing Arts Center (includes Belk Theater, Booth Playhouse & Studio Theater)	City of Charlotte
Bojangles Coliseum	City of Charlotte
Discovery Place	City of Charlotte
Harvey B. Gantt Center for African American Art + Culture	City of Charlotte
Knight Theatre (operated by Blumenthal Performing Arts)	City of Charlotte
Mint Museum (Randolph Road)	City of Charlotte
Mint Museum (uptown)	City of Charlotte
NASCAR Hall of Fame	City of Charlotte
Ovens Auditorium	City of Charlotte
Time Warner Arena	City of Charlotte
Charlotte Trolley Museum	City of Charlotte, operated by Charlotte Trolley

Facility	Owned By
Clayworks	Clayworks
Duke Family Performance Hall	Davidson College
Energy Explorium	Duke Energy
Sonia and Isaac Luski Gallery	Foundation For The Carolinas
Hart Witzen Gallery	Hart Witzen
Historic Rosedale	Historic Rosedale
Arts Factory	Johnson C Smith University
Biddle Hall	Johnson C Smith University
Actor's Theatre	Leased by Actor's Theatre
Carolina Actor's Studio Theatre (CAST)	Leased by CAST
Charlotte Art League	Leased by Charlotte Art League
Latibah Collard Green Museum	Leased by Latibah Collard Green Museum
Ballantyne Arts Center	Leased by Morrison YMCA & York Development Group
Cornelius Arts Center	Leased by Town of Cornelius
Levine Jewish Community Center	Levine Jewish Community Center
Levine Museum of the New South	Levine Museum of the New South
Matthews Heritage Museum	Matthews Historical Foundation
McColl Center for Visual Art	McColl Center for Visual Art
McGill Rose Garden	McGill Rose Garden
Historic Latta Plantation	Mecklenburg County
ImaginOn (home of Children's Theatre & PLMC Children's Library)	Mecklenburg County
Spirit Square (includes McGlohon Theater, Duke Energy Theater, Knight Gallery, McMillan Gallery & Wells Fargo Gallery, operated Blumenthal Performing Arts)	Mecklenburg County
Charlotte Nature Museum	Mecklenburg County, operated by Discovery Place

Facility	Owned By
Carl J. McEwen Historic Village (includes Mint Hill Country Doctor Museum, Ira Ferguson Country Store, Ashcraft One Room School House, Surface Hill Gold Assay Office and Village Outbuildings)	Mint Hill Historical Society
Patricia McBride and Jean-Pierre Bonnefoux Center for Dance	Charlotte Ballet
Dana Auditorium	Queens University
Great Aunt Stella Center	Self-Help
President James K. Polk Historic Site	State of NC
Theatre Charlotte	Theatre Charlotte
Armour Street Theater (home of Davidson Community Players)	Town of Davidson, leased to Davidson Community Players
Discovery Place Kids	Town of Huntersville, operated by Discovery Place
Matthews Community Center (home of Matthews Playhouse of the Performing Arts)	Town of Matthews
Civic & Cultural Center Arts Center of Pineville	Town of Pineville, operated by Civic & Cultural Arts Center of Pineville
Center City Gallery	University of NC Charlotte
Robinson Hall	University of NC Charlotte
Rowe Arts Center	University of NC Charlotte
Warehouse Performing Arts Center	Warehouse Performing Arts Center
Wing Haven Gardens & Bird Sanctuary	Wing Haven



Appendix K:

Nonprofit Finance Fund's 2014 State of the Nonprofit Sector: Arts, Cultural and Humanities

APPENDIX K: Nonprofit Finance Fund's 2014 State of the Nonprofit Sector: Arts, Cultural and Humanities

About the Respondents

Nonprofit Finance Fund's annual survey asks nonprofits in the US about their programs, financial health, and management strategies. In this first section is a profile of the core characteristics of respondents, such their state, sector, and size.

TOTAL RESPONDENTS IN THIS FILTERED SET

919

RESPONDENTS BY SECTOR



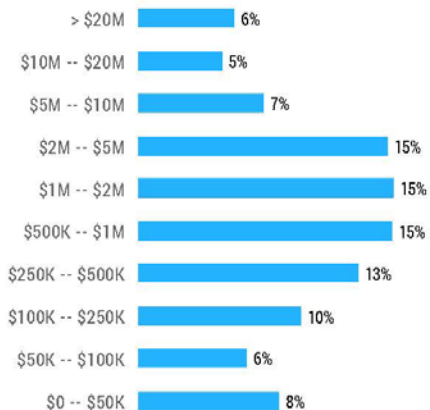
respondents: 919

RESPONDENTS BY STATE

AK	11	IN	3	NY	102
AL	2	KS	4	OH	11
AR	3	LA	38	OK	3
AZ	11	MA	70	OR	38
CA	113	MD	8	PA	50
CO	5	ME	6	RI	3
CT	29	MI	11	SC	2
DC	16	MN	16	SD	4
DE	12	MO	10	TN	7
FL	46	MT	6	TX	37
GA	43	NC	15	UT	34
HI	1	NH	6	VA	13
IA	3	NJ	27	VT	6
ID	2	NM	5	WA	31
IL	48	NV	3	WV	5

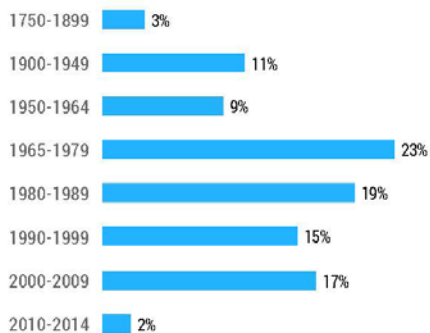
respondents: 919

FY2013 OPERATING EXPENSE



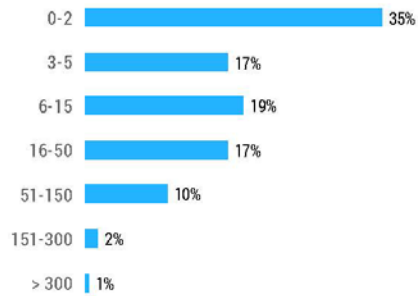
respondents: 919

YEAR FOUNDED



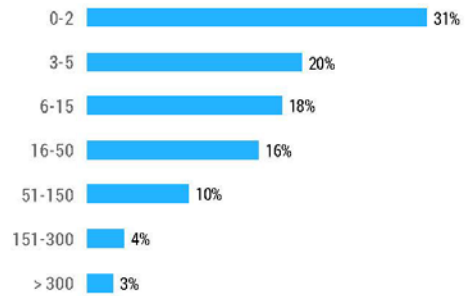
respondents: 913

OF FULL-TIME EMPLOYEES



respondents: 908

OF PART-TIME EMPLOYEES



respondents: 881

LIFELINE ORGANIZATION



Yes No

respondents: 917

SERVING LOW-INCOME COMMUNITIES



Neither Primarily Exclusively

respondents: 912

LOCATED IN LOW-INCOME COMMUNITIES

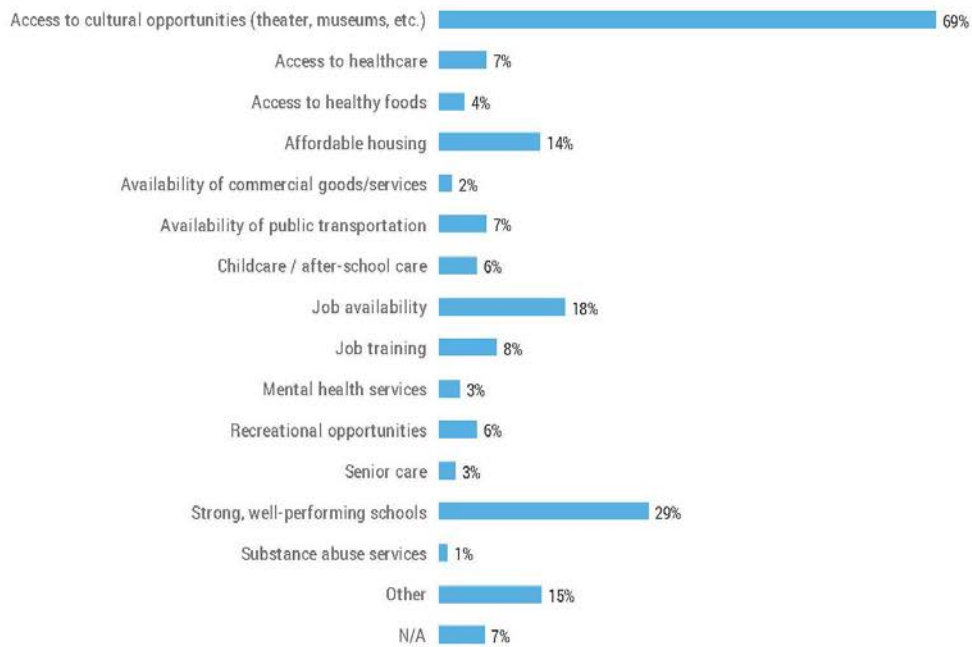


respondents: 905

Demand for Programs/Services

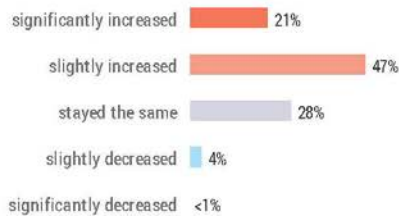
Nonprofits understand how the people in their communities are doing. More demand for services suggests that a greater number of people need help than they did the year before. Reports of increase in demand for services have continued since 2008.

NPOS SAY THE MOST CRITICAL COMMUNITY NEEDS ARE...



total respondents: 919

IN 2013, SERVICE/PROGRAM DEMAND...



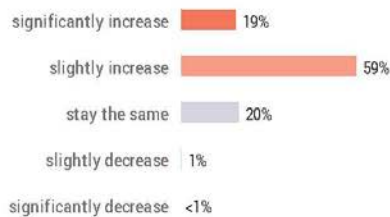
respondents: 902

ABLE TO MEET 2013 DEMAND?



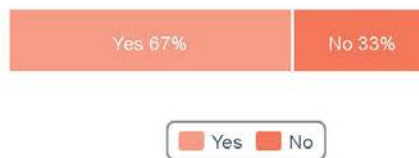
respondents: 896

IN 2014, SERVICE/PROGRAM DEMAND WILL...



respondents: 896

WILL BE ABLE TO MEET 2014 DEMAND?

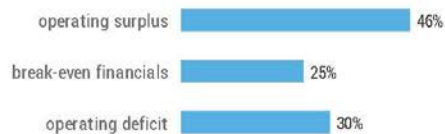


respondents: 897

Financial Story

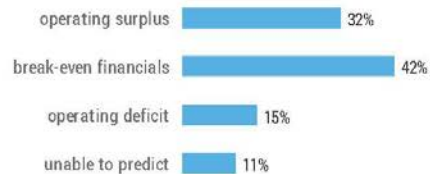
Every organization has different financial needs. But no matter what you do, it's critical to have cash in the bank to pay your bills, with some extra left over in case a disaster hits — whether it's an economic downturn, hurricane, or broken boiler.

ENDED FY'13 WITH...



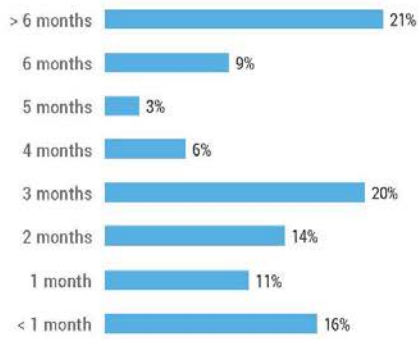
respondents: 812

ANTICIPATE ENDING FY'14 WITH...



