

Arts Nova Scotia Transition Committee

Report to the Minister of Communities, Culture and Heritage

October 18, 2011

Table of Contents

- 1.0 Committee Purpose and Function..... 1
- 2.0 Mission, Vision, Mandate and Values 3
- 3.0 Programs, Activities and Funding 5
 - 3.1 Recommended Funding Programs..... 5
 - 3.2 Recommended Activities 7
 - 3.3 Recommended Program Funding 8
- 4.0 Operating Recommendations 10
 - 4.1 Recommendations for Arts Nova Scotia Legislation..... 10
 - 4.2 Policy Recommendations for Arts Nova Scotia 13
 - 4.3 Recommendations for the First Board of Arts Nova Scotia 14
 - 4.4 Administrative Considerations 17

Appendix

Board Nominations Matrix

Conflict of Interest Policy

1.0 Committee Purpose and Function

The Arts Nova Scotia Transition Team is comprised of four individuals selected by the Minister of Communities, Culture and Heritage to advise on the purpose and function of a new funding body, Arts Nova Scotia. Transition Team members include:

- Pam Birdsall, MLA, Committee Chair
- Paul Caskey, Artistic Director, Live Art Dance Productions
- Christopher Shore, Executive Director, Theatre Nova Scotia
- Leah Hamilton, Arts Consultant, Genesis Consulting

Collectively, the group's credentials include several years of working within the performing arts and craft communities in a leadership capacity, experience as practicing artists, and direct involvement with the former Nova Scotia Arts Council.

The Transition Team was tasked with developing Terms of Reference, which has been identified by the Minister as including:

- The intended purpose and general functioning of Arts Nova Scotia;
- The recommended level of authority and areas of responsibility with regard to programs offered by Arts Nova Scotia;
- Expectations as to Arts Nova Scotia's operational and accountability requirements.

The committee members were expected to serve as volunteers, keep all deliberations and recommendations confidential, and report activities and recommendations directly to the Minister.

The Committee convened on June 28th to clarify the role and purpose of the committee and set a work plan for completion of the tasks at hand. The committee then met seven times for day-long meetings from July to October to discuss recommendations for the purpose and operations of Arts Nova Scotia.

In reaching the recommendations contained in this report, the committee:

- Held open and frank conversations about the funding issues facing artists and arts organizations in Nova Scotia and shared the collective expertise and experience of the committee members;
- Called upon the staff of the Department of Communities, Culture and Heritage to provide contextual information including recent funding program results, the departmental

appointment process for agencies, boards and commissions, and the departmental restructuring plan;

- Reviewed "Canadian Public Arts Funders (CPAF)/ Organismes publics de soutien aux arts du Canada (OPSAC) Governance Handbook for CPAF Member Organizations" prepared by Brown Governance in 2007; "Nova Scotia Arts & Culture Consultation Report" prepared by Horizons Community Development Associates Inc, 2010;
- Referred to the Arts Council Act of 1995-96 and the detailed governance manual used by the former Nova Scotia Arts Council;
- Held conversations with Directors of four provincial arts councils/agencies including the BC Arts Council, the Alberta Foundation for the Arts, the Manitoba Arts Council and the Ontario Arts Council;
- Conferred with the Chair and Past-Chair of the Creative Nova Scotia Leadership Council.

This report details the committee's recommendations, indicated throughout in bold and italics.

2.0 Mission, Vision, Mandate and Values

The committee took as its first task the establishment of a clear set of four foundational statements for Arts Nova Scotia. First, the mission statement outlines *the raison d'etre* or overarching purpose of the body. The mandate sets out general parameters for the activities of the organization. The values guide operations by stating the principles that should underlie all of Arts Nova Scotia's activities. Finally, the vision paints an inspiring picture of what the world looks like when the mission has been achieved.

