

Today's seminar will begin shortly

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3. **Identify yourself.** Using your phone keypad, enter the unique 5-digit participant number from the bottom of your Voice Connection box. Enter the star (*) key before and after the number.

***New
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Tip: Find your Voice Connection Box near the lower right hand corner of your screen.

Thursday, January 22, 2008



Contending with Economic Uncertainty

State Arts Agency Strategies and
Perspectives

If you have just arrived via the Web, complete your phone connection. Dial
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Your Hosts



Kelly Barsdate

Chief Program and Planning Officer



Eric Giles

Learning Services Manager

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Tech Tips

- **View all participants** in the roster to the right.
- **Use the “Chat to:” box at any time** to submit a question or get technical help.
- **During Q&A breaks**, we will unmute individuals with questions.

If you have just arrived via the Web, complete your phone connection. Dial 1 866 275 3495 and identify yourself using the 5-digit number provided in the Voice Connection box.

Agenda

Budget Update

Angela Han, Director of Research

Overview of State Strategies

Kelly J. Barsdate, Chief Program And Planning Officer

State Perspectives

Susan Boskoff, Director - Nevada

Susie Surkamer, Executive Director - South Carolina

Lessons Learned from Prior Recessions

Advocacy Strategies

Thomas L. Birch, Legislative Counsel

Resources

**Q & A
Breaks**



Budget Update



Angela Han

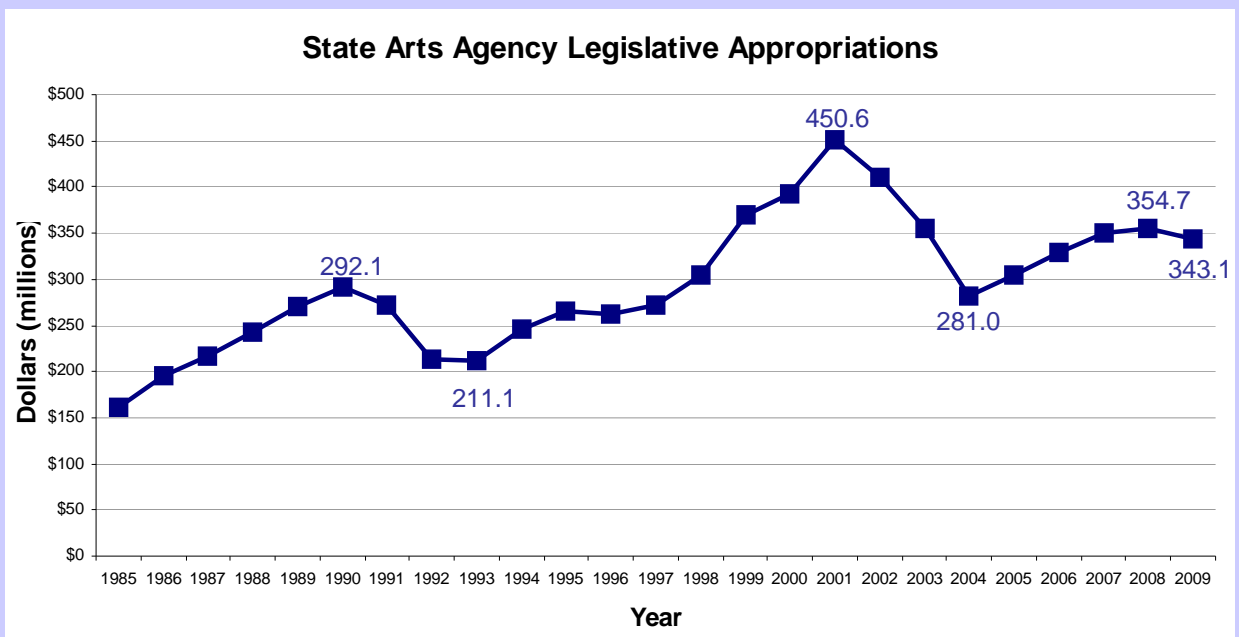
NASAA Director of Research

- \$343.1 million in appropriations to state arts agencies
- 3.3% decline from 2008 (\$11.6 million)
- \$1.12 in per capita spending