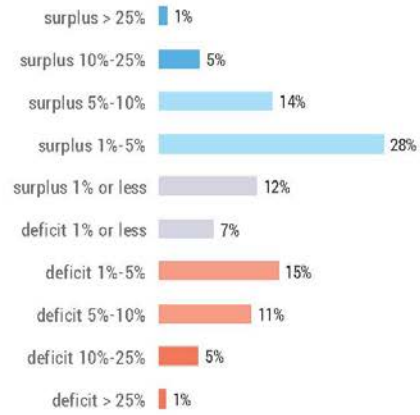
respondents: 812

MONTHS OF CASH READILY AVAILABLE



respondents: 815

% SURPLUS/DEFICIT FOR FY'13

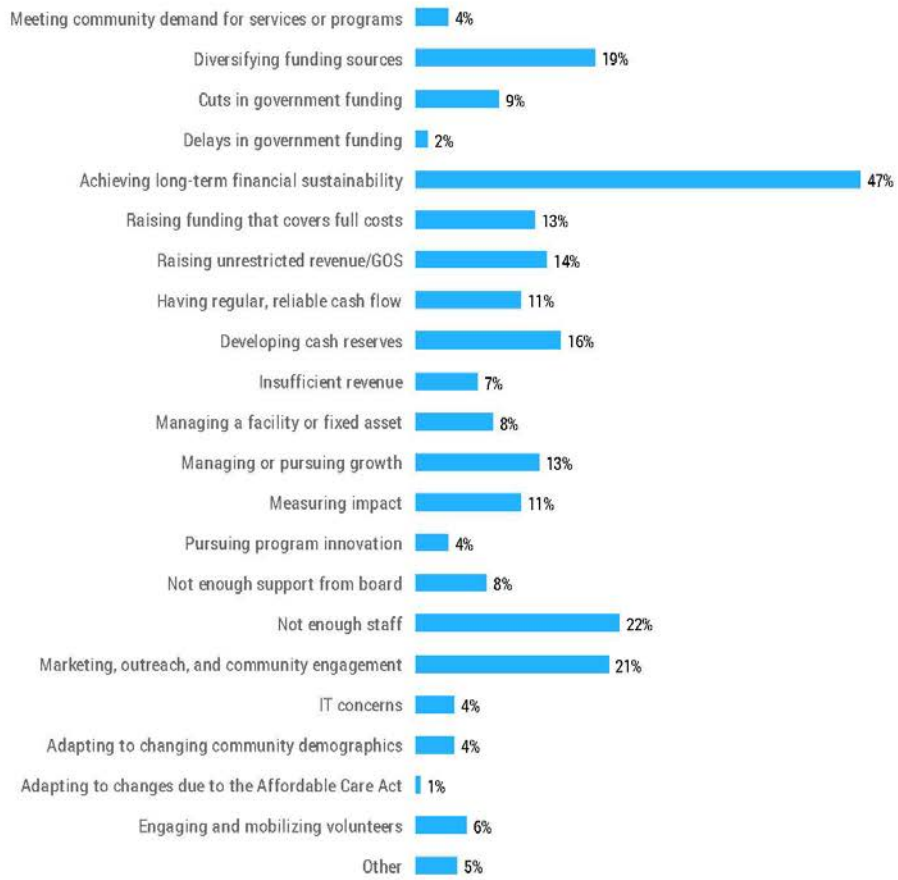


respondents: 602

Challenges and Responses

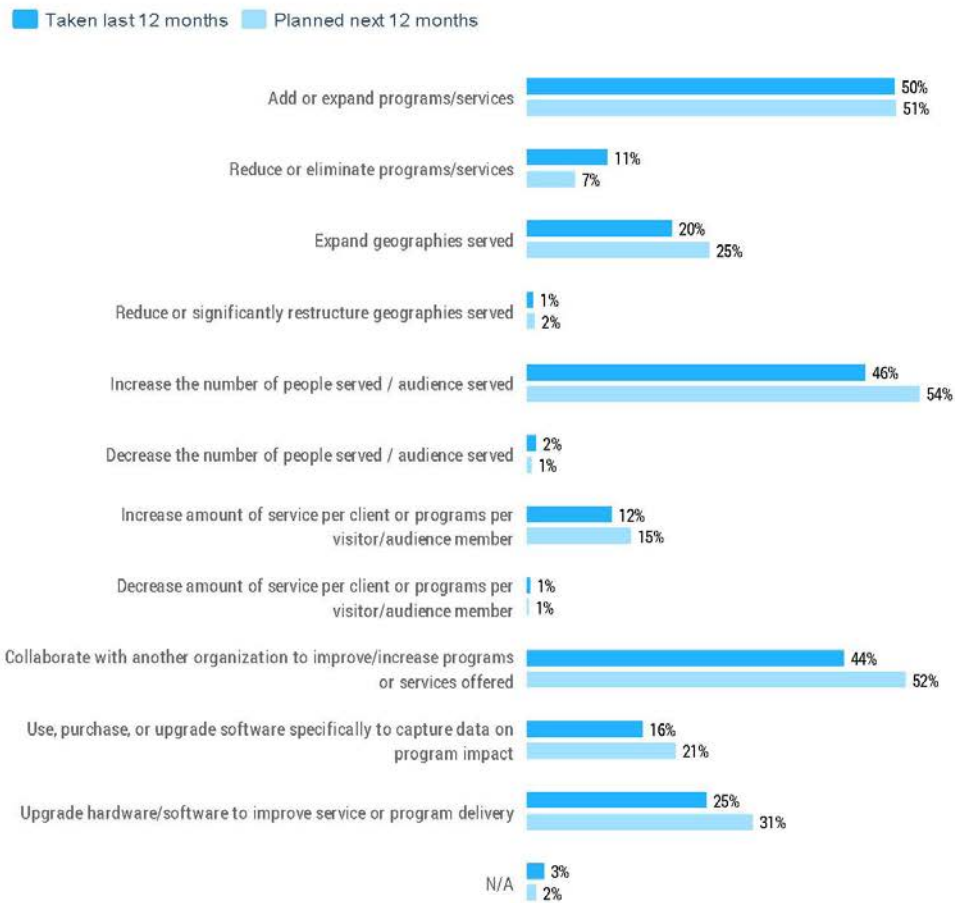
Nonprofit managers struggle to implement long-term solutions while fulfilling short-term needs. Nonetheless, they're improving efficiency, innovating, and saving when they can.

GREATEST CHALLENGES



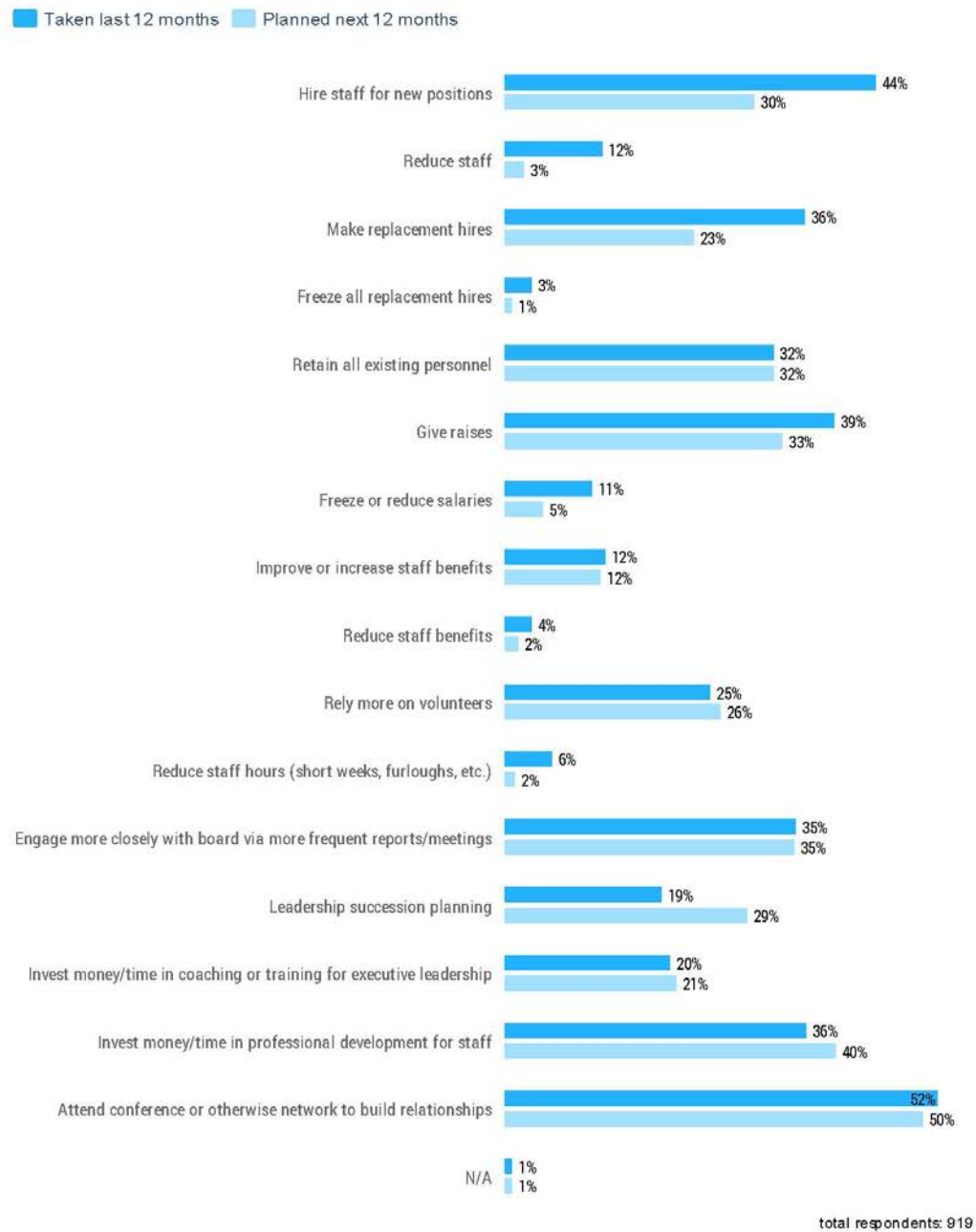
total respondents: 919

SERVICES AND PROGRAMS: ACTIONS TAKEN AND PLANNED



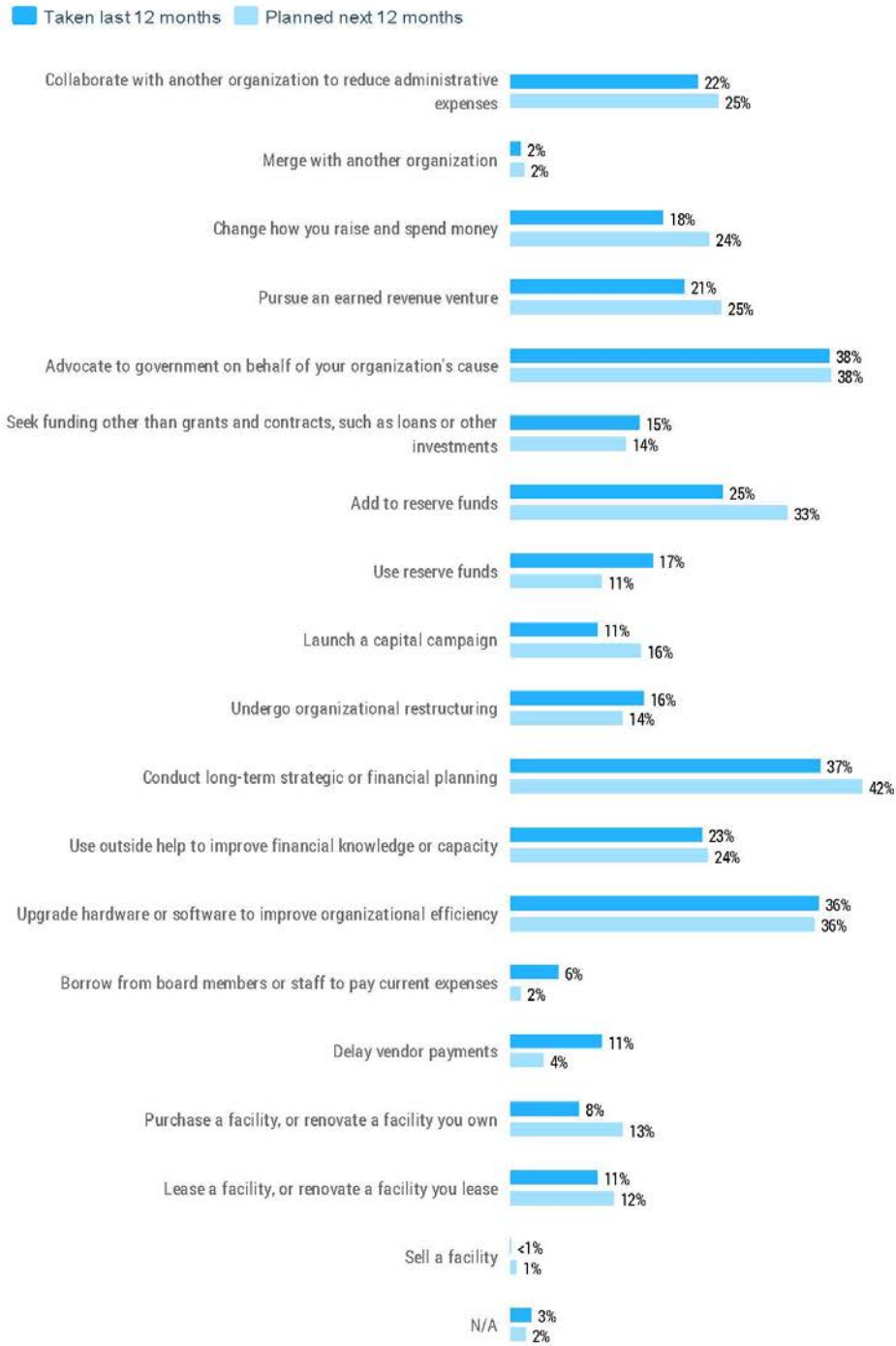
total respondents: 919

HUMAN CAPITAL: ACTIONS TAKEN AND PLANNED



FINANCE AND OPERATIONS: ACTIONS TAKEN AND PLANNED

FINANCE AND OPERATIONS: ACTIONS TAKEN AND PLANNED

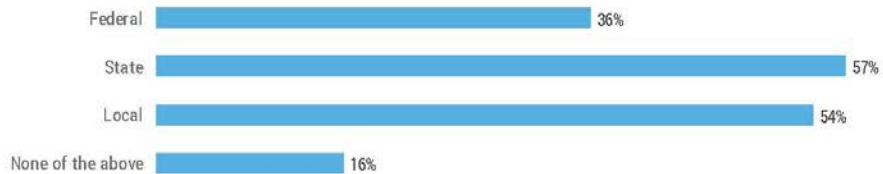


total respondents: 919

Government Funding

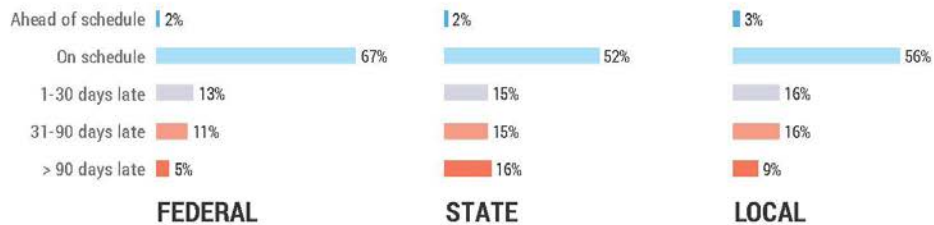
Our government plays a critical role in protecting us from poverty, hunger, and much more. And it pays nonprofits to carry out many of these services. Unfortunately, government funding comes with hidden costs for many nonprofits.

RESPONDENTS REPORTED GOVERNMENT FUNDING/CONTRACTS FROM...



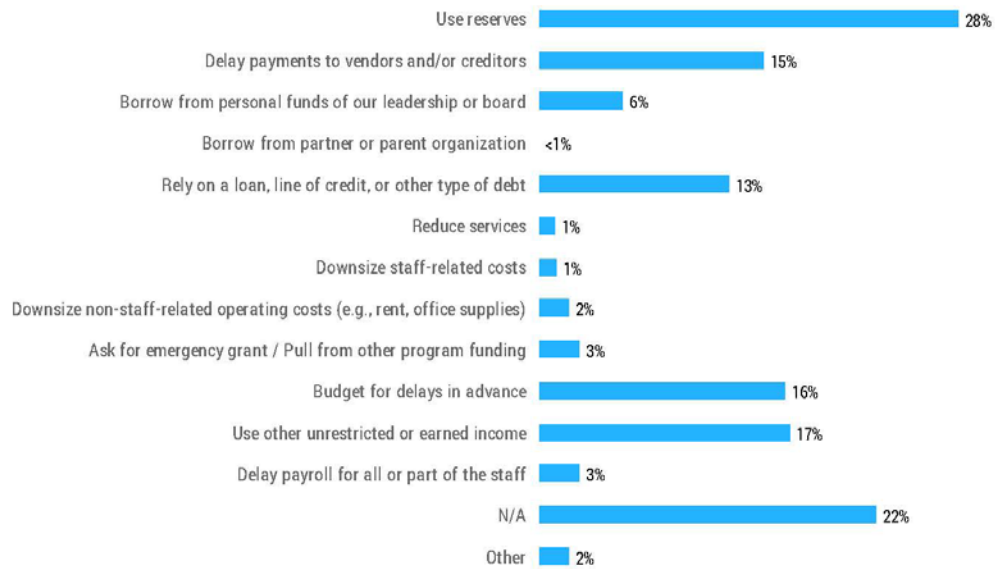
total respondents: 919

GOV'T PAYMENTS ARE RECEIVED...