These foundational statements were carefully crafted after extensive deliberation. They incorporate some key principles and values articulated by the former Nova Scotia Arts Council, which were still considered by the committee to be entirely relevant to the arts community today, and also include new elements that the committee felt reflected today's concerns. ***It is recommended that these foundational statements be adopted by Arts Nova Scotia in their current form and that these statements be used by the future governors of Arts Nova Scotia as guidance for operations.***

MISSION: *Arts Nova Scotia exists to advance the arts by investing in creativity, fostering innovation and promoting the value of the arts.*

MANDATE:

- **To encourage creative expression** by funding activity in the arts. Funding will be made available through programs that invest in artists and arts organizations; specifically:
 - o Grants that promote and support artistic creation and innovation
 - o Grants that support presentation and producing activities, including operational support to producing and presenting organizations
 - o Grants that support professional development of artists and workers in the arts
 - o Grants that support merit-based, juried art prizes, awards and artwork acquisition
- To **invest in the creativity** of all artistic disciplines
- To **employ peer assessment processes** in the determination of merit and the allocation of funding
- To **communicate the cultural, social and economic importance of the arts** to the community at large
- To **advise and work with** the Minister of Culture, provincial cultural staff, and advisory bodies on arts related policy issues
- To **initiate and oversee arts related research**

VALUES/GUIDING PRINCIPLES: Arts Nova Scotia values:

- *First and foremost*, the principle of freedom of expression and its role in stimulating creative and critical thought in our society
- Excellence in artistic practice and creative expression
- The professional artist as central to the development & practice of art
- All stages of artistic growth
- The cultural and regional diversity of Nova Scotia
- The exchange of ideas and artistic practices
- Accountability and transparency of policies and practices
- A high standard of ethics and fair access

OUR VISION: Arts Nova Scotia provides a solid foundation for a flourishing and healthy arts community. *We envision, for all Nova Scotians, a culture of creativity where the arts thrive.*

3.0 Programs, Activities and Funding

3.1 Recommended Funding Programs

The committee examined at length the current programs offered and program clients served by the Department of Communities, Culture and Heritage to determine the extent to which existing programs would be suited to Arts Nova Scotia. A key determinant in assessing suitability was compatibility with the stated mission and mandate of the organization.

Existing programs were ranked according to the following scale:

- 1- program has little compatibility with the mission and mandate of Arts Nova Scotia, and responsibility for the program should remain with the Department;
- 2- program has some elements that are compatible with the mission and mandate of Arts Nova Scotia and responsibility could be moved, with further examination, to Arts Nova Scotia;
- 3- program is completely compatible with the mission and mandate of Arts Nova Scotia and responsibility for the program should be moved to this body.

Programs assessed as "3" include:

- Grants to Individuals- Creation, Presentation, Professional Development
- Grants to Organizations and Small Groups-Commissioning, Production & Presentation, Professional Development
- Operating Assistance to Cultural Organizations- Producers
- Nova Scotia Art Bank Acquisition Program
- Portia White Prize

These programs and their clients are entirely compatible with Arts Nova Scotia's recommended mandate of supporting artistic creation and innovation, presentation and producing activities, artistic professional development and merit-based juried prizes and art acquisitions. It is recommended that these programs become the full responsibility of Arts Nova Scotia. Responsibility for these programs includes the full authority to:

- *Determine the goals for each program;*
- *Set eligibility criteria;*
- *Establish the assessment process;*
- *Determine the funding allocated to each program.*

Programs assessed as "2" include:

- Cultural Activities Programs - this program funds both professional and community clients, with the weighting on the community side. While the values of the Arts Nova Scotia place the professional artist at the centre of artistic development, the recommended mandate of Arts Nova Scotia deliberately does not distinguish between professional and community arts. The line between community and professional arts is becoming increasingly blurred, and other arts councils across the country report funding community based art projects on a more frequent basis.

However, at this time, the committee does not recommend moving the cultural activities funding program to Arts Nova Scotia. A move of this sort constitutes a major shift in policy and should be evaluated further. It may be deemed appropriate at a future date to move this program, but it is felt to be premature at this time.