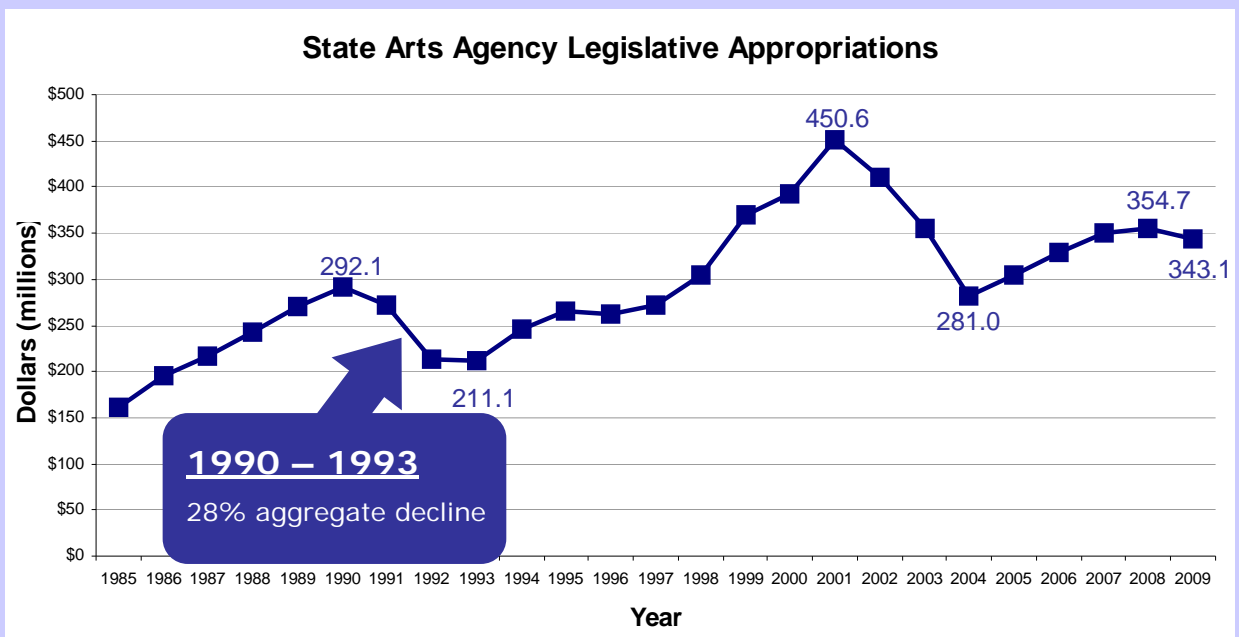
SAA Total Legislative Appropriations Changes
FY 2008-2009

Increases	
Number of SAAs	21
Number of SAAs up 10%+	5
Median percent change	5.0%
Flat Funding	
Number of SAAs	11
Decreases	
Number of SAAs	24
Number of SAAs down 10%+	11
Median percent change	-8.5%
All States	
Aggregate percent change	-3.3%
Median percent change	0.0%