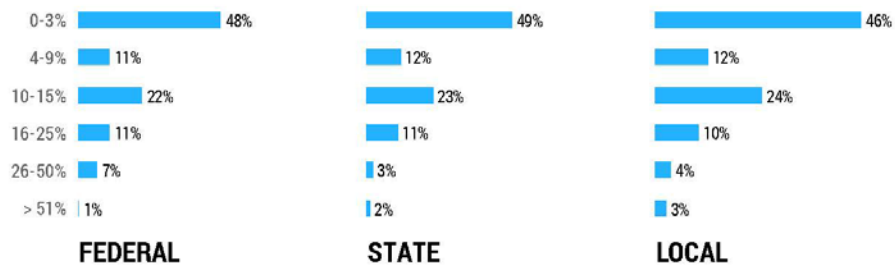
respondents: 297

HOW NPOS MANAGE GOVERNMENT PAYMENT DELAYS



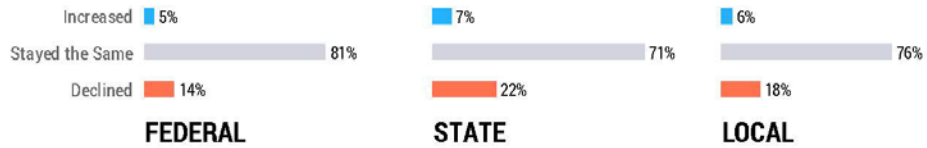
total respondents: 669

AVERAGE INDIRECT COST RATE PAID BY GOVERNMENT



respondents: 169

IN LAST 5 YEARS, AVERAGE INDIRECT COST RATE PAID BY GOVERNMENT HAS...



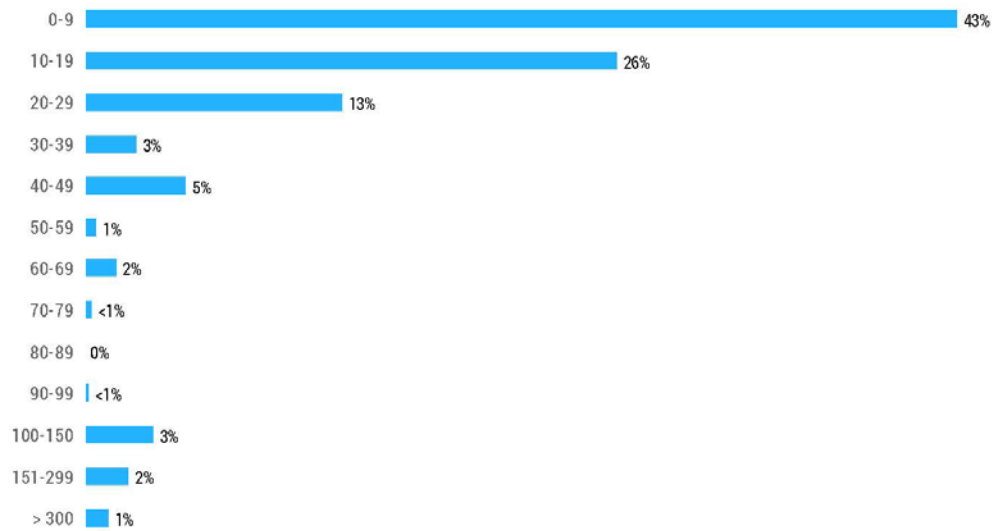
respondents: 196

IN LAST 5 YEARS, MY NPO'S GOV'T FUNDING HAS...



respondents: 279

HOURS-PER-MONTH SPENT MANAGING GOVERNMENT GRANTS/CONTRACTS

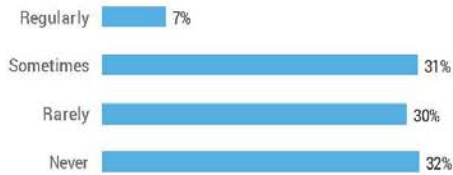


respondents: 492

Data and Impact

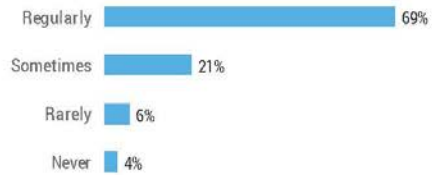
The people serving our communities want to do more than cope with social problems. They want to eliminate them. But understanding what works takes significant resources, coordination, and permission from supporters that failure is OK on the road to success.

USES EXTERNAL EVALUATOR TO ASSESS EFFECTIVENESS



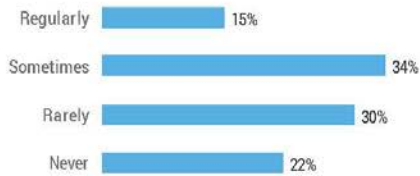
respondents: 705

COLLECTS DATA ON PROGRAM PRODUCTIVITY



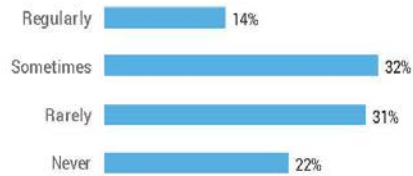
respondents: 715

COLLECTS LONG-TERM DATA ON IMPACT ON CLIENTS



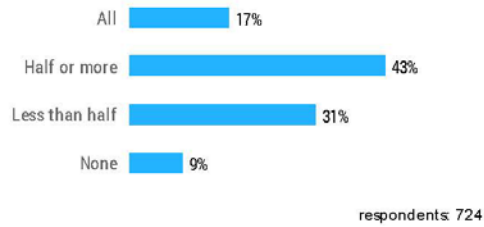
respondents: 711

COLLECTS LONG-TERM DATA ON IMPACT ON COMMUNITIES

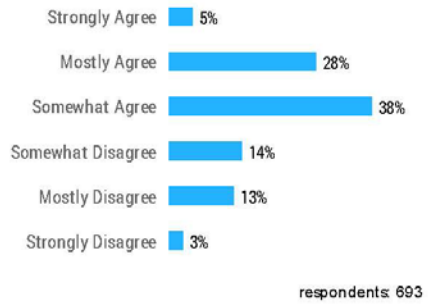


respondents: 711

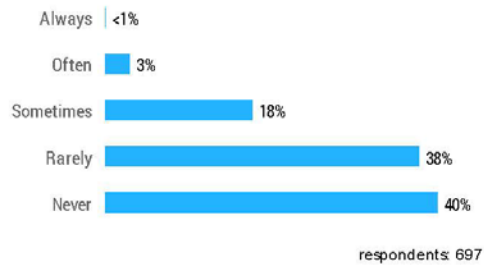
OF FUNDERS ASKING FOR IMPACT METRICS IN REPORTS



"DO METRICS FUNDERS ASK FOR HELP US ASSESS IMPACT?"



HOW OFTEN DO FUNDERS COVER COSTS OF IMPACT MEASUREMENT?



TOP BARRIERS TO IMPACT MEASUREMENT



total respondents: 919

Funder Practices

What kinds of resources do nonprofits need to succeed? And what are the types of funding that are actually available?

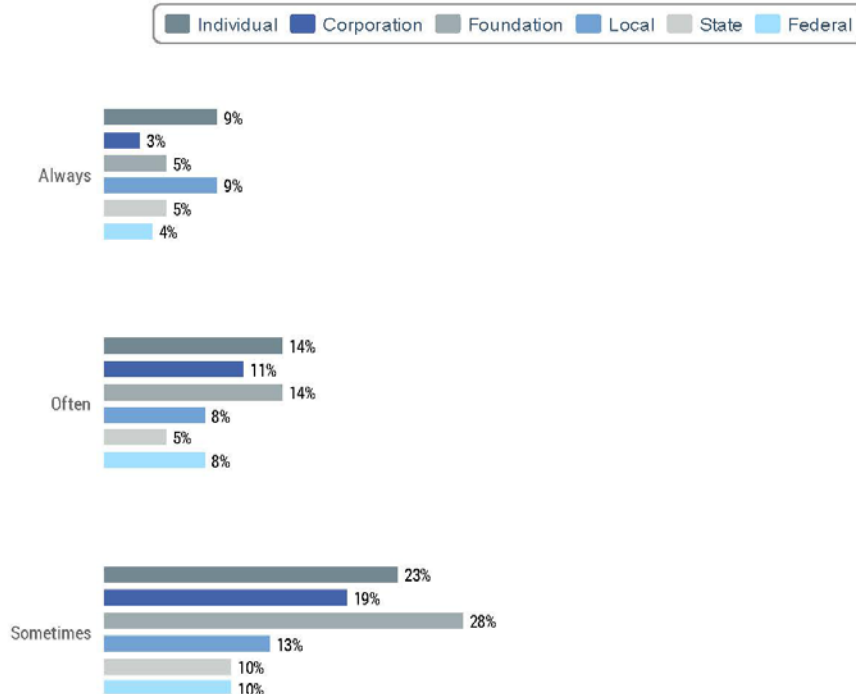
MY NPO CAN HAVE OPEN DIALOGUE WITH FUNDERS ABOUT...

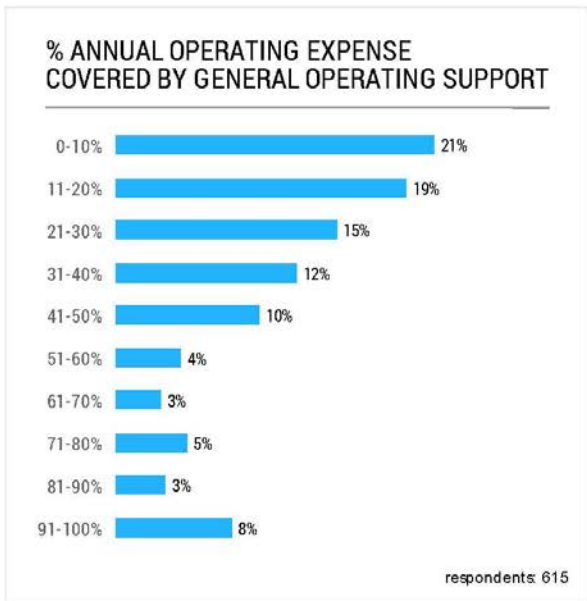
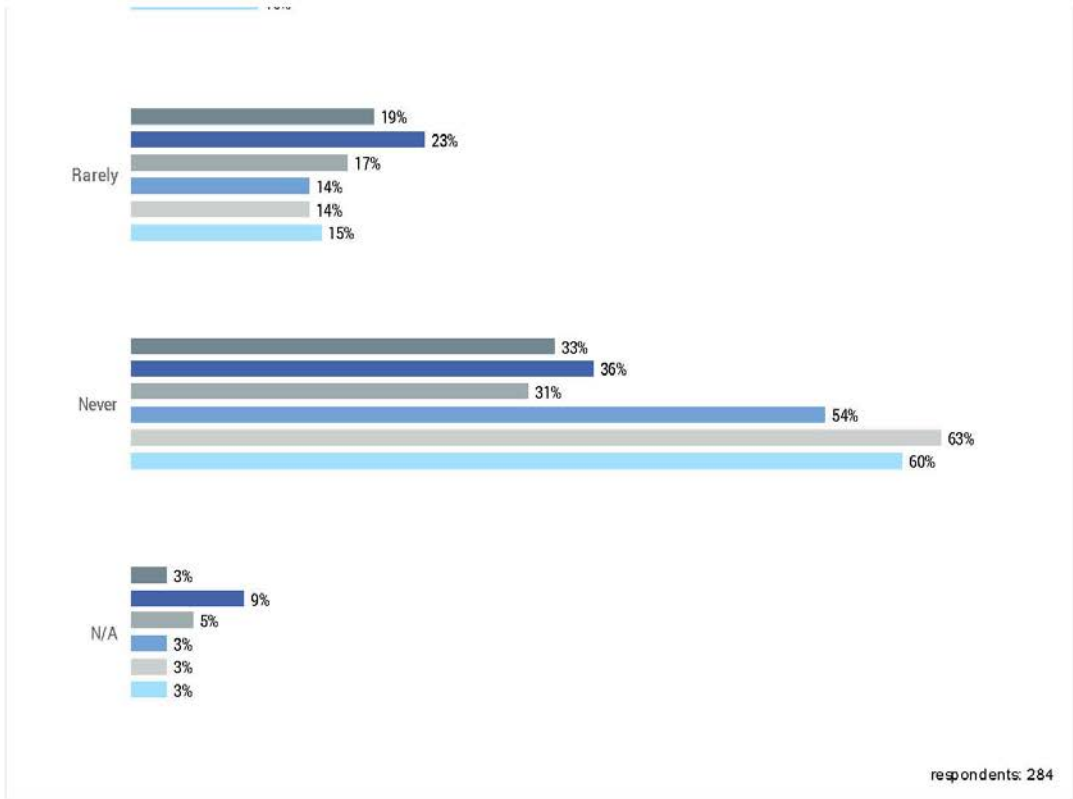


total respondents: 919

HOW OFTEN DO FUNDERS COVER THE FULL COST OF PROJECTS THEY FUND?

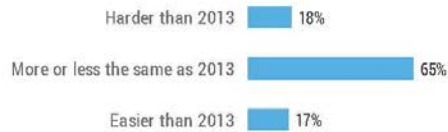
TIP: Click on any option in the legend to turn off its visibility.





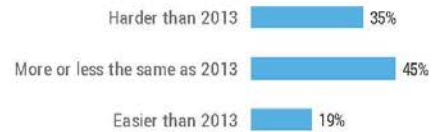
Financial Outlook

2014 OUTLOOK FOR THE COMMUNITY THE NPO SERVES



respondents: 685

2014 OUTLOOK FOR THE NPO



respondents: 686

Lending to Nonprofits

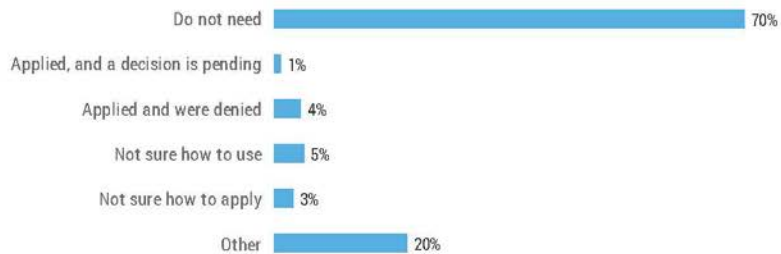
Common loans for nonprofits are for facilities, working capital and equipment.