- Operating Assistance to Cultural Organizations: Festivals and Presenters - the presenters in this program fit within the recommended mandate, while the festivals, many of which have a strong community-based mandate, do not fit as closely. ***Should a full review of programs be conducted by the inaugural board of Arts Nova Scotia, it is recommended that strong consideration be given to moving presenter funding to Arts Nova Scotia.¹ It is not recommended that festivals move at this time; however, this issue may require study at a future date.***
- Cultural Opportunities for Youth, Individuals and Organizations - as is the case with cultural activities funding above, Arts Nova Scotia's recommended mandate does not exclude funding youth/emerging artists, and it is recommended that Arts Nova Scotia values all stages of artistic growth. ***However, as above, the committee does not recommend moving youth program funding to Arts Nova Scotia. Again, this move constitutes a major shift in policy and should be evaluated further, it may be deemed appropriate at a future date to move this program, but it is felt to be premature at this time.***
- Operating Assistance to Cultural Organizations: Service Organizations - these organizations intersect with the mandate of Arts Nova Scotia in the support of creative endeavour and the development of artists and arts organizations. However, organizations receiving funding under this program have, generally speaking, indirect involvement in the creative process, and grants to these organizations do not constitute direct funding to artists or producing/presenting organizations. ***While there are elements of these organizations that could fit within the recommended mandate, it is not recommended at this time to move funding for service organizations to Arts Nova Scotia. However, this issue may require future study.***

¹A recommendation that the inaugural Arts Nova Scotia board reassess current funding programs is included in Section 4.3.

Programs assessed as "1" include:

- **Emerging Music, Artist, Mentorship and Business-** the initiatives supported in these programs are more commercial in nature than are the creative endeavours Arts Nova Scotia is anticipated to fund. *Therefore, these programs are not compatible with the mission and mandate of Arts Nova Scotia, and responsibility should not be moved to Arts Nova Scotia.*
- **Industry Growth: Contracts, General Grants, Publishing-** Arts Nova Scotia has no mandate to fund commercial activities or activities targeted toward economic or industry growth. *These funding programs are incompatible and responsibility should not be moved to Arts Nova Scotia.*
- **Contract arrangements and lottery funding-** funds in these programs are disbursed based on direct contracts with the Department of Communities, Culture and Heritage and/or long-standing historic arrangements that are not linked to organizational performance. *Administering these programs is not compatible with the recommended mission and mandate of Arts Nova Scotia.*

3.2 Other Recommended Activities

While the investment component of Arts Nova Scotia is central to its mission, Arts Nova Scotia is also envisioned to be a leader attuned to the larger issues in the arts community, championing the role of the arts in everyday life, and promoting policy changes that better serve Nova Scotia's artists. It is these other activities, along with credible funding processes, that will distinguish the role Arts Nova Scotia plays in the community. *Activities envisioned for Arts Nova Scotia Include:*

- **Leadership on Arts Related Issues-** through the board and staff. Arts Nova Scotia should be aware of the issues in the broader arts community, leading the call for policy reform, and working collaboratively to make positive change;
- **Research-** Arts Nova Scotia should be spearheading research projects through the identification of information gaps and driving research priorities;
- **External Communication-** Arts Nova Scotia should be actively communicating within the arts community to identify successes and challenges. As well, Arts Nova Scotia should champion the value of the arts to the broader public;
- **Collaboration with the Creative Nova Scotia Leadership Council-** Arts Nova Scotia should advocate for an ex-officio position on the Creative Nova Scotia Leadership Council in order to bring Arts Nova Scotia's arts leadership perspective to Council discussions and initiatives. In

addition, the committee envisions that Arts Nova Scotia will collaborate with the Council on the vision for and evaluation of the annual Creative Nova Scotia event;

- **Participation in Canadian Public Arts Funders Meetings-** Arts Nova Scotia should become Nova Scotia's representative on CPAF.

