



**Written Testimony in Support of FY 2011 Appropriations for
The National Endowment for the Arts**
Submitted by Robert L. Lynch, President and CEO of Americans for the Arts
House Appropriations Subcommittee on Interior, Environment and Related Agencies
“Arts Build Communities”
April 13, 2010

Americans for the Arts is pleased to submit written testimony to the House Appropriations Subcommittee on the Interior supporting FY 2011 funding for the National Endowment for the Arts (NEA) at a level of \$180 million.

Let me first start off by congratulating Chairman Moran on his new appointment on this Subcommittee. We have worked together many years and I know of your deep commitment and passionate leadership to advance the arts in America and I look forward to working with you, Mr. Simpson, Mr. Dicks, and all the other honorable members of this subcommittee in the years to come.

Today is Arts Advocacy Day on Capitol Hill, an annual grassroots gathering hosted by Americans for the Arts and cosponsored by 86 national organizations representing dance, theater, music, literature, and the visual and media arts—the full landscape of American culture. Collectively these national groups represent tens of thousands of nonprofit and governmental cultural organizations at the state and local levels across the country. My gratitude goes to all my colleagues who have worked on bringing this important summit together.

The theme of today’s hearing is the “Arts Build Communities.” Our witnesses represent a broad cross-section of stakeholders who partner with the federal government to promote, support, and deliver the highest quality arts to the farthest-reaching parts of America, ranging from rural communities like Chelsea, Michigan and Minot, North Dakota to large urban centers such as Philadelphia, Pennsylvania. You will also hear unique perspectives of how the arts in America play out as an important diplomatic and strategic instrument within the global community, how corporate investment in the arts is working hand in hand with government support to enrich the cultural life and opportunities within communities. And finally, you will hear about how this subcommittee’s many years of investment in nonprofit arts groups in small and large towns across the country have created the foundation for today’s artists to ignite their talent, perfect their craft, pursue their dreams.

This subcommittee has been unwavering in its commitment to increase funding for the National Endowment for the Arts so that it can fully restore the budget that had been so

drastically slashed in the mid-90s. Three years ago, the NEA received a \$20 million boost, two years ago a \$10.3 million increase, and last year a \$12.5 million increase, bringing its budget to \$167.5 million. This year, the arts community is requesting another \$12.5 million so that we can together finally declare victory in restoring this agency's budget.

Last year on Arts Advocacy Day, my testimony reflected on the heroic work of this subcommittee and other supportive members of Congress including the Speaker of the House, who we just honored at our kick-off event earlier this morning, for successfully providing \$50 million in American Recovery and Reinvestment Act funds to help save jobs within the nonprofit arts sector. The realization and recognition that artists, arts organizations, and cultural institutions are hardworking contributors to our economic might was indeed a defining and validating moment. These economic recovery funds saved jobs and continue to help save jobs today. Because of that federal commitment, our sector has been able to respond to the challenges of reduced private and governmental funding sources in supporting nonprofit arts programming and education initiatives in our communities.

The nonprofit arts industry is a \$166.2 billion economic sector that supports 5.7 million full time equivalent jobs and pumps \$29.6 billion in tax revenue back into local, state, and federal treasuries. Quite simply put, the arts equal jobs. More importantly, these are jobs that are part of the new and growing information and innovation economy. These are not the kind of jobs that can be outsourced abroad. They are home-grown, made in America jobs.

The National Endowment for the Arts did a superb job of quickly and effectively distributing \$50 million of economic recovery funds across the country to save jobs in the arts. Within a few short months, the NEA had developed an application process, reviewed thousands of requests, and administered hundreds of grants both directly to individual arts institutions and through a re-granting process by regional, state, and local arts agencies in order to broaden the reach of these funds. I'd like to share a few examples of how these NEA recovery funds were used:

- **In Idaho**, the Idaho Shakespeare used recovery funds to guarantee a fourth show will be produced for its 2010 season. This in effect secured jobs for nine Equity actors, five directors/designers, a stage manager, and a production assistant for a Shakespearean production. Opera Idaho hired a marketing director, a position it lost in 2007. The Cabin, a literary program, sustained its 12 staff writers for its Writers in the Schools program and for its summer camps, which reaches kids from Cambridge to Fort Hall, and Boise to Pocatello.
- **In Virginia**, direct NEA grants to nonprofit arts organizations supported the preservation of jobs at such places as Signature Theater in Arlington and the venerable Wolf Trap Foundation for the Performing Arts. The Virginia Arts Commission received \$331,000 in critical funding that was used for the retention or reinstatement of critical staff positions that have been jeopardized by the current economy. The Piedmont Arts Association in Martinsville received

\$10,300 to be used for the preservation of the part time Education Coordinator position.