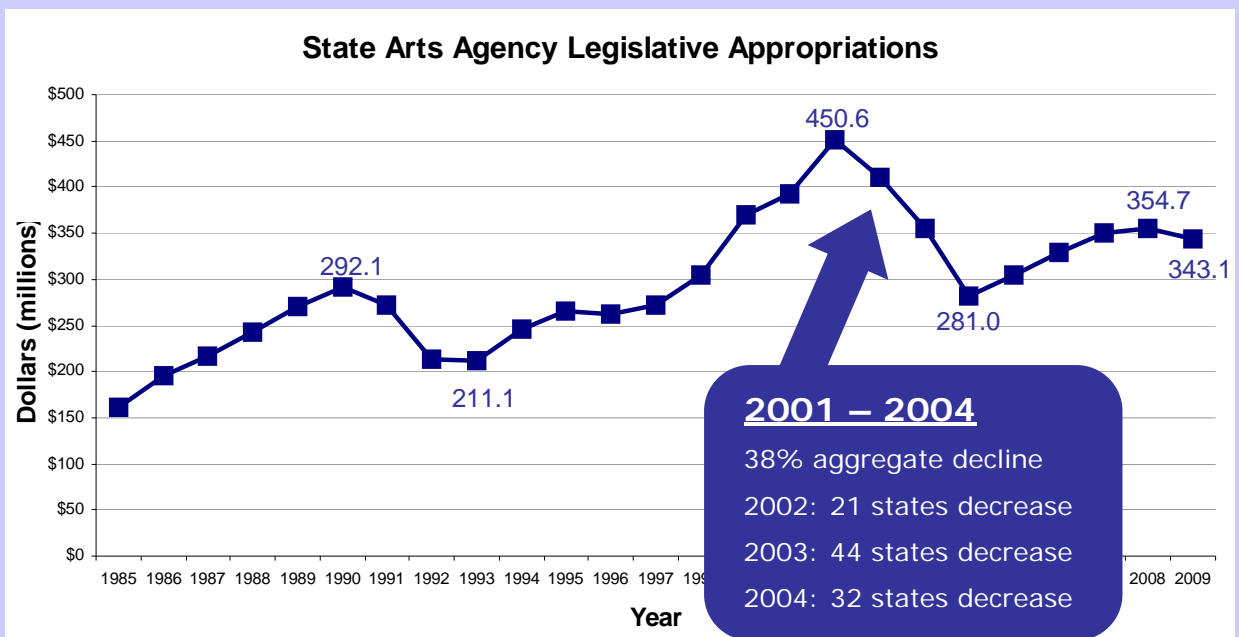
Historical Perspective



Historical Perspective



Historical Perspective



Future Outlook

- 2009: \$40 billion budget gap closed to date, 18 states reporting negative growth budgets
- \$200 billion budget gap over the next two years
- Theme: UNCERTAINTY

State Strategies

*How are state arts
agencies helping
constituents?*

*What strategies are
state arts agencies
adopting?*

Helping Constituents

- Assessing conditions
 - Facilitating connections
 - Promoting wise management
 - Providing financial assistance
 - Encouraging civic action
- Surveys of conditions in the field
- Structured dialogues
- Reporting on issues and impact

Helping Constituents

- Assessing conditions
 - Facilitating connections
 - Promoting wise management
 - Providing financial assistance
 - Encouraging civic action
- Convening constituents
 - Sharing information
 - Encouraging collaboration
 - Keeping people informed

**NJ Arts at a Crossroads:
Finding Creative Solutions in Tough Economic Times**



Helping Constituents

- Assessing conditions
 - Facilitating connections
 - Promoting wise management
 - Providing financial assistance
 - Encouraging civic action
- Expert advice
 - Training
 - Tools
 - Technical assistance

STRATEGIES FOR SURVIVAL



CHECKLIST

November 12, 2008
Williamsport, PA

The Pennsylvania Council on the Arts (PCA) convened a panel of experts to consider strategic choices in a turbulent financial climate. This check list was created as a resource for non-profits as they plot the road ahead in uncertain times.

Only months into a global economic crisis, there's insufficient data to assess the long term impact of economic news. More bad news is possible.

There are actions and implications for the present. We know that communication is important – with your leadership, your constituents, your funders, your creditors. We hope this gives you an overview and asks some basic questions you can use to begin working with your boards and staff.

☐ Overview

- ☐ Understand news about the economy – pay attention but be circumspect
- ☐ Duration – potentially 2-3 years, longer impact and even longer recovery
- ☐ Trends – credit, banks, loans, investments, philanthropy
- ☐ Past experiences – what arts organizations have done in past recessions

☐ Revisit Underlying Assumptions – engage your board

- ☐ Budget – check income and expense projections; look for savings
- ☐ Strategic Plan – check underlying economic assumptions (current and for years in plan)
- ☐ Spot check your strengths and weaknesses
- ☐ Revisit and reaffirm your core mission
- ☐ Consider possibility that former givens might change (eg. tax exemptions, PILOTs, RAD/hotel tax income)

☐ Be certain adequate controls are in place – take immediate steps

- ☐ Cash flow history and projection – revisit underlying assumptions
- ☐ Internal controls
- ☐ Review bookkeeping procedures – accuracy and timeliness
- ☐ Reporting – increase transparency, reliability, validity, timeliness
- ☐ Required payments (withholding taxes) and timing
- ☐ Liquidity
- ☐ Identify what is negotiable – leases, pre-payment credits, sharing services
- ☐ Seeking advice