3.3 Recommended Program Funding

Without a fair and sufficient funding allocation, Arts Nova Scotia's ability to be an effective investor in the arts will be severely undermined. The previous Arts Council was plagued by unfulfilled promises of funding increases and regular cutbacks that gutted the ability of the organization to support the community effectively. The absence of responsibility for key anchor organizations, then known as the four "pillars", significantly diluted the scope and strength of the Council.²77ie **committee urges the Department to transfer a stable stream of sufficient funding to Arts Nova Scotia that will establish it as a viable body with authority, stability, and leadership capacity.**

At minimum, the following program funds should be allocated to Arts Nova Scotia³:

- | | |
|---|--------------|
| • Grants to organizations and small groups: | \$ 456,675 |
| • Individual artist grants: | \$ 692,500 |
| • Art Bank program: | \$ 39,931 |
| • Operating Assistance to Producers: | \$ 1,097,000 |
| • Operating Assistance to Presenters(estimate ⁴): | \$ 149,000 |
| • Portia White Prize funding: | \$ 25,000 |

Total estimate program funding, based on 10/11 funding levels: **\$ 2.460.106**

This level of funding, *\$2.5 million*, nearly doubles that allocated to the former Nova Scotia Arts Council (NSAC) in its final years of operation. The difference in funding levels between Arts Nova Scotia and the former NSAC is mostly due to the inclusion of key anchor organizations in Arts Nova Scotia's recommended program funding. ***Investing in Arts Nova Scotia at the recommended level would signal that the current government is committed to the long term viability of this body and, thereby, to stable and independent arm's length funding for the creative arts.***

² Although it had been advocating, since its inception, for funding responsibility over all producing organizations, the former Nova Scotia Arts Council never assumed funding responsibility for Neptune Theatre, Symphony Nova Scotia, Mermaid Theatre or the now defunct Atlantic Theatre Festival.

³ Based on information provided by the Department of Communities, Culture and Heritage for funding programs administered in 2010/11.

⁴ From a review of the list of recipients of operating assistance under the festivals and presenters category, the clients that appear to be most suitable for funding under Arts Nova Scotia include: Debut Atlantic, Eyelevel Gallery, Khyber Arts Society, Kinetic Studio, Live Art Dance Productions, Musique Royale, Scotia Chamber Players and St. Cecilia Concert Society. This bears further examination by the initial board of Arts Nova Scotia.

In addition to the \$2.5 million allocation to funding programs, addition allocations should be considered for other activities, including external communication activities and arts-related research?

Furthermore, it must be mentioned **that** current funding levels do not meet the need expressed in the community. In particular, operating grant increases have not kept pace with inflationary or programmatic/activity level increases for several years, creating strain on organizations that create and present artistic work. In recognition of the need to firmly establish Arts Nova Scotia in the community, ***the committee suggests an Increase In funding of 1096 to \$2.75 million be considered as a show of support to the arts community and this new funding body.***

⁵ The \$2.5 million figure also does not include an allocation for administrative costs.

4.0 Operational Recommendations

4.1 Recommendations for Arts Nova Scotia Legislation

The Governance Handbook for CPAF Member Organizations suggests that Canadian public arts funding bodies fall under a variety of legal structures including crown corporations, crown agencies with varying levels of autonomy from government⁶, non-profit societies and advisory councils. Most bodies consider that they operate independently of government, but even within the most arm's length structure exists some Ministerial control in the board appointment process⁷, the approval of annual and long-term plans and/or in approving budget allocations. The "length of the arm" seems to depend on a shared interpretation of underlying legislation and/or a Memorandum of Understanding between department and arts council.

All councils seem to strive to maintain a positive working relationship with their respective culture departments and treat the issue of advocacy carefully. However, it must be recognized that when funding for the council comes directly from the province, and relies in large part on the Minister's advocacy for arts funding within government, there will always be a Ministerial/departmental relationship that must be sustained with open and continuous dialogue and reporting.