HAS LOAN OR LINE OF CREDIT



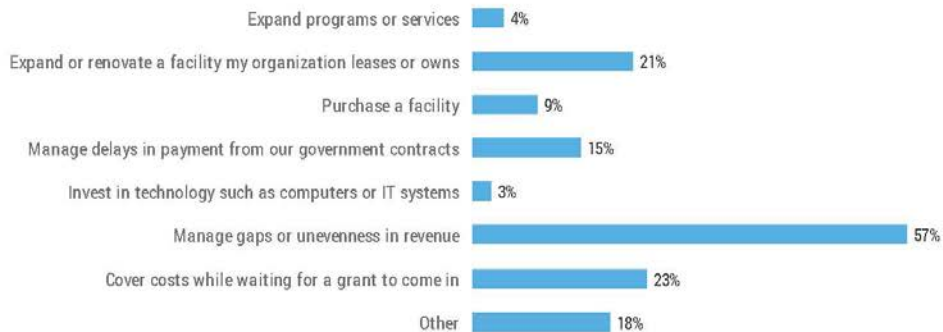
respondents: 687

REASONS NOT USING A LOAN/LINE OF CREDIT



total respondents: 372

CURRENTLY USING LOAN/LINE OF CREDIT TO...



total respondents: 315

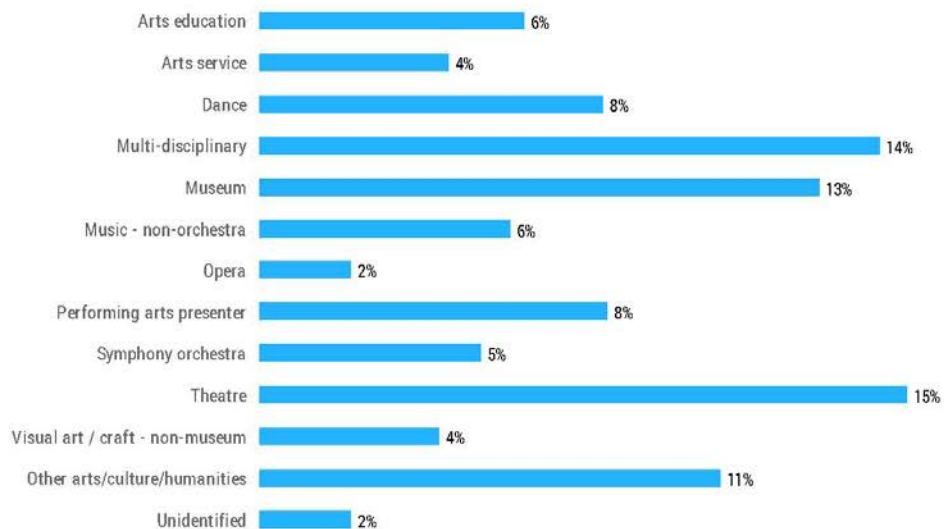
Feature: Arts & Culture NPOs

Nonprofits that identified their sector as "Arts/Culture/Humanities" received an additional set of sector-specific questions, shown below. This section has been pre-filtered to summarize the responses of only the nonprofits in this sector. You can narrow the scope of this section even further by adding filters of your own, using the Filter sidebar at the right.

TOTAL RESPONDENTS IN FILTERED SET

919

ARTS & CULTURE: RESPONDENTS BY SUB-SECTOR

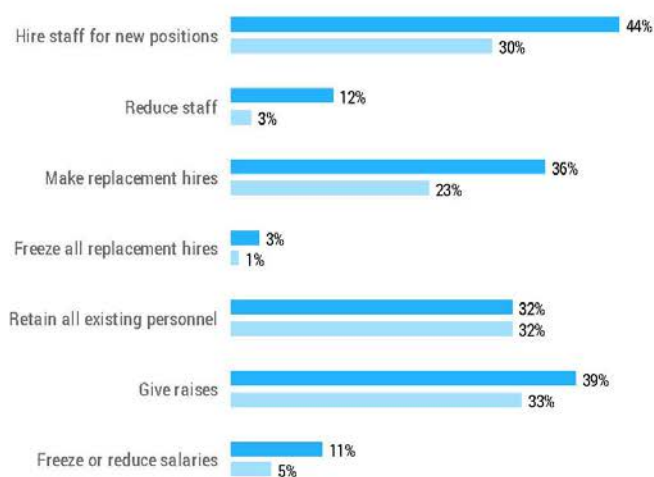


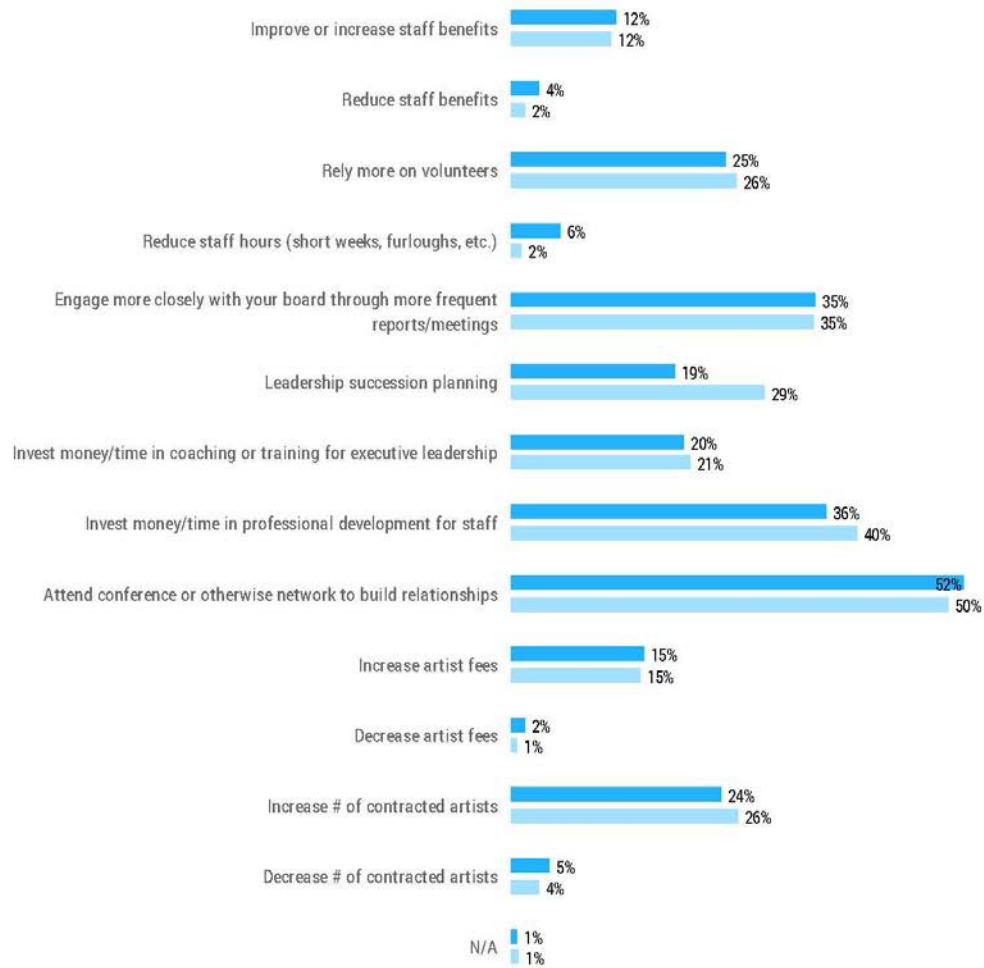
respondents: 919

ARTS & CULTURE: HUMAN CAPITAL ACTIONS TAKEN AND PLANNED

This survey question was presented to all NPOs across all sectors (see the 'Challenges and Responses' section above). However, Arts/Culture/Humanities respondents received additional options related to their management of artists. Below, you'll see this group's responses to these sector-specific options in addition to their responses to the full set.

■ Taken last 12 months ■ Planned next 12 months



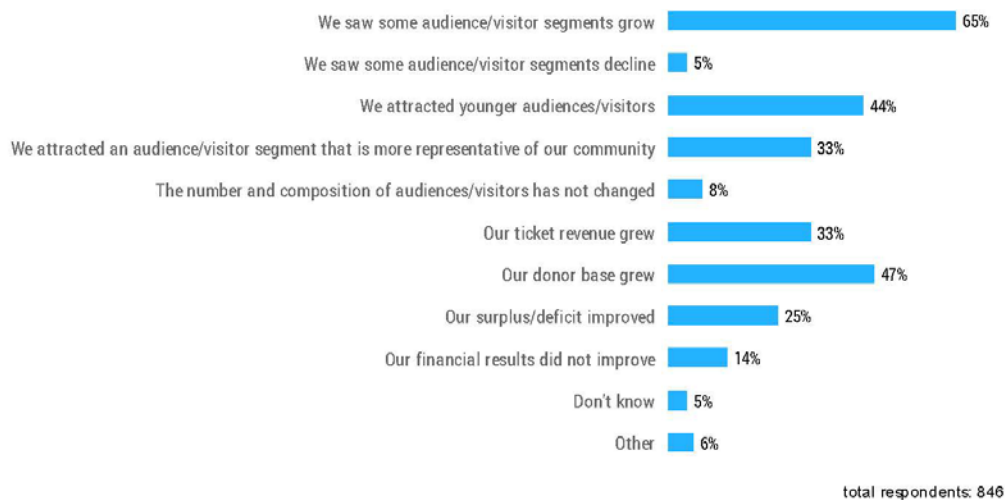


total respondents: 919

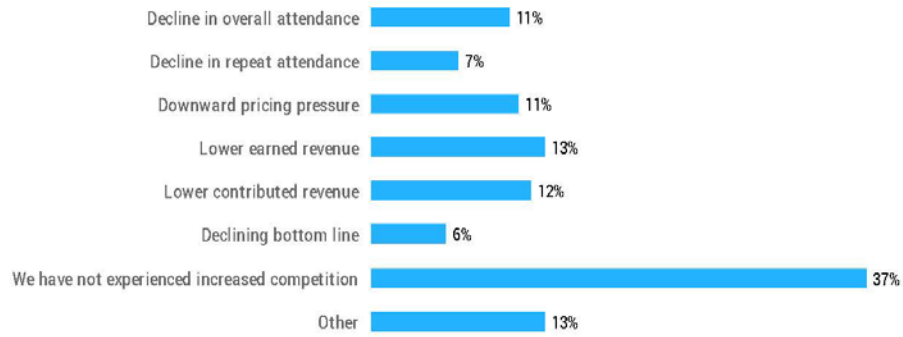
ARTS & CULTURE: IN 2013, MY NPO MADE MEANINGFUL INVESTMENT IN THE FOLLOWING AUDIENCE/VISITOR DEVELOPMENT STRATEGIES



ARTS & CULTURE: RESULT OF INVESTMENTS IN AUDIENCE/VISITOR DEVELOPMENT STRATEGIES



ARTS & CULTURE: IMPACT OF INCREASED COMPETITION IN THE ARTS & CULTURE MARKETPLACE



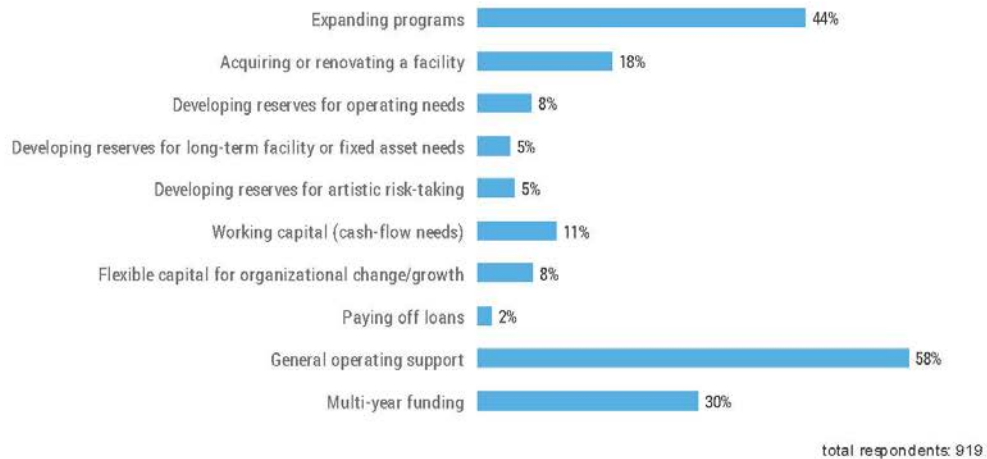
total respondents: 919

ARTS & CULTURE: HOW DID NPOS EXPERIENCING INCREASED COMPETITION RESPOND TO IT?

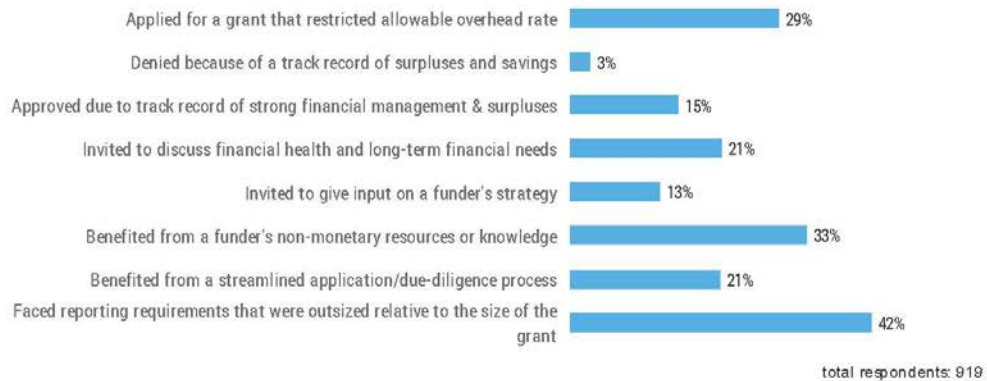


total respondents: 412

ARTS & CULTURE: IN 2013, MY NPO RECEIVED FUNDING FOR...