☐ Communications (maintain visibility, speed/guerilla planning, reputation, and critical importance of personal contact)

- ☐ With board
- ☐ With bank/lender/credit holders/creditors
- ☐ With funders – new measures, donor management strategies; don't stop asking
- ☐ With audiences – marketing, technology
- ☐ Align your messaging to your constituents' realities
- ☐ Crisis – Stay calm; Don't circle the wagons; Make certain bad news rises to the top; No surprises; Know who delivers your messages and to whom; Maintain good media relationships
- ☐ Ask stakeholders for specific tangible things/actions
- ☐ Don't assume all funding will decrease; new tax policies and federal spending may mean increased deductions and opportunities
- ☐ Advocacy

☐ Tough choices (is shrinking the best option)

- ☐ Priorities with respect to core mission
- ☐ Scenario planning – 10%, 20%, 50% or more reductions in income
- ☐ Programming – what's working, what isn't, check alignment with core mission, program costs and benefits
- ☐ Initiatives – suspend/postpone/terminate
- ☐ Capital projects and endowment campaigns
- ☐ Staffing – salary cuts, furloughs, decreasing benefits, making payroll, Reduction in Force (RIF)
- ☐ Endowment – draw down (legal issues), goals, investment strategies
- ☐ Pricing
- ☐ Shared resources

☐ Find opportunity in crisis

- ☐ The urgency needed for beneficial change
- ☐ Tough choices leading to new and better business model

Helping Constituents

- Assessing conditions
 - Facilitating connections
 - Promoting wise management
 - Providing financial assistance
 - Encouraging civic action
- Sustaining key categories
 - Flexible matching
 - “Quick turnaround” grant options
 - Referrals to other funding sources



MAINE ARTS COMMISSION

building Maine communities through the arts

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[Percent for Art](#)



*Sacopee - Percent for Art at the John Mitchell Center - the University of Southern
Maine, Gorham*
by Jeff Kellar and Judy LaBrasca

Mission: The Maine Arts Commission shall encourage and stimulate public interest and participation in the cultural heritage and cultural programs of our state; shall expand the state's cultural resources; and shall encourage and assist freedom of artistic expression for the well being of the arts, to meet the needs and aspirations of persons in all parts of the state.

Highlights:

[Apply now for Public Art
Sculpture Grant](#)

[Practical Assistance for
Artists and Arts
Organizations Facing
Economic Challenges](#)

[2009 Artist Fellowship
Awardees](#)

[2009 Traditional Arts
Apprenticeship
Awardees](#)

[Maine Arts Internships](#)

[Register now for Poetry
Out Loud 2009!](#)

[Current Percent for Art
Competitions](#)

[Virtual MAC](#) - A Blog for
the Arts in ME.

<http://mainearts.maine.gov>

[MusiCares Foundation](#)

MusiCares provides a safety net of critical assistance for music people in times of need. MusiCares' services and resources cover a wide range of financial, medical and personal emergencies, and each case is treated with integrity and confidentiality. MusiCares also focuses the resources and attention of the music industry on human service issues that directly impact the health and welfare of the music community.



[Authors League Fund](#)

The Authors League Fund helps professional writers and dramatists who find themselves in financial need because of medical or health-related problems, temporary loss of income or other misfortune. The Fund gives open-ended, interest-free, no-strings-attached loans. These loans are not grants or scholarships meant to subsidize personal writing projects. It should be kept in mind that the Fund's resources come from other professional writers.

[The PEN Writers' Fund](#)

The PEN Writers' Fund is an emergency fund for professional—published or produced—writers in acute, emergency financial crisis. Depending on the situation, the Fund gives grants of up to \$2,000. The maximum amount is given only under especially dire circumstances and when monies are available.

[PEN American Center - Additional Emergency Fund Links](#)

A listing of national and regional emergency grants available to writers in acute financial crisis. Please contact the organizations directly for more details. Self-published authors or those published by vanity presses are generally not eligible. We hope this is helpful.



Helping Constituents

- Assessing conditions
 - Facilitating connections
 - Promoting wise management
 - Providing financial assistance
 - Encouraging civic action
- Promoting the value of the arts
 - Encouraging advocacy
 - Inspiring service to the community



VERMONT
ARTS
COUNCIL

inspiring
a creative state



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Online Auction Now Open!