Given that "arm's length operations" in Canada exist along a fairly wide continuum, it is critical to clearly articulate through legislation the lines of authority between the Minister/department and the funding body. The following section addresses the committee's recommendations for aspects of Arts Nova Scotia that should be embedded in legislation; the committee understands that provincial legislators and lawyers will establish the underpinning legal structure that reflects these recommendations, should they be accepted by the Minister.

The committee strongly recommends that the following be embedded in legislation:

- ***There must be a governing board for Arts Nova Scotia that has complete authority over the management of its funding programs without direction from the Minister or the Department on funding programs, funding allocations, or individual funding decisions.*** Of paramount concern is the autonomy of the body to determine funding allocations and to remove funding decisions from potential political influence. ***Specifically, this board should have authority to:***

The Manitoba Arts Council is an agency of government, but appears to operate as autonomously as a Crown Corporation. On the other side of spectrum, the Alberta Foundation of the Arts works very closely within the department, so much so that the Director of the Foundation is also the Director of the culture department.⁷ The committee found that a surprising number of councils, even those considered to have the "longest arms" have their members directly appointed by the Minister without formal input from the Council, and some have the Chair and other executive positions directly appointed by the Minister rather than elected by the board itself.

- o Develop policy for Arts Nova Scotia;
- o Develop annual and long-range plans for Arts Nova Scotia;
- o Oversee all aspects of funding programs under the jurisdiction of Arts Nova Scotia; Report directly to the Minister of Communities, Culture and Heritage, through the chair of Arts Nova Scotia;
- o Provide leadership and communicate with the community at large on arts related issues.

Arts Nova Scotia must maintain the authority to select, subject to Ministerial appointment, the majority of its board members and retain the right to appoint its own executive, including Chair, vice Chair, Treasurer and Secretary. It is understood that appointments to agencies or crown corporations (as was the case with the former NS Arts Council) follow a process established by government. However, there is some flexibility allowed, and it is the hope of this committee that the legislation will reflect the maximum possible flexibility.

According to the document provided to the committee entitled "*Non-Adjudicative Agencies, Boards and Commissions Appointments Procedure Manual*" (August 2008), the standard process for appointments is either through Order in Council or Ministerial approval. ***It is the committee's recommendation that appointments be made by Ministerial approval, which appears to be a more stream-lined process and potentially less subject to outside influence.***

Before appointments reach the Minister for approval, it appears that a departmental screening panel reviews applications and makes recommendations. ***The committee recommends that Arts Nova Scotia be able to choose a slate that fills two-thirds of vacant positions at any given time through its own internal screening process, and to reserve the right to report specific skill requirements to the Departmental Screening panel and/or Minister in order to inform the selection process for the remaining one-third of vacant positions. The Arts Nova Scotia board is in the best position to identify skill requirements, and in order to have an operation that is functioning optimally, it should be able to influence, in some manner, the entire composition of the board. The committee recommends that in order for Arts Nova Scotia to maintain the highest standard of autonomy, it should be viewed as a "self-regulatory" body in the appointment process to the greatest extent possible.***

The committee recommends that Arts Nova Scotia avails itself of department administrative support in the recruitment and appointment processes, as is the standard practice for ABC appointments, but takes the lead in developing profiles and determining requirements. The committee also recommends that the board of Arts Nova Scotia actively seeks out skilled and eligible candidates and encourages them to apply through the ABC appointment process.

While the ultimate authority over board appointments rests with the Minister, it is hoped that that the current, and future, Ministers of Communities, Culture and Heritage will respect the appointment recommendations of the board of Arts Nova Scotia and approve them as presented.

The committee strongly supports embodying the spirit of this recommended appointment process in legislation.