ARTS & CULTURE: GRANTMAKING PRACTICES EXPERIENCED IN 2013



Feature: Trends over Time

Since 2009, we've asked a core set of the same questions every year. These responses can draw attention to what has changed or stayed the same over time. For more detail, reach out to us at survey@nff.org.

2014 survey generously supported by
the Bank of America Charitable Foundation and the Ford Foundation.



Special arts portion of Survey generously supported by the Doris Duke Charitable Foundation.



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IMAGINE 2025

**A VISION FOR CHARLOTTE-MECKLENBURG'S
21ST CENTURY CULTURAL DEVELOPMENT**

Funded by Arts & Science Council

Planned in collaboration with Diane L. Mataraza Inc. Consulting Services

September 2014

Dear Charlotte-Mecklenburg Community:

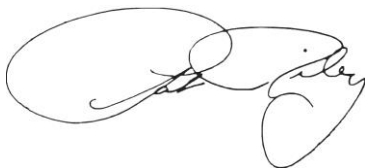
It has been my honor to serve as the Co-Chair of the Charlotte-Mecklenburg Cultural Life Task Force, a broad-based leadership team who determined that for the cultural sector to be healthy, it needed to adhere to certain short and long term goals. In order for the cultural sector to be vibrant and achieve what the citizens of Mecklenburg County desire, the Arts & Science Council (ASC) needed to roll out the 2014 Cultural Vision Plan, completed a year ago and lay dormant until the Cultural Life Task Force work was finalized. Together with Diane L. Mataraza, Inc. Consulting Services, ASC and the talented group of community leaders who served with me on the Task Force, we are proud to bring forward the Cultural Vision Plan based on the input of Charlotte-Mecklenburg's citizens, who provided invaluable insights about the past, present and future of our community's cultural life.

The plan builds on the work of several plans that came before it, but we are at an interesting moment in time, with new challenges and new opportunities. We need to continue to protect and enhance Charlotte-Mecklenburg's creative and cultural community as a unique asset that engages and supports every major element of the local economic ecosystem. Few other sectors touch and benefit everyone – from neighbors on the West Side and businesses Uptown, to middle school students in Myers Park and recent immigrants in East Charlotte.

Quite simply, our community is growing and changing, and planning for our cultural future needs to reflect the needs and dreams of the variety of citizens that makes Charlotte-Mecklenburg so uniquely and excitingly diverse. We invite everyone to share the vision and become active participants in building an even more vibrant and inclusive creative and cultural community.

Clearly there is much to be done to implement the recommendations of the Cultural Vision Plan over the next five years. It's time to no longer imagine what's possible, but to make it so. On behalf of the Task Force and ASC, I thank you for your support of the development of the plan, and look forward to collaborating with you to define and shape the future of arts, science, history and heritage in Charlotte-Mecklenburg for this generation and the next.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat Riley". The signature is fluid and cursive, with a large loop at the end.

Pat Riley
Chair, 2014 Cultural Vision Plan

THE EXECUTIVE SUMMARY

A. INTRODUCTION

Culture connects people and strengthens communities. Few places in America exemplify this better than Charlotte-Mecklenburg. With the public and private sectors investing more than a billion dollars in arts, science, history and heritage since 1977, cultural development has played a significant role in our community's growth, globalization and long-term economic prosperity.

Just as significant is Charlotte-Mecklenburg's dedication to exploring the benefits of culture for all citizens. In 2010, the Arts & Science Council (ASC) commissioned the fourth countywide Cultural Vision Plan in its 54-year history, enlisting the participation of more than 1,800 area residents. Unlike previous plans, this one, created during the worst economic crisis in decades, provided us with the opportunity to rethink ways the cultural sector could further contribute to community vitality. The role and impact of the arts and culture were examined and debated through a series of visioning sessions focused on neighborhood development, community building, quality of life, community vitality and identity, education, lifelong learning, economic development and tourism. All of these areas are integral to the future success of arts and cultural programming in Charlotte-Mecklenburg.

These visioning sessions also confronted politically charged issues:

- ✓ Are our community's cultural investment and stewardship policies as far-reaching as they could be, or do they tend to favor the traditional major institutions?
- ✓ Given Charlotte-Mecklenburg's demographic change, with non-whites representing 52 percent of the population, is our current definition of the arts and cultural sector comprehensive, accessible and inclusive?
- ✓ Is the cultural sector as intentional as it could be in assisting with important community agendas?

Leaders considered how this new plan could transcend the success of previous ones and encourage even more robust creativity and innovation to make Charlotte-Mecklenburg a better place to live, work and play. Our entire community faces new challenges in the wake of the economic recession. Corporations, non-profits and government are all reevaluating the way they do business, and the arts and cultural sector is no different. But we believe our current challenges can be solved through a proactive plan that addresses the shifting funding model before it's too late.

Imagine If ...

A mobile arts network brought arts and science to you no matter where you live in Charlotte-Mecklenburg. Traveling music, dance and theatre shows, *artmobiles*, filled with art-making materials and artists to spark hands-on creativity would be among the familiar sights that build livelier and stronger communities,

Let's see it through.

B. VISION SUMMARY

The new Cultural Vision Plan and its three overarching themes envision Charlotte-Mecklenburg's cultural longevity in bold, progressive ways. As we look beyond focusing primarily on the "the majors" and traditional arts and cultural organizations, the plan compels us to rethink criteria we use to define our community's most vital 21st-century cultural assets – and to rethink the ways we invest in them.

The genesis of better ideas and solutions will emerge from cross-sector synergies and partnerships. With such partnerships in place, and an innovative new funding model to provide stability for our core cultural institutions to jumpstart for future growth, we believe plan results will far exceed what any of us ever could have imagined or achieved on our own.

OUR VISION

Build Community

We envision a future in which opportunities to create, participate, be involved in, learn from and enjoy arts and cultural expression will be more abundant than at any other time in our history. Culture will play a more intrinsic role in enlivening, engaging and enriching all of Charlotte-Mecklenburg's communities, helping to build strong bridges and increase dialogue, understanding and tolerance. Neighborhoods will nurture, support and celebrate their authentic cultures and creative expression. Partnerships between cultural organizations and community entities (including churches, merchant and neighborhood associations, clubs, schools and more) will increase shared ownership and create the catalyst for new and different neighborhood initiatives and projects.

Increase Program Relevance and Innovation

We envision a future where cultural activity fully reflects the changing face of Charlotte-Mecklenburg. Cultural opportunity, the variety of experiences and the quality of offerings will attract more people and resources than ever before. All forms of creativity, from the most traditional to the newest emerging, will be welcoming, affordable and relevant. Residents will enjoy opportunities close to home and be able to participate in activities in both traditional and non-traditional settings. Risk-taking, innovation and transformation will define the local cultural sector. This will be a place where originality is indigenous and groundbreaking contemporary work is created, not simply imported.

Make arts, science, and history central to K-12 Education, ensuring that Charlotte-Mecklenburg's students are critical, creative thinkers

We envision a future where every student will have an education in which innovation and creativity are central, and where arts, science and history education will positively influence and boost graduation rates. The strength of the cultural sector will help ensure that Charlotte-Mecklenburg students successfully compete locally, nationally and

internationally. We imagine Charlotte-Mecklenburg growing even more attractive for business location because of its access to excellent K-12 education opportunities. And we see continually increasing levels of synergy and cooperation between the arts and cultural sector and the education community. Our *Blueprint for Charlotte-Mecklenburg's Education Partnership* (SUMMARY – SEE APPENDIX) and methodology will be recognized, respected and replicated nationally and beyond.

Imagine If ...

Mass Senior Tango Takeovers and other fresh and unexpected programs were developed and organized at arts magnet centers for seniors, similar to magnet schools for students. Why should arts programming end after childhood?

Let's see it through.

I. A COMMITMENT TO CHARLOTTE-MECKLENBURG'S CULTURAL DEVELOPMENT

Culture has always played an important role in the growth of Charlotte-Mecklenburg. We were one of first communities in the nation to understand how arts and culture stimulates and fuels community and economic development, and we are proud of the billion-dollar cultural investment demonstrating this commitment. Over the past 35 years, comprehensive planning has effectively guided Charlotte-Mecklenburg's cultural development. The 1990s ushered in particularly dramatic growth, kicking off with the 1991 Cultural Vision Plan that helped to diversify the boards and staff of our major cultural institutions while elevating the level of annual giving and building endowments. Momentum continued with the 1998 Plan, when the clustering of arts, science, history and heritage placed Charlotte-Mecklenburg ahead of the creative economy curve. By expanding the traditional perception of "the arts," we also expanded the breadth and depth of community support, and annual campaign fund contributions nearly tripled during the 1990s. In the years since, even grander visions continued

to leverage greater community investment. Implementation of Phase 1 recommendations of the 2004 Cultural Facilities Master Plan resulted in a \$250 million investment in our Cultural Mile, anchored by the McColl Center for Visual Art on North Tryon Street and the Levine Center for the Arts on South Tryon Street.

Charlotte-Mecklenburg's cultural sector fuels the economy. In the *Arts & Economic Prosperity Study IV* by Americans for the Arts, based on fiscal year 2010 data, our annual economic impact was measured at \$203 million, excluding any capital expenditures related to the opening of new or renovated cultural facilities. Our cultural opportunities attract consumers from other counties in both North and South Carolina all year long. Mecklenburg's cultural market-draw exceeds 2,500 square miles and generates annual revenue in excess of \$100 million. The *Creative Vitality Index (CVI)*, a national metric of cultural sector health in U.S. cities by WESTAF, ranks us 31 percent higher than the national average, placing Charlotte in the company of America's greatest cities.

Four million customer experiences are reported each year. This impressive number doesn't tell the entire story, as it is reported only by organizations receiving funding from ASC. Of the four million, nearly half of the experiences are for children and youth, and 40 percent come from outside Mecklenburg County. Cultural opportunities are offered by over 150 organizations whose primary mission is arts, science, history or heritage. More than 100 other area nonprofit organizations, including the YMCA of Greater Charlotte, the Sandra & Leon Levine Jewish Community Center, and Communities in Schools, also bring arts and cultural programs to residents across the county. And showcasing their creativity are the life blood of our cultural sector: more than 17,000 dancers, choreographers, musicians, actors, filmmakers, writers, visual artists, scientists, inventors, photographers, designers and more, represent 2 percent of the Charlotte-Mecklenburg workforce.

In Charlotte-Mecklenburg, arts and culture are the bedrock. We are a community continuously building upon our strengths and striving to improve. The wins benefit everyone:

- We understand how cultural expression and participation enrich and contribute to the quality of life for all;
- We recognize the positive effects of arts and culture in neighborhood and community life;
- We believe in the power of partnership – for decades, city and county government have worked hand-in-hand with the private sector to support arts and culture;
- We value the unique ability of arts and culture to increase academic rigor and success in school;
- Every day we see and appreciate how well-placed public art, and beautiful architecture and design, contribute not only aesthetically to our small town centers and Charlotte’s cityscape, but also to community aesthetics and sense of place;
- We see how culture spurs economic development and tourism, and builds civic pride.

Imagine If ...

Charlotte became a hub of creative industries, attracting the best and the brightest in information technology, architecture, advertising, film production and research and development – all essential components of a thriving, creative economy.

Let’s see it through.

II. PLAN CHARGE

BUILDING COMMUNITY: CHALLENGES, OPPORTUNITIES AND SOLUTIONS

The City of Charlotte, within Mecklenburg County, is the center of the nation’s third-largest mega-region: CharLanta, stretching from Raleigh-Durham to Atlanta. Although Charlotte is considered a mid-sized city with a population of 792,627, it is still the nation’s 17th largest city. The current population of Mecklenburg County is 986,160, an increase of 39 percent since the 2000 census. Together the Charlotte-Mecklenburg metropolitan area is part of a wider 13-county region, home to 2.4 million residents.

Among these residents, Charlotte-Mecklenburg's population has grown more diverse: non-whites comprise 51 percent of the population. *Business North Carolina* reports 850 foreign-owned companies in the Charlotte region today and, in Charlotte-Mecklenburg Schools, 84 languages are spoken among the student population. Charlotte is the second-highest Latino hyper-growth city in the country, with the greatest numbers of immigrants arriving from Mexico, India, Vietnam and El Salvador. Beyond the economic and social change that globalization brings to our communities, it also poses significant cultural development opportunities and challenges.

In ASC's 2012 UNC Urban Institute Cultural Life Survey¹, key findings included the fact that arts, science and history programs are critical to the quality of life in Charlotte-Mecklenburg, with heightened public awareness of the value of creativity and innovation. Focus groups also underscored the need for more thoughtful growth, stating: "With all the excitement and pride in our new cultural buildings, there has not been enough attention how the activities in them connect with the community. Somewhere along the way, it feels like we lost our soul." Mindful of such comments, this new plan encourages institutions to pursue partnerships that will strengthen our sense of community and generate more authentic integration of arts and culture with education, safe neighborhoods and other vital Charlotte-Mecklenburg priorities.

At the January 2012 Cultural Summit that brought together nearly 150 organizational leaders and artists, increasing accessibility to arts and cultural opportunities was the leading priority. How to address accessibility is the tougher question. For the purposes of this plan, accessibility touches on four factors identified in the planning process: welcoming and inviting opportunities, relevant content, affordability and location.

¹ UNC Charlotte Urban Institute study, a random digit dial phone survey of 400 Mecklenburg County residents over the age of 18, the 8th study of its kind commissioned since 2003.

Imagine If ...

Colonies of artists and scientists could live and work in affordable spaces that give them room to rehearse, create, invent and exhibit, welcoming the public to experience it all with them.

Let's see it through.

What are the barriers to accessibility? According to findings in recent online and telephone surveys, cost is considered a major obstacle to cultural participation in Charlotte-Mecklenburg. White respondents in the online survey rated affordability of cultural experiences at 49.6 percent, and non-whites rated affordability at 43 percent. Free days, two-for-one ticket offers, coupons and family passes appear to have widespread appeal. Throughout the visioning process, many participants shared stories of their enjoyment of festivals and free days at large-scale arts and cultural events, and expressed the hope that these special offers will continue.

Residents want activities closer to home, particularly those living outside the I-485 loop. North and South Mecklenburg residents at Town Hall Visioning Sessions rated the desire for activities closer to home at a very high level, 88 and 86 percent respectively. Many think there is plenty of cultural programming in Mecklenburg County, but want a more equitable distribution of this programming. Residents also said they would like to see more neighborhood development similar to Charlotte's North Davidson (NoDa) community, and more of an effort to "unhide" many invisible gems in neighborhoods around the county. It is telling that residents younger than 35 ranked the desire to attend events in Uptown Charlotte highest (at 67 percent), while non-white residents rated it lowest (at 50 percent).