While we all know that "art feeds the soul", people need to feed their bodies first.

In response to the dire economic forecast Vermonters are facing this winter, the Arts Council has organized "doing our pART," an online auction to benefit the Vermont Foodbank.

More than 60 Vermont artists and arts organizations have donated an exciting array of art, jewelry, tickets, CDs, photography, sculpture, private concerts, music lessons and "arts experiences." This holiday season, purchasing Vermont art can feed the soul and body!

Don't be afraid to bid high--you can pay for your auction purchase in up to three monthly installments!

Bid now! The auction ends on Thursday, December 4th at 5 PM!

[View All Items](#)

About this Auction:

Coordinated by the [Vermont Arts Council](#), the aim of this auction is to raise funds for Vermonters in need this winter, with 100% of the proceeds donated to the [Vermont Foodbank](#).



<https://www.cmarket.com/auction/AuctionHome.action?auctionId=73802252>

Agency Strategies

- Grants
- Administration
- Communications
- Relationships
- Positioning

Agency Strategies

- Grants
 - Administration
 - Communications
 - Relationships
 - Positioning
 - Reducing or capping amounts
 - Adjusting final payments
 - Consolidating categories
 - Carrying over panel scores
 - Restricting new applications
 - Suspending or eliminating programs

Agency Strategies

- Grants
 - **Administration**
 - Communications
 - Relationships
 - Positioning
- Conducting virtual or smaller panels
 - Suspending selected activities
 - Furloughing or reducing staff
 - Balancing operational and strategic planning
 - Restricting travel
 - Paying forward

Agency Strategies

- Grants
 - Administration
 - **Communications**
 - Relationships
 - Positioning
- Increasing agency outreach
 - Promoting the arts as “part of the solution”
 - Keeping the field informed
 - Maximizing electronic communications and networking

Agency Strategies

- Grants
 - Administration
 - Communications
 - Relationships
 - Positioning
- Strengthening relationships within state government
 - Partnering to augment capacity and influence
 - Informing and engaging council members
 - Harmonizing advocacy efforts

Agency Strategies

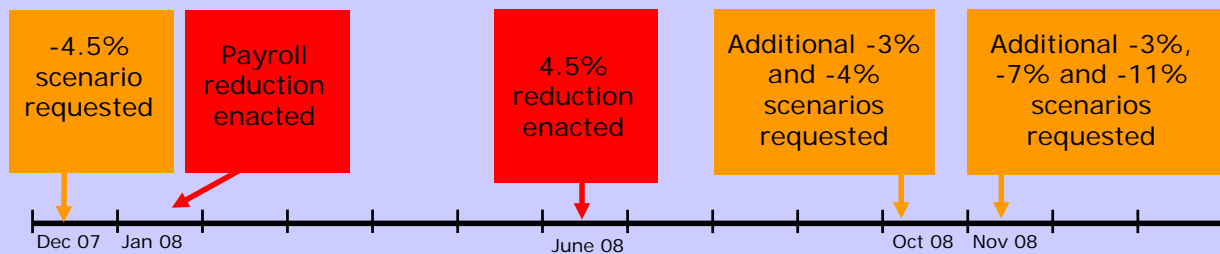
- Grants
 - Administration
 - Communications
 - Relationships
 - Positioning
- Demonstrating value and relevance
 - Providing strong arts leadership
 - Maintaining a long term perspective