The board should consist of a minimum of nine members to a maximum of eleven, chosen to balance demographics and skills including; a diversity of age groups, gender balance, cultural and language diversity, regional representation, knowledge of artistic disciplines and governance/leadership skills. An evaluation matrix is included in the appendix to this report. Given the presence of the Creative Nova Scotia Leadership Council, which has fifteen positions filled from within the arts community, the committee recognizes that it may be difficult to recruit a full board of eleven members. The committee suggests that a board of nine is sufficient to govern Arts Nova Scotia and has recommended an initial board of that size. The committee further recommends that legislation should reflect that Arts Nova Scotia has authority over how many positions will be filled in any given year as long as the number of appointed members remains in the range of nine to eleven.

The term of service should be two years, with an opportunity to renew a maximum of two additional times, totalling a maximum of 6 years of service; members could reapply to sit on Arts Nova Scotia after sitting out for one full two-year term.

There must be a director level employee of Arts Nova Scotia who reports directly to the board of Arts Nova Scotia. While it may be that this individual is employed by the Nova Scotia government, and have the requisite benefits and pay-scale available to government employees, the clear line of authority and responsibility flows through the board of Arts Nova Scotia, including the right to hire, manage and evaluate this employee.

The program officer level employees must report to the Director of Arts Nova Scotia, and by extension, to the board of Arts Nova Scotia.

The right of Arts Nova Scotia to fund individual artists and organizations, including operational funding, must be embedded in the legislation so that future governments are not able to scale back on Arts Nova Scotia's scope of operations.

Arts Nova Scotia should have authority over the management of the Arts Endowment Fund that had been established for the former Nova Scotia Arts Council and was brought back to the Department of Tourism, Culture & Heritage in 2002. The intention of the original \$500,000 investment by the Provincial government, which grew to \$1,000,000 at the time of the NSAC's dismantling, was to support arts council activities. The committee understand that while some of the earnings have been used for departmental priorities since 2002, the bulk of the fund balance is intact. The committee recommends that the spirit of the original investment be honoured making Arts Nova Scotia the policy setting body for the management of this fund and the recipient of distributed annual earnings.

4.2 Policy Recommendations for Arts Nova Scotia

There are other recommendations for the board of Arts Nova Scotia that are more appropriately addressed as internal policy within the board's ability to enforce and perhaps amend overtime.

- ***After much discussion, the committee recommends that to avoid the appearance of conflict of interest, board members may not apply for and receive an individual grant or prize adjudicated by Arts Nova Scotia during their term of service on the Arts Nova Scotia board. While the jury process is designed to eliminate influence on the granting process, the appearance or perception of influence on the process may call into question the integrity of the board and its funding programs. While Arts Nova Scotia may lose out on acquiring qualified board members under this policy, the committee feels that the perception of credibility outweighs the loss. However, given that Nova Scotia has a relatively small arts community from which to draw board members, this issue bears re-examination by future boards. The committee recommends that initial board members should agree to not apply for Individual grants, yet recognizes that future boards may decide to overturn this policy.***

Also after much discussion, the committee recommends that individuals working for organizations or on the boards of organizations funded by Arts Nova Scotia are eligible to sit as board members of Arts Nova Scotia. Receiving an organizational grant does not represent the same level of real or perceived personal benefit as does an individual grant award. Furthermore, if individuals affiliated with organizations were also deemed ineligible to sit on the board, the pool of eligible and knowledgeable candidates would be so diminished that the Arts Nova Scotia would be placed at a great disadvantage.

A recommended conflict of interest policy is included in the appendix to this report.

- ***Paying a fee to board members for attending meetings is not recommended; however, board members should be reimbursed for travel, accommodation and parking, and the cost of board meetings should be borne by Arts Nova Scotia.***
- ***The committee recommends that a board member of Arts Nova Scotia be designated with a voting ex-officio position on the Creative Nova Scotia Leadership Council. It is further recommended that the Vice-Chair of Arts Nova Scotia would be an appropriate choice to take on the role of representing the board and acting as a communication conduit.***

4.3 Recommendations for the First Board of Arts Nova Scotia

The transition committee's work, as outlined in Section 1.0, included providing recommendations on the intended purpose and general functioning of Arts Nova Scotia, level of authority and areas of responsibility with regard to programs, and Arts Nova Scotia's operational and accountability requirements. The committee has developed these recommendations, which focus on overarching operational considerations. In order to move ahead on a timely basis with the establishment of Arts Nova Scotia, it now becomes important to move responsibility for developing detailed operational policies and procedures to the inaugural board.