More proactively than in past efforts, this new Cultural Vision Plan:

- Encourages all arts and cultural entities to become more actively involved in strategies to improve the quality of life for *all* Mecklenburg County residents.
- Invites creative individuals from all communities to become more visible, and provides tools to support them in building their capacity.

- Supports all cultural providers from the oldest to the youngest in using cultural programming to create more welcoming, relevant, enjoyable, accessible and engaging opportunities for residents.
- Challenges us to use arts and culture to create pathways and bridges, assisting new immigrant assimilation while also offering opportunities for all of us to better understand and welcome our newest neighbors.
- Urges us to work side-by-side with other sector community leaders to explore how shared ingenuity could address larger community challenges. Additional investment and resources could significantly strengthen the connections between the cultural sector and the greater community.
- Provides actionable next steps to create new revenue streams, encourage transformative change and build enduring partnerships to meet future needs.

Imagine If ...

Charlotte became the destination for one of the nation’s most popular and acclaimed Fringe Festivals, celebrating challenging and innovative art and introducing the community – and the nation – to what’s next on the horizon.

Let’s see it through.

INNOVATION AND RELEVANCE: CHALLENGES, OPPORTUNITIES AND SOLUTIONS

At no other time in our history has Charlotte-Mecklenburg’s cultural sector been as poised for tremendous opportunity, yet so challenged by unpredictable change. For decades, the generosity of business and industry, combined with annual support from local government, shielded Charlotte-Mecklenburg’s major cultural institutions from fluctuations in the national economy. Then the hard-hitting recession arrived. ASC’s Annual Fund decreased 38 percent (from \$11.4 million in 2008 to \$7.1 million in 2009) and since 2002, local government funding was reduced by 50 percent. This revealed an imbalance, as cultural organizations had become more reliant on ASC funding rather than their contributor base or their consumer base, with some organizations receiving as much as 45 percent of their budgets from ASC. A five-year goal

to reduce these unsustainable ratios achieved results, but not to the extent which is necessary. Currently 17 of 25 major institutions receive between 10 and 20 percent of their annual operating budgets from ASC's annual fund drive, far above the national average of grants portions of organizational budgets that range from three to five percent. However, developing a strategy to bridge core cultural organizations from the funding framework that has served the community for 40 years to one that is rooted in new economic and philanthropic realities is critical to the health and future of our cultural sector.

During our year-long visioning process, a common perception emerged: "If cultural organizations were more dependent on the market and ticket sales for their sustainability instead of their annual arts fund allocation, they might be more aggressive in producing what audiences want." One leadership session participant expressed concern about diversity in programming: "You would think cultural activity in the neighborhoods would be the first place you'd find evidence of our demographic change – but that is not the case here." *Programming is changing, but not at a pace comparable to the same rate as the Charlotte-Mecklenburg population.* Some feel that our cultural landscape is stalled in a time warp, still programming for the predominantly white audience of the 1980s and 90s.

Adding to growth challenges, Charlotte-Mecklenburg's cultural organizations have been slow to diversify their boards and staff. And beyond program content, organizations struggle with decisions about where to program and how culture can be presented in more dynamic and meaningful ways -- not consumed from a seat, but experienced through active creation and participation.

Imagine If ...

Arts, science and culture inspired the same passion, excitement and loyalty as professional sports in our community. Why not tailgate before the opera? Are you on Team Don Giovanni or Team Carmen?

Let's see it through.

This new Cultural Vision Plan certainly recognizes the strides that arts and cultural organizations have achieved in reaching more consumers. The issue here is that outreach has been most successful with white audiences and not as successful with non-white audiences. Cultural leaders have countered criticism by stressing how hard it is to take creative risks or present innovative programs when struggling to make payroll. At the same time, participants in visioning sessions have encouraged ASC to use this planning process as an opportunity to rethink investment policies. Many have challenged ASC to provide incentives for dynamic, relevant programming, especially among those organizations slowest to change. Others believe funding and cultural investment should expand to support a wider variety of creators, especially those from new immigrant communities that are invisible to the general population.

New plan initiatives will require greater inclusiveness to gain traction and make progress. A case in point: though this planning process was well-publicized and timed to provide ample opportunity for broad-based participation, the white/non-white assessment ratio of response was 81:19 in a community whose white/non-white composition is 49:51. As Charlotte-Mecklenburg's globalization continues to evolve, there will be tremendous opportunities ahead to use culture as a tool in increasing cultural understanding and dialogue. And relationship building should start within the cultural sector itself – to build awareness, understanding, relationships and respect between the traditional organizations and cultural providers from new immigrant communities.

Changing philanthropic patterns have also contributed to the list of challenges facing the cultural sector. Especially since the recession, donor patterns nationally have shifted away from unrestricted workplace giving and united appeals, toward direct organizational support. Donors want to choose where their dollars go and see results first-hand. This trend in Charlotte-Mecklenburg was further accelerated during the recession, when the highest-yielding corporate workplace campaigns were hardest hit by employee reductions. In response, ASC quickly pursued its own innovation, moving aggressively to create new giving systems that would be

attractive to donors. While rethinking ways to energize the annual fund, ASC simultaneously created the online giving platform power2give, a new education and innovation fund. Now we are poised to reach the next level with the launch of a new funding initiative designed to recapture lost donors, and to substantially grow and expand the base of support for arts and culture in Charlotte-Mecklenburg.

Imagine If ...

Our school system provided a strong curriculum in history, the sciences and the arts, inspiring students to continue these educational paths in college – and then to return to Charlotte-Mecklenburg to enjoy long and successful careers in these fields.

Let's see it through.

ASC's new strategies to raise funds are also impacting how funds are allocated. The organization's current history of fund distribution – especially to major cultural partners – is based on an allocations policy that has been largely unchanged for decades. ASC leaders recognize that new giving trends compel us to rethink how investment policies can better align with a donors wants and the community needs. Change is not a choice, it is a necessity.

Naturally the anticipation and uncertainty of doing things differently has added a level of stress to major institutions that are less agile and able to adapt to rapid change. In his March 2012 visit, Rodney Christopher, a Vice President at the Nonprofit Finance Fund, stated: "Great art is often created without lots of money and can be enjoyed for many years. Great arts organizations without the right kinds and amounts of money, however, often struggle to see another day." Christopher urged funders to invest in program innovation, but not to the extent that it threatens the long-term viability of the facilities offering it. He simultaneously urged the cultural sector to do its share: "Prepare for the future starting with greater willingness to explore new business and program delivery models, and adopt more market-savvy principles."

Of all public opinion survey results collected (1,082 respondents), 65.8 percent think the quality of Charlotte-Mecklenburg’s cultural offerings is excellent. But even in the most stable environments, keeping program content aligned with continually evolving consumer tastes is challenging. Given the pace and breadth of demographic change in Charlotte-Mecklenburg, more creative, forward-looking partnerships will be necessary. In public opinion assessment, the most substantial response differences were related to race/ethnic origin – above age, location or even length of residency. When online survey respondents were asked about the variety of offerings, and if they believed there was “something for everyone,” there was a 19 percent variance in the responses of whites as compared to non-whites: 71 percent of white respondents agreed that there was indeed “something for everyone,” as compared to half of nonwhites (52%) who thought there was not. In exploring the community’s appetite for more experimental programming (including where and how creativity is experienced), again the most substantial variance was race/ethnic origin. Seventy-six percent of non-white respondents want more participatory experiences, compared to 60 percent of whites. Town Hall Visioning Session participants offered scores of suggestions to more fully engage residents. And at each session, we heard the recurring hope that cultural providers will be as innovative with delivery as they are with content – *it’s about the entire experience.*

Imagine If ...

Science sheds and clubs sprang up across Charlotte-Mecklenburg communities, where materials and equipment would be available for all aspiring Einsteins and Curies to explore and experiment.

Let’s see it through.

Throughout the visioning process it was clear that most cultural organizations grasp what the issues are, but the bigger challenge is determining how to address them. The cultural sector must continually strengthen its value and relevance in the community on many levels, a task that will be simultaneously invigorating and daunting:

- Collectively, we need to carefully examine and refresh our entire cultural delivery system and determine how we can create greater synergy with agendas important to our community.
- Funding policy should be refreshed to incentivize change. We should continue to pursue strategies to manage donor expectations, and be realistic about the pace of cultural sector funding change.
- Individually, each organization needs to rethink every aspect of what it does, why, for whom and how. Which program and service offerings are most unique and valuable to the community? Programming, outreach, marketing, operating models, capitalization, technology and the personnel to best lead, manage and govern our organizations all must be carefully assessed and retooled. Professional expertise and broader nonprofit services/resources within the community could be tapped to assist.
- Cultural providers should be as innovative with delivery as they are with content – *it's about the entire experience.*
- The cultural sector needs to reimagine how to best capitalize on the ingenuity, resourcefulness, nimbleness and talent of its artists and creative individuals.
- Stewardship services that support and advance the entire arts and cultural sector will be more important than ever before.

Imagine If ...

The children of Charlotte-Mecklenburg begged their parents to read the story of the Meck Dec one more time, as interest in history among citizens surpasses that of reality TV. A community thrives when it knows where it has been and uses this knowledge to shape its future.

Let's see it through.

III. HOW WE PLANNED

Our work began in 2010 by identifying the most important ways Charlotte-Mecklenburg's cultural life could grow stronger. Three challenges emerged as our primary focal points:

- **How can Charlotte-Mecklenburg's cultural opportunities become more relevant and valuable in the lives of all residents and visitors?**
- **What can be done to see that all of Charlotte-Mecklenburg's creative enterprises thrive, and how can we keep our cultural offerings fresh, vital and relevant?**
- **What can we do to continually expand the impacts of a healthy cultural sector, and how?**

Questions in hand, visioning sessions began in earnest in March 2011. These sessions involved 184 community leaders representing all key sectors. On the heels of the visioning process, UNC Charlotte's Urban Institute conducted a random digit dial phone survey of 400 Mecklenburg County residents over the age of 18. In June 2011, a subgroup of visioning session leaders reviewed all ideas generated from the sessions and the results of the phone survey to affirm preliminary visioning themes.

As next steps, ASC leaders met Charlotte-Mecklenburg leaders to seek their thoughts on the community's most critical priorities and how the cultural sector could play a greater role in addressing them. These meetings included the elected and professional leaders of the City of Charlotte, Mecklenburg County, Mecklenburg Towns and the leaders of the Charlotte Chamber, the Foundation For The Carolinas, the Charlotte Regional Partnership, Charlotte Center City Partners, Charlotte Regional Visitors Authority, area colleges and universities, United Way and MeckEd.

In November and December of 2011, more than a thousand county residents participated in an online survey to further test if we were headed in the right direction. In January 2012, ASC

convened a Cultural Summit, facilitated by McColl Center for Visual Art's Innovation Institute, in which 141 cultural organization leaders and artists participated. A post-summit online survey clarified sector needs, challenges and priorities.

In February, three Town Hall Visioning Sessions were convened in Matthew, Cornelius and Charlotte. Existing cultural sector research, the plans of Charlotte-Mecklenburg's chief leadership organizations, and city and county government master plans were included in the discussions.

This new Cultural Vision Plan is the result of many minds, many conversations and many meetings. It benefits from the guidance of community leaders, the candid views of residents and the dedicated work of the cultural sector. Once adopted by ASC's Board of Directors, this plan will be presented to Mecklenburg County, the City of Charlotte and the Towns of Cornelius, Davidson, Huntersville, Matthews, Mint Hill and Pineville for review and adoption.

IV. TAKING ACTION FOR THE FUTURE

The next step with the Cultural Vision Plan brought together civic, corporate and community leaders. The Charlotte-Mecklenburg Cultural Life Task Force was created to protect and enhance the region's creative and cultural community as a unique asset that engages and supports every major element of the local economic ecosystem.

The 23 members of this citizen task force were nominated by the Charlotte City Council, Mecklenburg County Commission, Arts & Science Council, Charlotte Chamber, Charlotte-Mecklenburg Schools, Charlotte Center City Partners and Foundation For The Carolinas.

The Task Force began its work in May 2013 and completed its final recommendations in May 2014. Its research included data-intensive study of funding mechanisms, trends, cultural organization budgets, and best practices from comparable cities across the country.

The group heard presentations from industry experts, major funders, current and former Charlotte cultural sector executive directors, the UNC Charlotte Urban Institute, the Greater Charlotte Cultural Trust, City and County budget officials, a senior Americans for the Arts executive, and four executive directors of arts agencies in Dallas, Denver, Nashville and Cincinnati that are comparable to the Arts & Science Council.

From these in-depth explorations of cultural sector operations and best practices, the Cultural Life Task Force recommends four key actions to ensure vibrant, accessible arts, science and history programs for future generations in Charlotte-Mecklenburg:

- Restructure private sector giving to increase individual, corporate and foundation donations directly to the Cultural Partners and other nonprofit cultural organizations. Establish ASC as the gateway for new cultural donors and participants who enter the sector through a workplace campaign and are then invited to develop strong relationships directly with Cultural Partners. ASC develops a donor database that is shared with Cultural Partners to move donors' information and connections to the Cultural Partners.
- Engage local and state government to recommit and expand support for the cultural sector by restoring the public/private partnership that built and grew the local arts, science and history sector.
- Redesign ASC and its mission from the ground up so that it can be more effective in leading the cultural community's adaptation to 21st-century trends in philanthropy, demographics and citizen participation. Focus ASC on adapting to a constantly changing environment, continuously refreshing the case for the cultural sector and allocating funds responsively.
- Support the ASC Cultural Partners with administrative, fundraising, and managerial resources as they focus on revising, building and continuously improving their programmatic, revenue and governance operations and sustainability.

For further information about the recommendations of the Charlotte-Mecklenburg Cultural Life Task Force, please visit

<http://artsandscience.org/programs-a-services/cultural-planning/cultural-life-task-force>

**CITY OF CHARLOTTE
OFFICE OF THE CITY ATTORNEY
Memorandum**

TO: Mayor and City Council

FROM: Robert E. Hagemann, City Attorney

DATE: February 3, 2015

RE: Non-Discrimination

At your November 24, 2014 meeting, Scott Bishop of the Human Rights Campaign gave a presentation in which he proposed adding marital status, familial status, sexual orientation, gender expression, and gender identity to the list of protected characteristics in several City non-discrimination ordinances. In response, Council asked me to prepare a briefing paper and to draft a proposed ordinance that would implement the request.