State Perspective

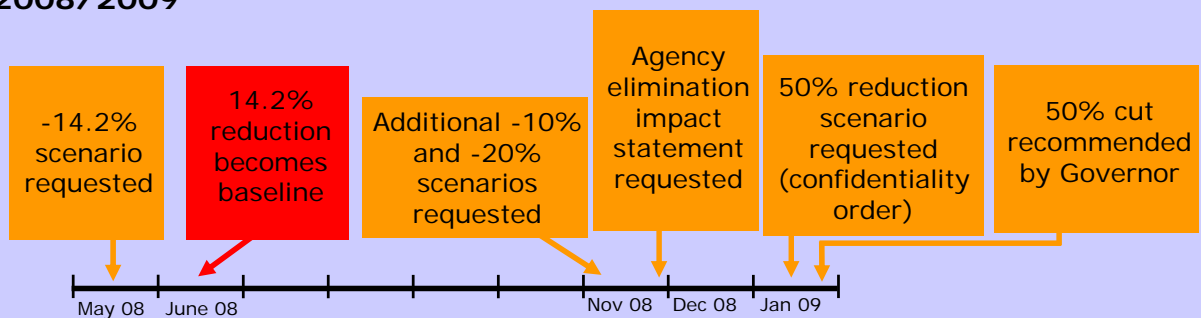


Susan Boskoff, *Director*

Budget Scenarios



FISCAL YEARS 2008/2009



FISCAL YEARS 2010/2011

Preparing for an Economic Tsunami

- Balance increasing administrative demands and agency operations
- Assess external environment
- Review/implement ways to lessen grantee burden
- Strengthen arts engagement
- Pay it Forward

Learning from an Economic Tsunami

- Reposition agency as small business administration
- Assess training and learning needs of staff/board
- Assess training and learning needs of core constituents
- Turn a crisis into a catalyst for change