The committee recommends that the first board be recruited as soon as possible and that the board be put in place in the Fall of 2011, even as a working committee if not a legislated body, so that the group can begin work immediately on a long list of critical issues. It is the hope of the committee that governing legislation can be passed before the end of the fiscal year and that Arts Nova Scotia will be a legally constituted body by April 1, 2012.

The committee recommends that half of the first board members should sit for an initial three-year term, then be eligible for one additional two-year term, so that succession from the board can be orderly. For example, some initial members will leave after a two-year term, some after a three-year term, and those that choose to renew may leave after four, five, or six years of service. In this way, it is difficult for the entire board to leave at the same time.

The committee recommends that terms of service for the initial board formally begin when legislation creating Arts Nova Scotia is passed. It is also recommended that the first board be appointed in its entirety from the working committee and that the appointments process allows a smooth transition from working committee to constituted body.

The committee has reviewed the requirements for the first board and has carefully developed a list of recommended board members. A list of highly qualified alternate candidates has also been devised in the event that recommended board members choose not to serve. It is not within the committee's authority to recruit board members, so we cannot attest to the availability or inclination of the members chosen. However, we feel that the slate developed will provide Arts Nova Scotia with an informed, engaged, balanced and skilled group should they wish to accept an invitation to join.

The list of recommended board members will be provided to the Minister under separate cover. Given the focus on program review and policy development recommended for the first board (see recommendations below), the committee has weighted the slate toward those with extensive experience in governance, juries, program evaluation, and policy development.

The committee recommends several tasks for the first board:

(1) Review of all funding programs under the purview of Arts Nova Scotia. The review should include:

- o Funding allocations amongst the various programs;
- o Program criteria;
- o Application forms and processes;
- o Assessment processes, including jury composition (discipline specific vs. multi-disciplinary⁸) and paying jury fees.

In some cases the board may be simply reconfirming the existing processes, but it remains an important function of the first board to ensure the programs reflect the mission, mandate and goals of Arts Nova Scotia.

In particular, the committee recommends a full review of the operating grants to organizations program. The current program includes a widely disparate group of organizations, with budgets varying from a few thousand dollars annually to several million. This "melting pot" approach results in a process that adjudicates the leanest and most creativity-based organizations, which may have modest audience potential, along with the largest, least administratively flexible organizations with high audience impact. Furthermore, operating grants for the smallest companies are very small, and can hardly be seen to actually support operations in a meaningful way.

Therefore, the committee feels that the current grants to operating clients program does not meet the needs of this client base adequately and recommends that the first board consider splitting the operating grant program into an operating grant component for anchor organizations meeting established criteria and a sustaining grant component for smaller organizations.

Criteria for acceptance into the anchor program could include:

- o A minimum operating grant threshold. The committee discussed \$35,000 as the entry point;
- o Clearly defined mission, mandate, vision and values statements, along with a clearly defined sense of the role of the organization in its artistic milieu;
- o A mandatory detailed three-year plan, including administrative and programmatic elements;
- o Demonstration of an actively engaged board of directors;
- o Evidence of administrative capacity, perhaps with the equivalent of one fulltime artistic director and one fulltime administrative position;
- o A recognized commitment to excellence, which could include excellence in a variety of factors including production value, artistic choices, and administrative processes.

The committee supports in principle discipline-specific juries, to the extent reasonably possible.

