

Contending with Economic Uncertainty: State Arts Agency Strategies and Perspectives

NASAA Web Seminar January 22, 2009

In January 2009, the National Assembly of State Arts Agencies (NASAA) convened a Web seminar reviewing various strategies that state arts agencies are adopting to address the challenging economic environment. What follows is a synopsis of that meeting, highlighting information of particular interest to cultural advocates. For additional information on how these strategies are playing out in your area, please contact your state arts agency.

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Budget Outlook

- The economy has caused major problems for state budgets. In the current fiscal year (2009), states have had to close \$40 billion in budget gaps to date, and 18 states are reporting negative growth budgets. This situation is expected to worsen. States project budget gaps of \$200 billion over the next two years.
- Even when the market recovers, it will take some time for that recovery to flow into state budgets, which tend to remain tight for a year or more after the general market has begun to rebound.
- Such dire state fiscal problems will likely force many governors and legislators to make spending cuts affecting the arts.
- Looking at past recessions, legislative appropriations to state arts agencies dropped by 28% 1990-1993, and by 38% between 2001-2004. Many state arts agency budgets have yet to fully recover from the last recession, so arts leaders and advocates are concerned about the impact that further cuts will have on citizens, communities and state arts agencies.

Constituent Assistance Strategies

State arts agencies are adopting a variety of strategies to help artists and arts organizations cope with hard economic times. Those services include:

- **Assessing economic conditions:** Numerous state arts agencies are conducting surveys to assess the financial situation of the arts community or assess the impact of budget cuts. These surveys provide valuable advocacy information and help state arts agencies to develop constituent assistance plans.
- **Facilitating connections:** Convenings may become even more important during bad economic times. Multiple states have held summits, symposia or statewide gatherings with programs designed to keep arts managers and advocates abreast of current trends, facilitate collaborations, and provide

workshops on topics like contingency planning and creative financing options. New Jersey's "Arts at a Crossroads" convening in November was a recent example.

- **Promoting wise management:** States are offering targeted training and tools to help arts managers cope with financial and operational problems brought on by the recession. Many states (Delaware is one example) have created Web-based resources areas. Pennsylvania has released a "Strategies for Survival" checklist. And Colorado is encouraging artists and arts nonprofits to take advantage of free small business fairs offered by the Governor's Office.
- **Providing financial assistance:** State funding cuts often reduce the dollars available for grants. In past recessions, state arts agencies have tried to retain at least some support in key programs that have long-term, systemic consequences. (Those programs vary from state to state, but often include arts education, operating support and funding for underserved populations.) States are also facilitating access to project support through streamlined application systems, quick-turnaround funds, flexible matching requirements, etc. In addition, state arts agencies are promoting other (non-public) sources of funding. The Maine Arts Commission, for instance, has a special Web resource dedicated to emergency arts grant funds offered by foundations across the country.
- **Encouraging civic action:** State arts agencies are encouraging arts groups to reach out to populations in need and be visible in helping to address hard times in their home communities. For example, the Vermont Arts Council organized an on-line art auction that raised more than \$10,000 for the Vermont Food Bank.

State Arts Agency Management Strategies

In addition to helping constituents face financial uncertainty, state arts agencies are also adopting measures to address their own contracting budgets:

- **Grants:** When faced with cuts in available grant dollars, states examine a variety of options. These include reduction in grant amounts, withholding final payouts (when necessitated by mid-year budget cuts), consolidation of grant categories, suspension/elimination of programs or limiting the number of new applicants in selected programs.
- **Administration:** States are reducing administrative expenses by eliminating activities, conducting smaller panels, reducing travel and maximizing the use of technology. Many are also being forced to furlough or reduce staff. Cuts in this area are especially difficult because few state arts agency administrative budgets rebounded following the last recession.
- **Communications:** State arts agencies are increasing efforts to communicate about the value of the arts and the arts as part of the solution to economic and civic revitalization.
- **Relationships:** Productive relationships with elected officials, constituents, advocacy groups, council members are critical. States report increased attention to relationships within state government, including state budget officers, cabinet members and other agency leaders.
- **Positioning:** Strategic positioning includes clearly demonstrating the value and relevance of state arts agency programs, and maximizing the potential of partnerships. This also includes maintaining a long-term perspective and providing visible leadership during a time where there is much short-term concern and uncertainty.

State Advocacy Tips

During past recessions, state arts agencies have emphasized that advocacy can and does make a difference.

- **Establish the arts in public policy:** Link the arts to the top priorities of governors and legislators, showing how the arts can address their major economic and workforce concerns. When public funds are tight (and private contributions may decline), it is especially important to prepare a convincing case for why *government* support for the arts is important to retain as part of a competitive state's policy portfolio.
- **Document the consequences:** Make sure decision makers understand that lost funding equals lost jobs. Use data to tell the story of the employment and other public benefits that will be lost as a result of funding reductions. Anecdotal examples and testimonials can bring data to life and make your case even more compelling, but be sure to include a fact base that ties the arts to tangible economic and educational outcomes.
- **Demonstrate service and economic impact:** Document not only what the arts community needs, but also what it *contributes* to economic prosperity and community life. In addition to economic impact data, tap the research on the arts and educational outcomes, the arts and workforce development, the arts and civic engagement, the arts and aging, etc.
- **Demonstrate your efficiency:** In a tight fiscal environment, efficiency comes under even higher scrutiny for all public agencies. State arts agencies need to demonstrate responsible and thrifty stewardship of public dollars and document the measures they are taking to control costs and maximize return on investment.
- **Work in coalition:** A unified message has the most likelihood of success. Work in collaboration within the arts community to develop a shared case for support and to coordinate the promotion of that message to decision makers and the media. Work in coalition with other groups – such as other cultural groups and education, tourism, business and other sectors – to advance culture as an essential part of your state's well being.
- **Engage grantees and audiences:** Encourage the board members of your cultural groups to get involved in arts advocacy. As citizen leaders and contributors, they can be among your most persuasive and influential advocates for the arts. Make every event an arts advocacy event. Invite and recognize elected officials at arts events, to highlight the size and enthusiasm of the arts constituency.
- **Step up online advocacy:** Maximize your use of e-mail and other Web resources to communicate within the arts community and help grassroots advocates communicate with their elected officials.
- **Make the most of free advocacy tools:** NASAA will be producing a new publication – Advocacy Tips for Tough Economic Times – this winter. It will be available via the NASAA Web site, which provides many free advocacy tools. (See <http://www.nasaa-arts.org/publications/advo.shtml>)