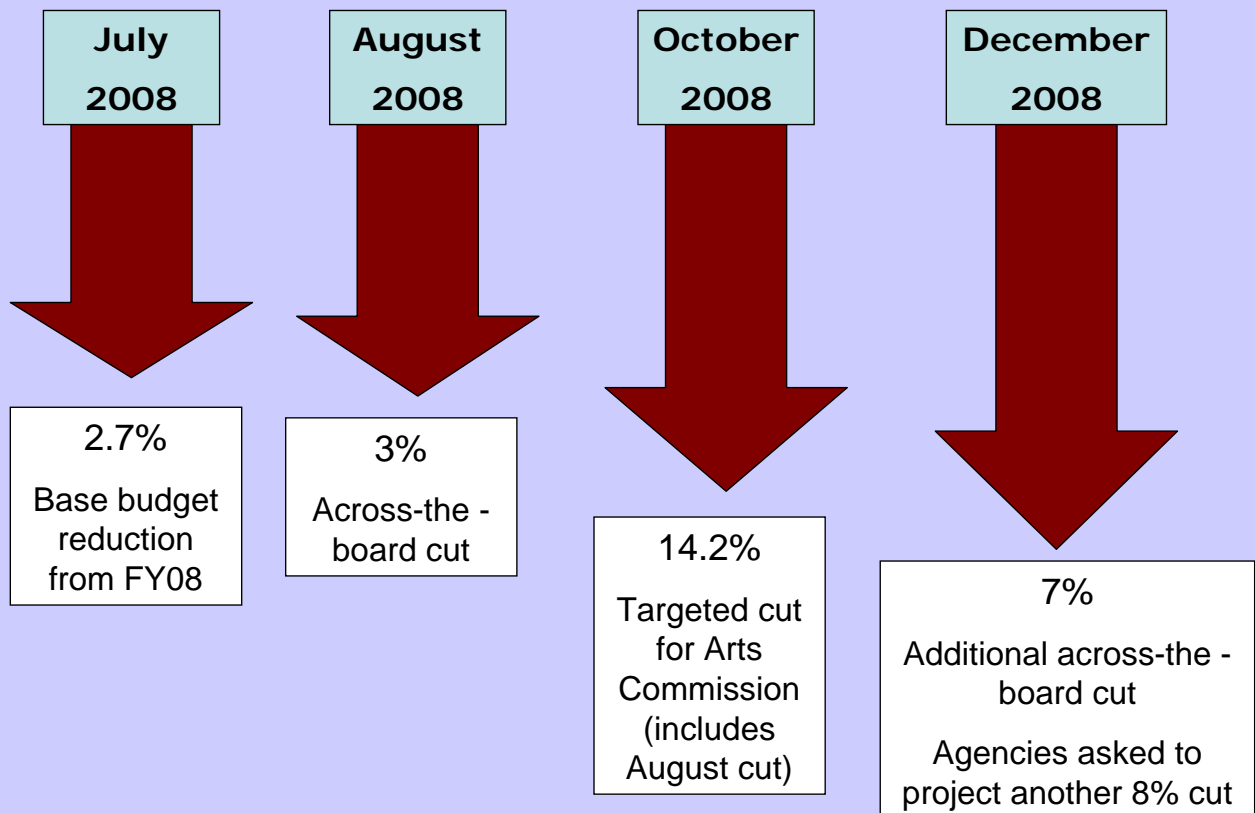
State Perspective



Susie Surkamer, *Executive Director*

Ken May, *Deputy Director*

FY09 Budget Cuts

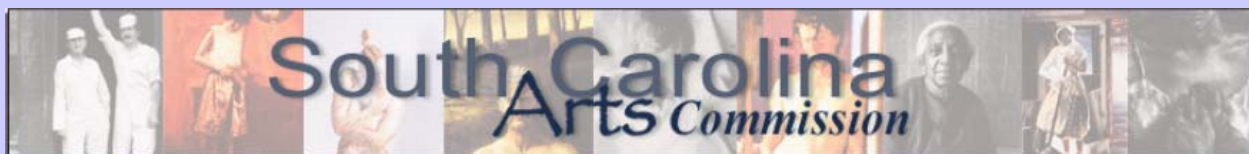


Strategies

- Reduction in grant awards roughly proportional to size of appropriations cuts
- Some grantees rolled over to next year, some programs suspended
- Technical assistance (curated resources)
- Reduced required match in one grant category (arts facilities)

Communications

- Conference calls – direct interaction with Executive Director to ask questions after first round of cuts.
- Website updated frequently with new information related to ongoing and projected impact of cuts.



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The South Carolina Arts Commission

SC Arts Commission FY2009 Budget Cuts

>> UPDATE <<

December 18, 2008

On December 11, 2008, the S.C. Budget and Control Board issued a 7 percent across-the-board cut to state agencies in addition to cuts passed earlier this fiscal year. Although this new cut will require an additional reduction to most current grant awards, the Arts Commission is not passing the entire cut along to grantees.

To implement this most recent cut, the agency will

- Increase the number of mandatory staff furlough (unpaid leave) days from four to seven
- Reduce most current (FY09) grants by an additional 4 percent, bringing the total cumulative grant reduction for most grantees to 18.2 percent
- Continue to reserve 25 percent of original grant awards pending additional mid-year cuts

This latest cut brings the cumulative total cut to the agency's budget for FY 2009 to 23.9 percent. The agency continues to do everything it can internally to reduce costs while maintaining service to constituents.

Internal Operations

- Staff furloughs (increased with budget cuts)
- Holding vacancies, reducing temp hours
- Reduced all non-fixed internal expenses
- Canceled out-of-town board meeting (reduced board travel)
- Reducing staff travel (returned 2 of 3 leased state vehicles)
- Cancelled planned newsletter (reducing printing and mailing)

To ask a question,
use the "Chat to:" box.

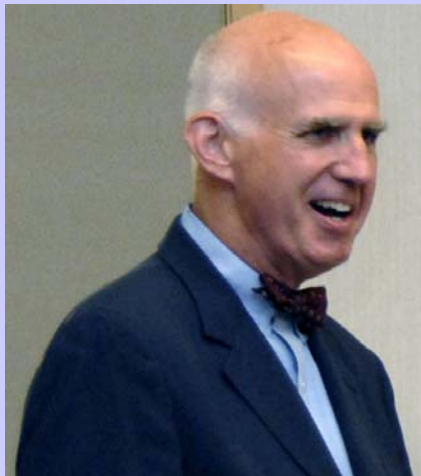
Lessons Learned

- Anticipate quick turn-around scenario planning
- Know where your agency has the greatest value and impact
- Look for the opportunities embedded in any crisis
- Maintain trust through consistent communications and transparent decision making

Lessons Learned

- Document your operational cost-savings
- Be prepared for endemic tensions to escalate
- Carefully assess policies designed to “save the day”
- Position your agency for the return of resources
- Advocacy can make a difference

Advocacy Tips



Tom Birch

NASAA Legislative Counsel

Advocacy Tips

- Establish the Arts in Public Policy
 - Demonstrate Service *and* Economic Impact
 - Document the Consequences
 - Demonstrate Your Organizational Efficiency
 - Work in Coalition
 - Engage Grantees and Audiences
- Serve a public purpose
- In the economic recovery plan
- Link to public policy priorities