The committee recommends that the board consider a process for adjudicating these clients that includes formal presentations to a review panel. The review process could entail presenting detailed plans that clearly link to the organization's stated mission and mandate, and a clear analysis of actual results against expected ones. This review process reflects an expectation of administrative maturity for these clients. While this may be a more individualized process, it should be no less rigorous than a regular grant applications process. There should also be no guarantee of remaining in the anchor program; those clients that no longer meet the criteria should move to a sustaining client level.

The committee also feels that anchor clients should not be eligible for project funding unless the project is clearly beyond the regular scope of operations. However, sustaining grant clients should be fully eligible for project grants given that their sustaining grant is not substantial enough to provide all the programmatic and administrative support needed.

(2) Develop governance and human resources policies for the operation of Arts Nova Scotia, including the roles and responsibilities of board and staff, and a Memorandum of Understanding with the Department of Communities, Culture and Heritage for issues not covered by legislation.

(3) Recruit the Director of Arts Nova Scotia, including developing a detailed job description and skills assessment, and an interview process. The board should retain the right to open the position to a wide field of qualified candidates, and It cannot be assumed that the position will be automatically filled from within the existing government workforce. The Director MUST have a high-level understanding of arts issues, demonstrated experience in the arts community and with funders, and must be able to communicate effectively with both the arts community and government representatives.

(4) Work with the Director to hire Program Officers. Arts Nova Scotia will require at least two, potentially three, dedicated program officers, supporting organizational programs, individual grant programs, art bank funding and prizes/awards. Given that government employees are currently fulfilling these roles, the committee recognizes that current (unionized) staff may be first in line to receive these positions. While existing staff may be the most qualified program officers, Arts Nova Scotia should retain the right to review job requirements and seek out the best candidates for the job.

(5) Develop/have Input Into communication tools and processes, including the website currently under development by the department and the brand/logo/visual identity for Arts Nova Scotia.

(6) Develop terms for management of the Arts Endowment Fund, policy around usage of the annual earnings, and mechanisms for building the fund. The first board should determine the appropriate investment vehicle for the fund, and how best to ensure its growth. It may be that a

sub-committee with non-board members should be tasked with these initiatives. In terms of usage of annual funds, the committee encourages the first board to consider using them for special projects that have the potential to benefit the creative arts as a whole, rather than simply folding them into general operations or funding programs.

4.4 Administrative Considerations

The ability of Arts Nova Scotia to have an autonomous administration relies on the willingness of the department to allocate funds for this purpose. The incremental costs of setting up a separate administration to support the recommended activities of Arts Nova Scotia would entail potentially two to three administrative positions providing reception, general administrative support, bookkeeping, communications services and research assistance. Office and audit costs would also be incurred. A broad estimate of these costs ranges from \$200,000 to \$250,000.

The committee has received a clear message that the provincial funding environment is very tight and that recommending funding for increased administrative costs will be a very hard sell. The perception of an overly costly administration at the former Arts Council unfortunately, and unfairly, lingers to current day. It is also well known that artists are frustrated by long-frozen funding levels. The committee recognizes that it is imperative to get as much funding into the hands of artists as possible using the fairest, most transparent, process possible.

The most critical elements are for Arts Nova Scotia to be legislated with full autonomy over funding decisions and managerial staff, as much autonomy over the appointment process as legally possible, fair and sufficient program funding and responsibility for a critical mass of programs, including operational funding. If those elements are in place, utilizing the administrative resources of the Department of Communities, Culture and Heritage should not materially diminish the decision-making autonomy of Arts Nova Scotia.

While having segregated operations may provide the ideal level of perceived autonomy, the committee feels that this concern must be weighed against current funding realities. Furthermore, tapping into the resources of the department may provide Arts Nova Scotia with a greater ability to achieve its research and leadership goals. There are advantages to working collaboratively with the department to achieve big picture goals for the community as long as the working relationship between Arts Nova Scotia and the department is crystal clear.

The committee recommends that a detailed Memorandum of Understanding be developed between Arts Nova Scotia and the Department of Communities, Culture and Heritage that clearly outlines expectations around shared resources and lines of authority.