

National Assembly of State Arts Agencies

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Testimony Submitted by the National Assembly of State Arts Agencies

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Kansas State Legislature

Joint Committee on Arts and Cultural Resources

Madame Chair and members of the Committee, thank you for the invitation to prepare this testimony and to inform your consideration of the future of the arts in Kansas. As the organization representing the 56 state and jurisdictional arts agencies of the United States, the National Assembly of State Arts Agencies (NASAA) can be a resource for your deliberations by providing a national policy context and supplying quantitative data on arts funding in other states.

The Arts as a Public Good

Just as with the systems that provide a good education, public safety, transportation, defense, waste management, clean air to breathe and clean water to drink, the arts are a public good. The arts—not just the objects created, but the full economic and intrinsic effects of the arts—benefit every citizen. Regardless of whether an individual chooses to participate in the arts him or herself, *every taxpayer* benefits from living in a state in which:

- A competitive workforce is fluent in the creative problem-solving processes and communications skills needed in a 21st century marketplace,
- A thriving creative economy creates job opportunities and business revenue,
- Cherished cultural traditions are preserved for future generations, and
- A desirable quality of life attracts residents and visitors.

In the United States, voters of all political viewpoints recognize these as public goods. Elected officials, too, recognize the arts as a policy asset. Leading public sector organizations—including the National Governors Association, the National Conference of State Legislatures, the U.S. Conference of Mayors and the Education Commission of the States—recommend the arts as part of a strong state policy portfolio. They recognize that:

- Including the arts enhances the impact of many state policies and services. The goal attainment and cost-effectiveness of economic revitalization, education, literacy, workforce development, tourism, community sustainability and health care all benefit from the inclusion of the arts and the involvement of state arts agencies as partners.
- Small businesses and individual entrepreneurs, which comprise the core of the creative industries, are critical to every state's economy. The arts are a dynamic contributor to the small business sector, supporting many talented workers who are self-employed, freelancers or employed by micro-enterprises.
- State arts agencies promote innovation. The arts offer products that attract tourists and create a distinctive state brand identity. The arts also contribute to a state's competitive edge in a national and global marketplace where distinctive design and effective communications spell the success or failure of business and policy ventures.

How States Fund the Arts

In order to derive these benefits, during the past 40 years state governments have maintained a commitment to the arts, establishing arts agencies in all 56 states and jurisdictions and allocating funding—even during recessions—to state arts agencies and

their programs. Like most areas of state spending, public appropriations to the arts have seen periods of growth and decline tied to state budget conditions. However, **no state other than Kansas has responded to a recession by eliminating all public funding for its state arts agency.** In fiscal year 2012:

- State legislatures in 49 other states and six United States jurisdictions all maintained their arts agencies.
- State legislatures appropriated \$268.9 million to state arts agencies, an investment of \$0.86 per capita.
- Twenty-five legislatures maintained or increased the public investment in state arts agencies.
- The National Endowment for the Arts invested an additional \$43 million in state arts agencies. All states except Kansas qualified for a share of these unrestricted federal funds.

In fiscal year 2011, 99% of total state arts agency revenue originated from public sources: state legislative appropriations, state transfer dollars from other agencies or federal funding from the NEA or other federal agencies.

Although some state arts agencies secure private funds to underwrite special services or supplement public revenue lines, private funding has never been a significant source of state arts agency funding. **Nationwide, private contributions and earned income combined represented 0.89% of total state arts agency revenue for fiscal year 2011.** This 2011 figure is not unusual. Private funds comprised 0.80% of total state arts agency revenue for 2010 and 0.96% for 2009. Among those few states securing contributions from foundations, corporations or individuals (16 state arts agencies) the median amount secured in 2011 was \$30,000.

State general fund dollars have remained the primary source of funding in most states, despite the competition, resource shortages and politics that can make these allocations volatile. While acknowledging these challenges, arts leaders and legislators cite the importance of the state arts agency's participation in the general budgeting process because it allows for public consideration of a state's cultural needs. Annual or biennial consideration visibly connects allocation to citizen benefits, encourages public input and ensures alignment of a state's current resources with its policy priorities. Using public dollars to finance the work of a state arts agency also avoids the significant drawback of the state putting itself in competition with constituents for private contributions.

Many motivations drive the contribution decisions of private philanthropists, including personal artistic preferences, the desire for corporate advertising exposure, or loyalty to one's home community. While these are laudable goals, no state has found private funding motivations alone to be sufficient to make the benefits of the arts equitably accessible to all citizens of a state. As public agencies, state arts agencies play a unique role in:

- Developing programs and services that advance the goals of state government;
- Making the arts available to every community in a state (not just urban areas or communities with wealthy residents);
- Modeling responsive government through funding, planning and evaluation procedures that involve citizens in decision making;
- Encouraging artists and arts organizations to serve the public by instituting sound planning, accountability and management practices;
- Securing federal Partnership Agreement dollars, which only state arts agencies are eligible to receive.

State budget shortfalls have been cited in Kansas as a rationale for eliminating the state's investment in the arts. A \$689,000 appropriation to the Kansas Arts Commission in fiscal year 2012 would have comprised about 0.005% of the total state budget—one half of 1/100th of one percent. This year, the elimination of the Kansas Arts Commission budget has created a net loss for the state, costing Kansas its federal Partnership Agreement grant and its regional partnership allocation and resulting in the suspension of the agency's programs and services. We do not see other states emulating this decision.

Additional Resources

To further support your committee's consideration of arts funding solutions for the state of Kansas, NASAA recommends the following resources, supplied in conjunction with this testimony:

- **Arts & The Economy:** A collaborative policy research project between the National Governors Association and NASAA profiling how state government utilizes the arts as an economic development asset.
- **Critical Evidence:** A synopsis of the research on the effects of arts education on student achievement and workforce preparation.
- **State Arts Agency Legislative Appropriations Preview:** Includes information on appropriations and per capita funding levels for all 50 states for fiscal year 2012.
- **Supplemental Funding Strategies for State Arts Agencies:** Reviews the variety of funding mechanisms used by states to supplement general fund allocations for the arts.
- **Why Should Government Support the Arts?** Summarizes the policy rationale for state funding for the arts and research about the impact of investing in the arts.

We thank you for this opportunity to testify. We also offer NASAA's services in supplying additional policy information, programmatic examples or funding data upon request. For assistance please contact:

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