

AMENDMENT No. 1
Contract # 30001790

The City of Portland ("City") and the Regional Arts and Culture Council ("RACC") agree to amend Contract # 30001790 as follows:

1. Paragraph A, *Scope of RACC Services*, shall be modified by adding the following subparagraphs:

16. Receive all funds distributed by the City pursuant to Chapter 5.73 of the City Code, Arts Education and Access Income Tax and spend the funds in the following manner:

a. General Support Funds: First, funds shall be used by RACC to fund grants to support non-profit Portland arts organizations that demonstrate artistic excellence, provide service to the community, show administrative and fiscal competence and provide a wide range of high-quality arts programs to the public. These funds shall be known as "General Support Funds." Nothing in this paragraph precludes RACC's Board of Directors, which is responsible for evaluating grant applications and allocating grants, from making that determination.

i. In carrying out this function, RACC shall determine which arts organizations shall receive General Support Funds, in accordance with the other provisions of this contract.

ii. Organizations qualifying through RACC's competitive grant process, by meeting the requirements of community service, artistic excellence, increased access to the public and fiscal competence, as determined by the Board of Directors, shall receive General Support Funds from the Arts Education & Access Fund. The goal is to provide organizations with funds, equal to 5% (five percent) of their "eligible operating income", although RACC may, in its discretion, provide less than that amount. For purposes of this Agreement "eligible operating income" shall be defined by RACC, but does not include: income earned from outside Multnomah, Washington and Clackamas counties; "in-kind" income; and, unrelated business income, such as income that is unrelated to the organization's charitable activities.

b. Designated Funds: The remainder of the funds, totaling no less than 5% of the funds RACC receives from

the Arts Education and Access Fund, shall be used by RACC to fund grants and programs to schools and non-profit organizations that will give access to high-quality arts experiences to Kindergarten through 12th grade students (“K-12”) and for grants and programs directed to communities who are underserved by local arts providers.

17. In spending funds distributed by the City from the Arts Education and Access Fund RACC shall do the following:

a. Limit RACC’s arts education coordination costs, as set forth in subparagraph (e) below, incurred as a result of receiving funds to a maximum of three (3) percent of Net Revenues. For purposes of this paragraph, “Arts education coordination costs” are the salaries, benefits and other employment costs associated with the RACC personnel directly responsible for performance of arts education coordination, including a reasonable allocation of overhead for this personnel for space and equipment;

b. Ensure that highly qualified persons will coordinate and work with the School Districts identified in City Code as receiving funds from the Arts Education and Income Tax in the provision of high quality arts and/or music education; In addition, RACC will work with the School Districts identified in City Code as receiving funds from the Arts Education and Income Tax to align a sequential course of study in arts and/or music education for students in Kindergarten through 12th grade;

c. Seek additional funds from other sources for arts education and access to supplement the goals of the Arts Education and Access Fund;

d. Provide quality oversight to the programs of the School Districts as well as the expenditures made by RACC. In addition, RACC shall require the funded programs to report periodically regarding the programs provided, the numbers of students served, the amount and type of expenditures made on the programs and such other matters as RACC may request; and

e. Coordinate between School Districts and arts organizations to ensure high quality arts education for Portland students; and facilitate the access of Portland students to the programs supported by the Arts Education and Access Fund.

f. If RACC determines that the School Districts identified in City Code as receiving funds from the Arts Education and Access Fund are not providing high-quality arts and/or music education based on the resources available, RACC will notify the City Commissioner-in-Charge of arts and culture.

18. The RACC Executive Director shall attend an annual meeting convened by the City Commissioner-in-Charge of arts and culture with the superintendents to discuss the state of arts education in Portland schools, the effects of the Arts Education & Access Fund investments and any plans for continuous improvement.

19. RACC arts education staff shall convene meetings on at least a quarterly basis on arts education and the Arts Education and Access Fund that shall include high-level school district staff as well as staff from the City Commissioner-in-Charge of arts and culture.

20. RACC shall establish and apply qualitative and quantitative measurements to evaluate whether the objectives of the Arts Education and Access Fund are being met and shall report as requested to the City Commissioner-in-Charge of arts and culture. RACC shall work cooperatively to implement any improvements in performance suggested through the measurement process.

2. Paragraph B, *Scope of City Services*, shall be modified by adding the following paragraph:

10. City shall collect revenues from the Arts Education and Access Income Tax. The City shall distribute Net Revenues to RACC as permitted by that Section.

3. Paragraph M is modified by deleting the words "Mayor Sam Adams" and replacing it with "Mayor of City of Portland" and by deleting the words "Eloise Damrosch."

4. Paragraph R, *Audits*, shall be deleted and the following paragraph put in its place:

R. AUDITS: In addition to its duty to maintain records as provided in Paragraph Q of this Agreement, RACC shall obtain independently audited financial statements each year and ensure that such statements show how the Net Revenues received by RACC from the City's Arts Education and Access Income Tax are spent. In addition, the City, either directly or indirectly, may conduct financial

and performance audits of the services specified in this Agreement at any time in the course of the Agreement and during the three (3) year period established above.

5. The "Historical Recitals" appendix to the contract is amended to include the following:

In November, 2012, the voters of the City of Portland adopted the Arts Education and Access Income Tax that, among other things, provides revenue to school districts and to RACC.


6. The term of the RACC contract, including this amendment, is extended to November 30, 2017.

7. Other than the changes stated in this amendment, all other portions of the original Contract #30001790 remain in full force and effect.

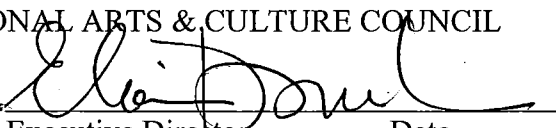
8. This Amendment shall be effective as of the date of the last signature below.

IT IS SO AGREED:

CITY OF PORTLAND

By:  12/20/12
Mayor Date
City of Portland

REGIONAL ARTS & CULTURE COUNCIL

By:  1.14.13
Executive Director Date
Regional Arts & Culture Council