- **Seattle's Office of Arts & Cultural Affairs** received a \$250,000 local arts agency recovery grant from the NEA to specifically re-grant to local Seattle arts organizations. Funds helped to preserve 16 arts administrator positions, eight educational staff, 40 artists, and 15 production personnel positions at 22 arts organizations.
- **The Oklahoma Arts Council** disbursed \$306,800 in federal recovery funds to 16 nonprofit organizations across the state. Funds specifically helped to restore a costume designer's position from part-time back to full-time at the Lawton Community Theatre, save a music director's position at Cimarron Circuit Opera in Norman, and kept the arts education coordinator position at the Arts and Humanities Council of Tulsa. At Oklahoma Children's Theatre in Oklahoma City, a \$15,000 recovery grant was used to prevent the executive director's position to go from full-time to part-time.
- Through another \$250,000 local arts agency economic recovery re-grant from the NEA, the **Broward County, Florida Cultural Division** provided salary support at several local arts organizations. The salaries they supported were for positions that would have otherwise been laid off during the recession, including nine local jazz musicians at the Gold Coast Jazz Society, the director of education at the Coral Spring Museum of Arts, and a part-time education coordinator at the Art and Culture Center of Hollywood.
- **In Ohio**, recovery grants supported many positions, including two community cultural project managers as well as the school residency supervisor at the Great Lakes Theatre Festival.

Real people. Real jobs. The \$50 million investment that this subcommittee made in the nonprofit arts sector reached all 50 states. \$16.8 million was regranted through the state arts agencies, \$4.8 million was re-granted through the local arts agencies, and approximately \$28 million was given out directly to cultural institutions through the NEA. According to the federal government's Recovery.org website, 1,408 jobs have been funded through the NEA's economic recovery funds as of March 2010. This has been a lifeline to the arts community and we are truly grateful that artists and arts administrators were recognized as an important economic sector to the nation's recovery.

But, unfortunately, it's still not enough to offset the major declines in public and private support of the arts that have occurred. Last year, state government arts appropriations dropped 10 percent, local government support fell 8 percent, and private giving to the arts fell 6.5 percent. If you total up these losses, it's approximately one billion fewer dollars going into the arts in just one year.

According to the Americans for the Arts National Arts Index, while there are signs of economic recovery for the country as a whole, we know from our trend data that the creative sector lags a full year behind business trends. While all indications point to another difficult year for arts organizations for 2010-11, we have seen wonderful and creative signs of perseverance. Many arts groups have re-doubled marketing efforts as a

means of increasing earned income potential, resulting in great ticket sale seasons and bringing in new audiences.

The NEA plays an important role in helping these arts organizations leverage both contributed income as well as earned income. During this economic downturn, I encourage this subcommittee to increase funding for the NEA in order for it to carry out its important mission of leveraging more funds for the arts.

Leveraging Other Federal Agency Support

The NEA plays a very important role in developing partnerships with other federal agencies –such as HUD, Education, and Transportation–in order to open new channels for arts organizations to work with all aspects of government. For example, CDBG funds can be used for restoring cultural facilities, transportation funds can be used for public art, and education funds to deliver quality arts education programs to kids in- and after-school.

Leveraging State and Local Government Support

The NEA helps to leverage state and local governments to fund the arts as well. Forty plus years ago, something as simple as requiring states to match funds that it receives from the NEA helped create state arts councils in every state that now appropriate \$297 million of state funds to support the arts.

At the local level, the NEA's original local arts agency program created an even higher 2 to 1 match that was welcomed by local governments. Since 1984, the NEA's Local Arts Agency program has supported more than 800 grants totaling \$47 million. This program spurred unprecedented growth in local government support for the arts in large part due to higher matching requirements, sensitivity to local standards and tastes, and their proven track record of being trustworthy stewards of public funds. Today, local governments invest \$765 million of their own funds to support artists and community-based nonprofit arts organizations, ranging from traditional symphonies and operas to ethnically specific cultural programs and arts education initiatives.

With this record of accomplishment in mind, I want to encourage this Subcommittee to create a formal re-granting partnership program for local arts agencies to help the NEA better serve arts organization of all sizes in communities across the country.

Leveraging Private Contributed and Earned Income Support

An NEA grant embodies a reputation of a national seal because of its rigorous review standards and the high level of competition. As a result, when the NEA awards direct grants to arts organizations across the country, the strong leveraging effect of attracting additional contributed dollars is unparalleled. The NEA has also served an important role of leveraging an arts organization's earned income potential by supporting marketing initiatives ranging from investments in centralized ticketing offices, online community-wide cultural calendars to market research studies of audience trends and habits.

In conclusion, I want to again express the nonprofit art community's gratitude for your efforts thus far. Whether it is through the ARRA funds or through the regular NEA grant

process, your support for this industry is an invaluable resource. I respectfully ask the subcommittee to continue its commitment to the creative sector by supporting an increase in the NEA FY2011 budget to \$180 million to save jobs, educate our children, and maintain America's cultural dynamism.