History of Protected Characteristics

The Civil Rights Act of 1964 provided, among other things, broad federal protections against discrimination in public accommodations based on race, color, religion, and national origin (Title II) and in employment based on race, color, religion, sex, and national origin (Title VII). Protections against employment discrimination based on age (1967) and disability (1990) were subsequently enacted.

There are no federal laws that expressly prohibit discrimination based on sexual orientation, gender expression, or gender identity. However beginning with an ordinance adopted by the City of Minneapolis in 1975, and according to the attached FAQ from the Human Rights Campaign, seventeen states (North Carolina is not one of them), the District of Columbia, and more than 225 cities and counties have passed laws prohibiting discrimination based on sexual orientation and gender identity.

City Ordinances

1. Public Accommodations

In 1968 the Charlotte City Council adopted an ordinance prohibiting discrimination in public accommodations. The ordinance was based on the 1964 federal law and covered race, color, religion, and national origin. In 1972, the Council amended the ordinance to include sex.

As part of the 1985 recodification of the entire City Code, the public accommodations ordinance was modified to treat sex differently than race, color, religion, and national origin, establishing protections only in restaurants, hotels, and motels, and even then

carving out restrooms, bathhouses and similar facilities which are in their nature distinctly private, as well as dormitory lodging facilities such as the YMCA and YWCA.

While we have been unable to find any documentation that clearly states the reasons for this change in approach, the City Attorney at the time believes it was recommended by the contractor for the recodification likely due to lingering concerns stemming from the debate over the Equal Rights Amendment which some argued would do away with single sex restrooms.

The public accommodations ordinance does not specify an enforcement mechanism, but pursuant to state law, a violation of the ordinance is enforceable as a misdemeanor (fine up to \$500, no active time unless three previous violations) or through equitable relief (*i.e.*, a court order directing a cessation of the violation). In practice, the Community Relations Committee typically seeks voluntary compliance through a conciliation process.

2. Community Relations Committee

At the same time the 1968 public accommodations ordinance was adopted, Council established the Community Relations Committee. Among the Committee's duties is a charge to provide an annual report that may include "recommendations of the committee for legislation or other actions to eliminate or reduce discrimination with respect to [the protected characteristics]". In addition, through the conciliation process, the Committee is authorized to "[a]pprove or disapprove plans to eliminate or reduce discrimination with respect to [the protected characteristics]".

3. Passenger Vehicles for Hire

The passenger vehicles for hire ordinance provides that "[n]o company operating certificate holder, vehicle operating permit holder, or driver shall refuse or neglect to transport any person on the basis of race, color, religion, sex or national origin". The ordinance is enforced through civil penalties and revocation of operating certificates and permits.

4. Commercial Non-Discrimination

The commercial non-discrimination ordinance was adopted in 2003 as part of the Council's response to the dismantling of the woman and minority business development program after the City was sued in federal court. The ordinance prohibits businesses that seek to contract with the City from "discriminating in the solicitation, selection, hiring or treatment of vendors, suppliers, subcontractors or commercial customers on the basis of race, gender, religion, national origin, ethnicity, age, or disability." The ordinance provides for enforcement through the rescission, suspension or termination of a current contract, and the disqualification from bidding and contract awards for a period of not more than two years.

Description of Proposed Amendments

The proposed amendments would simply add “marital status, familial status, sexual orientation, gender identity, and gender expression” to the list of protected characteristics in the passenger vehicles for hire and commercial non-discrimination ordinances as well as the list of protected characteristics that the Community Relations Committee is authorized to make recommendations for legislation or other actions to eliminate or reduce discrimination and to approve or disapprove plans to eliminate discrimination through the conciliation process.

With regards to the public accommodations ordinance, the proposed amendments would not only add these five characteristics to the general prohibition of discrimination, but would also add “sex” to the general prohibition and delete the separate section dealing with sex. This would bring the City’s ordinance in line with the trend across the country of not carving out “sex” in an attempt to preserve the right of businesses to provide separate restroom facilities (*i.e.*, it is not discriminatory to provide separate men’s and women’s restroom facilities).

Regarding the concerns expressed at the November 24 meeting, the Human Rights Campaign asked me to provide the attached document that provides some perspectives from twelve states.

enclosures

NON-DISCRIMINATION POLICIES AND ORDINANCES: FAQ

Beginning with an ordinance passed in Minneapolis in 1975, **17 states**, the District of Columbia, and **more than 200 cities and counties** have enacted laws prohibiting discrimination based on sexual orientation and gender identity. More than 500 private businesses across the United States, including 61% of Fortune 500 companies, have voluntarily adopted policies that prohibit discrimination based on sexual orientation and gender identity.

WHY ARE THESE LAWS AND POLICIES NEEDED?

- The motivation behind these protections is simple, but powerful: **the goal is to protect people from arbitrary discrimination** in employment, housing, public accommodations, and other areas. A person’s sexual orientation or gender identity has nothing to do with their job performance, or their qualifications as a good renter, or their right to receive service at a business open to the public. People should be judged on their merits and not be denied opportunities because of prejudice.
- In jurisdictions without protections against discrimination based on sexual orientation or gender identity, LGBT people simply have no legal protection against even the most outrageous forms of discrimination, unless they live in a city or county with applicable anti-discrimination protections.
- One reason why it is particularly urgent to prohibit discrimination based on gender identity is the reality that **transgender people experience unusually high rates of discrimination**: Forty-seven percent have experienced an adverse job outcome, such as being fired, not hired or denied a promotion.¹ Transgender people report having difficulty making ends meet because, although they possess valuable skills and experience, they often cannot find work because they face discrimination from employers.
- It’s important to note that **laws against discrimination do not prevent employers from firing incompetent employees and do not prevent landlords from turning down unqualified renters**. These laws simply make sure that all employees get a fair chance at working hard to get ahead without being singled out or judged based on factors irrelevant to their ability to work or pay their bills.

WHAT CAN CITIES DO?

- Nearly all cities have the ability to pass municipal non-discrimination ordinances that prohibit discrimination against lesbian, gay, bisexual and transgender (LGBT) people within the city’s jurisdiction. Cities often already have non-discrimination ordinances that prohibit discrimination against other protected classes (such as race, religion, national origin, age, etc.), and extending these protections to LGBT people is as simple as adding “sexual orientation, gender identity and expression” to the list of protected classes.
- Cities also have the ability to prohibit discrimination in the city workplace by adopting non-discrimination policies that protect city employees from discrimination on the basis of their sexual orientation and gender identity or expression.
- City contractors can also be required to have non-discrimination policies in order to make a contracting proposal to the city.

¹ National Center for Transgender Equality and the National Gay and Lesbian Task Force “National Transgender Discrimination Survey” http://transequality.org/Resources/NCTE_prelim_survey_econ.pdf, November 2009.

NON-DISCRIMINATION POLICIES AND ORDINANCES: FAQ

RESPONDING TO COMMON COUNTERARGUMENTS

- **Special Rights.** Anti-discrimination laws do not create “special rights” for LGBT Americans. The right to work, rent a home, or shop for groceries is not a “special” right, and that is why we already have civil rights laws protecting against many forms of discrimination including race, religion, gender, disability and national origin. An inclusive law simply puts LGBT Americans on the same footing as everyone else.
- **Flood of Litigation.** An anti-discrimination law will not create a flood of litigation or harm small businesses. Experience with other state and local laws which protect LGBT workers has shown that LGBT people file discrimination claims at the same rate that people in other protected classes do; and, because the LGBT community is smaller than many of the other protected classes that there simply has not been a notable increase in litigation.
- **Redundant Protections.** The Employment Non-Discrimination Act would add discrimination on the basis of sexual orientation and gender identity into federal law, but even if ENDA becomes law it only deals with employment discrimination. A recent decision by the EEOC that forbids gender identity discrimination in federal employment is an important, but similarly limited, development. 29 states do not prohibit discrimination on the basis of sexual orientation and 33 do not prohibit discrimination on the basis of gender identity.
- **Bathroom Concerns.** Anti-discrimination laws forbidding discrimination on the basis of gender identity allow transgender people to use the bathroom in which they feel most comfortable and physically safe. The claim that these laws provide men access to women’s rooms in order to assault women and girls is fear-mongering, fundamentally untrue, and insulting. Assault is and continues to be illegal, no matter who is perpetrating it or where it occurs. Transgender people deserve the ability to be able to use bathrooms in peace and safety, and the truth is that they are far more likely to be the *victims* of harassment and violence in bathrooms than they are to be the perpetrators – particularly if they are forced to use a bathroom that is inconsistent with their gender identity or expression.
- **Religious Organizations.** Religious organizations can choose to hire members of their own faith and exclude applicants based on virtually any reason, so long as the work those people are hired to perform is related to the organization’s religious activities. Those rights are not affected by a non-discrimination ordinance that includes protections for LGBT people.
- **Religious Individuals.** Existing non-discrimination laws at the state and local level obligate business owners to serve people of all faiths and races even when doing so challenges the religious views of the business owner. For example, the Christian owner of a florist shop may not refuse to provide flowers for the wedding of an interfaith couple, nor would it for an inter-racial couple. Businesses engaged in public commerce should be held to this same standard in relation to LGBT people.

<http://mediamatters.org/research/2014/03/20/15-experts-debunk-right-wing-transgender-bathro/198533>

Experts in 12 states -- including law enforcement officials, government employees, and advocates for victims of sexual assault -- have debunked the right-wing myth that sexual predators will exploit transgender non-discrimination laws to sneak into women's restrooms, calling the myth baseless and "beyond specious."

Colorado

State Law Has Prohibited Discrimination In Public Accommodations Since 2008. In 2008, Colorado expanded its Anti-Discrimination Act, which prohibits discrimination in public accommodations, to include sexual orientation and gender identity as a protected class. [*The Denver Post*, **5/29/08**]

Coalition Against Sexual Assault: Opponents Of Protections Are Creating "Unsubstantiated Fear." Alexa M. Priddy, director of training and communications at the Colorado Coalition Against Sexual Assault, reported no problems as a result of her state's non-discrimination law. In an email to *Media Matters*, she wrote:

Denying equal rights is yet another form of discrimination against transgender individuals, which is pervasive within our society and institutions. Such criticisms of this law and ads [that] invoke what we see as "trans panic," an attempt to create fear of transgender people and a false label of trans individuals as sexual predators.

CCASA would love to see the real focus be on the realities that transgender people are far too often targeted for sexual violence, and if they seek support through victim services or the criminal justice system in the aftermath, they often face continued discrimination from the very people who are there to help. Sexual assault is already an under-reported crime, and we see this increase with marginalized communities. We want to focus on creating safety for transgender survivors and not on creating unsubstantiated fear. [Email exchange, 3/8/14]

Connecticut

State Law Has Prohibited Discrimination In Public Accommodations Since 2011. In 2011, Connecticut Gov. Dannel Malloy signed into law legislation prohibiting discrimination in public accommodations based on gender identity or expression. [*Bay Windows*, **7/6/11**]

State Commission On Human Rights: "Unaware Of Any Sexual Assault." In an email to *Media Matters*, Jim O'Neill, legislative liaison and spokesman for the Connecticut Commission on Human Rights in Opportunities, reported no problems as a result of the state's non-discrimination law:

I am unaware of any sexual assault as the result of the CT gender identity or expression law. I'm pretty sure it would have come to our attention. [Email exchange, 3/6/14]

Hawaii

State Law Has Prohibited Discrimination In Public Accommodations Since 2006. In 2006, Hawaii expanded its non-discrimination laws to prohibit discrimination in public accommodations on the basis of sexual orientation and gender identity. [Hawaii Civil Rights Commission, accessed **3/12/14**]

State Civil Rights Commission: Non-Discrimination Law "Has Not Resulted In Increase[d] Sexual Assault Or Rape." William Hoshijo, executive director of the Hawaii Civil Rights Commission, told *Media Matters* in an email:

In Hawai'i, the protection against discrimination in public accommodations on the basis of sex, including gender identity or expression, has not resulted in increase sexual assault or rape in women's restrooms. The HCRC is not aware of any incidents of sexual assault or rape causally related or attributed to the prohibition against discrimination on the basis of gender identity or expression. (In contrast to anecdotal reports of transgender students being harassed and bullied in school restrooms when forced to use an assigned restroom inconsistent with their gender identity.) [Email exchange, 3/6/14]

Iowa

State Law Has Prohibited Discrimination In Public Accommodations Since 2007. In 2007, the Iowa Civil Rights Act was expanded to prohibit discrimination on the basis of sexual orientation and gender identity in public accommodations. [Iowa Civil Rights Commission, accessed **3/14/14**]

Des Moines Police Department: "We Have Not Seen That." In an interview with *Media Matters*, Des Moines Police Department spokesman Jason Halifax stated that he hadn't seen cases of sexual assault related to the state's non-discrimination ordinance:

We have not seen that. I doubt that's gonna encourage the behavior. If the behavior's there, [sexual predators are] gonna behave as they're gonna behave no matter what the laws are. [Phone interview, 3/13/14]

Maine

State Law Has Prohibited Discrimination In Public Accommodations Since 2005. In 2005, Maine adopted legislation prohibiting discrimination in public accommodations on the basis of gender identity and sexual orientation. [GLAD, 2/25/14]

State Human Rights Commission: "No Factual Basis" For Sexual Assault Fears. In an email to *Media Matters*, Executive Director Amy Sneirson of the Maine Human Rights Commission said that the state's non-discrimination law hadn't led to increased sexual assault or rape:

I know that this concern persists but I personally have not seen any factual basis for it.