Advocacy Tips

- Establish the Arts in Public Policy
 - Demonstrate Service *and* Economic Impact
 - Document the Consequences
 - Demonstrate Your Organizational Efficiency
 - Work in Coalition
 - Engage Grantees and Audiences
- Economic downturn hurts your beneficiaries
 - Public arts funding serves the public.
 - Arts programs and community services

Advocacy Tips

- Establish the Arts in Public Policy
 - Demonstrate Service *and* Economic Impact
 - Document the Consequences
 - Demonstrate Your Organizational Efficiency
 - Work in Coalition
 - Engage Grantees and Audiences
- Data tell the story
 - Charitable giving also down
 - Lost funding means lost jobs

Advocacy Tips

- Establish the Arts in Public Policy
 - Demonstrate Service *and* Economic Impact
 - Document the Consequences
 - Demonstrate Your Organizational Efficiency
 - Work in Coalition
 - Engage Grantees and Audiences
- Show the benefits of *government* support
 - SAA: a judicious steward of public dollars

Advocacy Tips

- Establish the Arts in Public Policy
 - Demonstrate Service *and* Economic Impact
 - Document the Consequences
 - Demonstrate Your Organizational Efficiency
 - Work in Coalition
 - Engage Grantees and Audiences
- Develop collaborative
 - Work with a statewide coalition
 - Use planning to build coalitions

Advocacy Tips

- Establish the Arts in Public Policy
- Demonstrate Service *and* Economic Impact
- Document the Consequences
- Demonstrate Your Organizational Efficiency
- Work in Coalition
- Engage Grantees and Audiences
- Open lines of communication
- Step up online communications

To ask a question,
use the "Chat to:" box.



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National Assembly of State Arts Agencies

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News from NASAA

Legislative Alert: \$50 Million Proposed for NEA

The House Democrats' [economic stimulus package](#) proposes \$50 million for the National Endowment for the Arts.

Arts & Culture Strategies for a New Administration

Find out what's ahead for the arts and state arts agencies under a new presidential

For Our Members

Contending with Economic Uncertainty **NEW!**

The current economic downturn is presenting many fiscal, operational and strategic challenges to state arts agencies and the communities that they serve. To help you navigate these turbulent times, NASAA has compiled this special resource area containing materials specifically designed for state arts agencies.



September 11-13, 2008
Chattanooga, Tennessee

STATE SPOTLIGHT

**New
resource
area for
SAAs**

Maryland's Arts and Entertainment Districts Merge Commerce and Culture

State incentives help Maryland localities harness the power of their cultural resources.

Strengthening Hawai'i's Families through the Arts

Together, the arts and human services widen opportunities for youth and families.

Engaging Washington

www.nasaa-arts.org

Agency Strategies

- [Contending with Economic Uncertainty](#) **New!**
- [Talking Points for State Arts Agencies](#)
- [Strategy Sampler: Constituent Assistance in Tough Economic Times](#) **New!**
- Strategy Sampler: State Arts Agency Adaptations **Coming Soon!**
- NASAA CEO Commentary: [States and Economic Downturns](#)

Budget Data

- [State Arts Agency Budget Update](#)

Advocacy

- Advocacy Strategies for Tough Economic Times **Coming Soon!**
- [Ten Ways to Convert Legislators into Arts Advocates](#)
- [Advocacy and Lobbying: Speaking Up for the Arts](#)
- [What Do State Legislators Think about the Arts?](#)
- NASAA Legislative Counsel Report: [The Arts in Federal Economic Stimulus Legislation](#)

Additional Research & Resources

- [National Governors Association Arts Reports](#)
- [Research-Based Communication Tool Kit](#)
- [Arts Funding Response and Readiness Kit](#)
- [Ready to Innovate](#)
- [The Imagine Nation](#)
- [Critical Evidence: How the Arts Benefit Student Achievement](#)

Need a password reminder? Contact Dora Shick
202-347-6352 x108 dora.shick@nasaa-arts.org



Thanks for participating!

Questions or comments about this session? Contact Eric Giles, Learning Services Manager (eric.giles@nasaa-arts.org).