I am not aware of any increased sexual assault or rape in women's restrooms as a result of Maine's 2005 adoption of protections in the Maine Human Rights Act for sexual orientation (which, in Maine, includes "a person's actual or perceived heterosexuality, bisexuality, homosexuality or gender identity or expression"). [Email exchange, 3/7/14]

Massachusetts

Cambridge Has Prohibited Discrimination In Public Accommodations Since 1997. In 1997, the city of Cambridge expanded its non-discrimination ordinance to prohibit discrimination against transgender people in public accommodations. [National Gay and Lesbian Task Force, July 2008]

Cambridge Police Superintendent: "No Incidents" Of Transgender Protections Being Abused. Police Superintendent Christopher Burke told *Media Matters* in an email:

Back in 1984 Cambridge enacted an ordinance that established the Human Rights Commission. The purpose of the ordinance was to protect the human rights of all citizens of the City. In 1997 this ordinance was amended to specifically include gender identity and expression. Much like the Transgender Equal Rights Bill proposal, the City of Cambridge sought to offer protection to transgender individuals from being harassed, fired from a job, denied access to a public place, or denied or evicted from housing. Since this 1997 amendment there have been no incidents or issues regarding persons abusing this ordinance or using them as a defense to commit crimes. **Specifically, as was raised as a concern if the bill were to be passed, there have been no incidents of men dressing up as women to commit crimes in female bathrooms and using the city ordinance as a defense.** [Email exchange, 3/7/14, emphasis added]

State Victims' Advocacy Group: Fears About Transgender Protections Are "Beyond Specious." Toni Troop, spokeswoman for the statewide sexual assault victims organization Jane Doe Inc., told *Media Matters* in an email:

The argument that providing transgender rights will result in an increase of sexual violence against women or men in public bathrooms is beyond specious. The only people at risk are the transgender men and women whose rights to self-determination, dignity and freedom of violence are too often denied. We have not heard of any problems since the passage of the law in Massachusetts in 2011, nor do we expect this to be a problem. While cases of stranger rape and sexual violence occur, sexual violence is most often perpetrated by someone known to the victim and not a stranger in the bush or the bathroom. [Email exchange, 3/7/14, emphasis added]

Minnesota

State Law Has Prohibited Discrimination In Public Accommodations Since 1993. In 1993, Minnesota amended its Human Rights Act to prohibit discrimination against transgender people in public accommodations. [OutFront Minnesota, accessed 3/13/14]

Minneapolis Police Department: Fears About Sexual Assault "Not Even Remotely" A Problem. Minneapolis police spokesman John Elder told *Media Matters* in an interview that sexual assaults stemming from Minnesota's 1993 transgender non-discrimination law have been "not even remotely" a problem. Based on his experience, the notion of men posing as transgender women to enter women's restrooms to commit sex crimes "sounds a little silly," Elder said. According to Elder, a police department inquiry found "nothing" in the way of such crimes in the city. [Phone interview, 3/11/14]

Nevada

State Law Has Prohibited Discrimination In Public Accommodations Since 2011. In 2011, Nevada enacted three transgender non-discrimination laws, including a law explicitly prohibiting discrimination in public accommodations. [National Gay and Lesbian Task Force, 6/2/11]

Las Vegas Police Department: No Problems Since Passage Of Non-Discrimination Law. Asked whether Nevada's 2011 gender identity law had fueled a rise in sex crimes, Las Vegas Police Department spokesman Jesse Roybal told *Media Matters*, "the answer would be no." After the department's lieutenant for sexual assault ran a check of crimes since 2011, Roybal told *Media Matters* that the department had not "had any incidents involving transgender suspects." [Phone interview, 3/6/14, 3/11/14]

New Mexico

State Law Has Prohibited Discrimination In Public Accommodations Since 2003. In 2003, New Mexico amended its Human Rights Act to prohibit discrimination on the basis of sexual orientation and gender identity in public accommodations. [The Williams Institute, **September 2009**]

Albuquerque Police Department: "Unaware Of Any Cases Of Assault" Due To Non-Discrimination Law. Officer Tasia Martinez, Public Information Officer for the Albuquerque Police Department, told *Media Matters* in an email:

We are unaware of any cases of assault in our city as a result of transgendered [sic] accommodations. [Email exchange, 3/13/14]

Oregon

State Law Has Prohibited Discrimination In Public Accommodations Since 2007. In 2007, Oregon enacted the Oregon Equality Act, which prohibits discrimination in public accommodations on the basis of sexual orientation and gender identity. [Lambda Legal, accessed **3/13/14**]

Bureau of Labor And Industries: "Zero Allegations" Of Assault Due To 2007 Law. Oregon Bureau of Labor and Industries spokesman Charlie Burr told *Media Matters* in an email:

The Oregon Equality Act protects the rights of LGBT Oregonians in employment, housing and public places and has done so without any incidents of LGBT assaults on women in public restrooms that we're aware of. Our agency has encountered zero allegations of LGBT assault related to this public accommodation protection. [Email exchange, 3/7/14]

Portland Police Department: "I Have Never Heard Of Any Issues Like This." Portland Police Department spokesman Peter Simpson wrote in an email to *Media Matters*:

I have never heard of any issues like this in Portland. We have a very low rate of sexual assault/rape crimes here overall. [Email exchange, 3/7/14]

Rhode Island

State Law Has Prohibited Discrimination In Public Accommodations Since 2001. In 2001, Rhode Island explicitly prohibited discrimination on the basis of gender identity or expression in public accommodations. [GLAD, 2/25/14]

State Commission for Human Rights: No Increase In Sex Crimes Due To Non-Discrimination Law. Rhode Island Commission for Human Rights Executive Director Michael D. Evora told *Media Matters* in an email:

The Commission for Human Rights has not taken in any cases alleging gender identity discrimination in respect to bathroom usage in public facilities since the law was amended to prohibit such discrimination. In addition, we are not aware of any affect the passage of the law has had on incidents of assault in public restrooms. [Email exchange, 3/7/14]

Vermont

State Law Has Prohibited Discrimination In Public Accommodations Since 2007. In 2007, Vermont explicitly prohibited discrimination on the basis of gender identity in public accommodations. [GLAD, 3/4/14]

State Human Rights Commission: "We Are Not Aware" Of Any Problems From Non-Discrimination Law. In an email to *Media Matters*, the Vermont Human Rights Commission's Karen Richards said:

I have only been here a short time so was checking with my staff to find out if they were aware of any issues. ... We are not aware of any other issues or problems similar to this caused by prohibiting discrimination against those who are transgendered. [Email exchange, 3/7/14]

Montpelier Police Department: No Complaints. Montpelier Police Chief Tony Facos responded to an email inquiry about whether the state's non-discrimination law had led to incidents of rape or sexual assault in women's restrooms, stating, "We do not have any complaints related to this issue." [Email exchange, 3/10/14]

ORDINANCE NUMBER: _____

AMENDING CHAPTERS 2, 12, and 22

AN ORDINANCE AMENDING CHAPTER 2 OF THE CHARLOTTE CITY CODE ENTITLED “ADMINISTRATION”, CHAPTER 12 ENTITLED “HUMAN RELATIONS”, AND CHAPTER 22 ENTITLED “VEHICLES FOR HIRE”

BE IT ORDAINED by the City Council of the City of Charlotte, North Carolina, that:

Section 1. Article V of Chapter 2 of the Charlotte City Code is amended as follows:

“Sec. 2-151. - Policy statement.

It is the policy of the city not to enter into a contract with any business firm that has discriminated in the solicitation, selection, hiring or treatment of vendors, suppliers, subcontractors or commercial customers on the basis of race, gender, religion, national origin, ethnicity, age, marital status, familial status, sexual orientation, gender identity, gender expression, or disability, or on the basis of any otherwise unlawful use of characteristics regarding such vendor's, supplier's, or commercial customer's employees or owners in connection with a city contract or solicitation; provided that nothing in this commercial non-discrimination policy shall prohibit or limit otherwise lawful efforts to remedy the effects of discrimination that has occurred or is occurring in the marketplace.

Sec. 2-152. - Purpose and intent.

It is the intent of the city to avoid becoming a passive participant in private sector commercial discrimination by refusing to procure goods and services from business firms that discriminate in the solicitation, selection, hiring, or treatment of vendors, suppliers, subcontractors, or commercial customers on the basis of race, gender, religion, national origin, ethnicity, age, marital status, familial status, sexual orientation, gender identity, gender expression, or disability in connection with city contracts or solicitations by providing a procedure for receiving, investigating, and resolving complaints of discrimination involving city contracts or solicitations.

Sec. 2-153. - Definitions.

For purposes of this article, the following terms have the meanings indicated unless the context clearly requires a different meaning.

...

Discrimination means any disadvantage, difference, distinction, or preference in the solicitation, selection, hiring, or treatment of a vendor, supplier, subcontractor or commercial customer on the basis of race, gender, religion, national origin, ethnicity, age, marital status, familial status, sexual orientation, gender identity, gender expression, or disability, or on the basis of any otherwise unlawful use of characteristics regarding such vendor's, supplier's, or commercial customer's employees or owners in connection with a city contract or solicitation;

provided that nothing in this definition or article shall prohibit or limit otherwise lawful efforts to remedy the effects of discrimination that has occurred or is occurring in the marketplace.

...

Sec. 2-166. - Mandatory nondiscrimination contract clause.

Every contract and subcontract shall contain a nondiscrimination clause that reads substantially as follows:

As a condition of entering into this agreement, the company represents and warrants that it will fully comply with the city's commercial non-discrimination policy, as described in section 2, article V of the City Code, and consents to be bound by the award of any arbitration conducted thereunder. As part of such compliance, the company shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, age, marital status, familial status, sexual orientation, gender identity, gender expression, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, suppliers, or commercial customers in connection with a city contract or contract solicitation process, nor shall the company retaliate against any person or entity for reporting instances of such discrimination. The company shall provide equal opportunity for subcontractors, vendors and suppliers to participate in all of its subcontracting and supply opportunities on city contracts, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that has occurred or is occurring in the marketplace. The company understands and agrees that a violation of this clause shall be considered a material breach of this agreement and may result in termination of this agreement, disqualification of the company from participating in city contracts or other sanctions.

Sec. 2-167. - Contractor bid requirements.

All requests for bids or proposals issued for city contracts shall include a certification to be completed by the bidder or proposer in substantially the following form:

The undersigned bidder or proposer hereby certifies and agrees that the following information is correct:

1. In preparing ~~it's~~ its enclosed bid or proposal, the bidder or proposer has considered all bids and proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in discrimination as defined in section 2.
2. For purposes of this section, discrimination means discrimination in the solicitation, selection, or treatment of any subcontractor, vendor, supplier or commercial customer on the basis of race, ethnicity, gender, age, religion, national origin, marital status, familial status, sexual orientation, gender identity, gender expression, disability or any otherwise unlawful form of discrimination. Without limiting the foregoing, discrimination also includes retaliating against any person or other entity for reporting any incident of discrimination.

3. Without limiting any other remedies that the city may have for a false certification, it is understood and agreed that, if this certification is false, such false certification will constitute grounds for the city to reject the bid or proposal submitted with this certification, and terminate any contract awarded based on such bid or proposal. It shall also constitute a violation of the city's commercial non-discrimination ordinance and shall subject the bidder or proposer to any remedies allowed thereunder, including possible disqualification from participating in city contracts or bid processes for up to two years.
4. As a condition of contracting with the city, the bidder or proposer agrees to promptly provide to the city all information and documentation that may be requested by the city from time to time regarding the solicitation and selection of suppliers and subcontractors in connection with this solicitation process. Failure to maintain or failure to provide such information shall constitute grounds for the city to reject the bid or proposal and to any contract awarded on such bid or proposal. It shall also constitute a violation of the city's commercial non-discrimination ordinance, and shall subject the bidder or proposer to any remedies that are allowed thereunder.
5. As part of its bid or proposal, the bidder or proposer shall provide to the city a list of all instances within the past ten years where a complaint was filed or pending against bidder or proposer in a legal or administrative proceeding alleging that bidder or proposer discriminated against its subcontractors, vendors, suppliers, or commercial customers, and a description of the status or resolution of that complaint, including any remedial action taken.
6. As a condition of submitting a bid or proposal to the city the bidder or proposer agrees to comply with the city's commercial non-discrimination policy as described in section 2, article V of the city code, and consents to be bound by the award of any arbitration conducted thereunder.”

Section 2. Article II of Chapter 12 of the Charlotte City Code is amended as follows:

“Sec. 12-27. - Powers.

Within the limitations provided by law, the community relations committee created under this article has the power to:

...

- (9) Render at least annually a written report to the mayor and to the city council and to the chairman and the board of county commissioners. The report may contain recommendations of the committee for legislation or other actions to eliminate or reduce discrimination with respect to race, color, religion, sex, marital status, familial status, sexual orientation, gender identity, gender expression, or national origin.

...

Sec. 12-29. - Powers of conciliation division.

Within the limitations provided by law, the conciliation division of the community relations committee created by this article has the power to:

- ...
- (3) Approve or disapprove plans to eliminate or reduce discrimination with respect to race, color, religion, sex, marital status, familial status, sexual orientation, gender identity, gender expression, or national origin;
- ..."

Section 3. Article III of Chapter 2 of the Charlotte City Code is amended as follows:

“Sec. 12-58. - Prohibited acts.

(a) It shall be unlawful to deny any person the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of a place of public accommodation because of race, color, religion, sex, marital status, familial status, sexual orientation, gender identity, gender expression, or national origin.

(b) It shall be unlawful to make, print, circulate, post, mail or otherwise cause to be published a statement, advertisement, or sign which indicates that the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of a place of public accommodation will be refused, withheld from, or denied any person because of race, color, religion, sex, marital status, familial status, sexual orientation, gender identity, gender expression, or national origin, or that any person's patronage of or presence at a place of public accommodation is objectionable, unwelcome, unacceptable, or undesirable because of race, color, religion, sex, marital status, familial status, sexual orientation, gender identity, gender expression, or national origin; provided, however, this section does not apply to a private club or other establishment not, in fact, open to the public.

~~Sec. 12-59. - Prohibited sex discrimination.~~

~~(a) It shall be unlawful to deny a person, because of sex, the full and equal enjoyment of the goods, services, facilities, privileges, advantages, or accommodations of a restaurant, hotel, or motel.~~

~~(b) This section shall not apply to the following:~~

- ~~(1) Restrooms, shower rooms, bathhouses and similar facilities which are in their nature distinctly private.~~
- ~~(2) YMCA, YWCA and similar types of dormitory lodging facilities.~~
- ~~(3) A private club or other establishment not, in fact, open to the public.”~~

Section 4. Article II of Chapter 22 of the Charlotte City Code is amended as follows:

“Sec. 22-31. - Conduct of certificate holders, permit holders, drivers.

...

(i) No company operating certificate holder, vehicle operating permit holder, or driver shall refuse or neglect to transport any person on the basis of race, color, religion, sex, marital status, familial status, sexual orientation, gender identity, gender expression, or national origin. In addition, no company operating certificate holder, vehicle operating permit holder, or driver shall refuse or neglect to transport any person on the basis of disability when such service can be provided to a person with a disability with reasonable accommodation.”

Section 5. This ordinance shall be effective April 1, 2015.

Approved as to form

City Attorney