

# National Assembly of State Arts Agencies

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## The False Economy of the Alaska Arts Funding Veto

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This week, the Alaska state legislature failed to override the governor's veto of all fiscal year 2020 funding for the [Alaska State Council on the Arts](#) (ASCA).

In February, Alaska Gov. Mike Dunleavy signaled his intention to end state support for the arts by proposing a FY2020 budget that included no funds for ASCA. The Alaska legislature rejected that proposal, passing a budget bill that included a \$693,500 state general fund allocation for ASCA (a fractional increase over FY2019 funding levels) and authorizing the agency to secure federal and private support.

Upon his receipt of the legislature's budget, however, Governor Dunleavy again zeroed out all spending for ASCA. This was among [182 line item vetoes](#) that swept more than \$444 million in funding from Alaska's university system, health care, social services, aid to municipalities, K-12 schools, public broadcasting, libraries and more.

The legislature convened in a special joint session to consider override action. But 21 lawmakers were absent from the roll call in the state capitol. Efforts to negotiate procedural options also stalled. As a result, the legislature failed to attain the 45-vote threshold needed to achieve an override.

**Elimination of funding for the arts in Alaska is a false economy.** Rather than resulting in any net savings, the elimination of ASCA's budget represents a net loss to the state and compromises its prosperity potential.

A \$693,500 appropriation in state funds to ASCA would represent 0.014% (just over 1/100th of one percent) of the state's \$4.9 billion general fund spending package. Vetoing this amount has no discernable effect on the state's budget, but communities statewide will experience an acute loss. Without funding and an expert staff, [ASCA's impact](#) is undercut, eliminating:

- **Programs that support rural communities:** 64% of ASCA's grants are awarded to rural areas.
- **Healing arts services for Alaskan service members and military families:** Art based treatments for PTSD and depression save more than \$1,000 in health care costs per veteran.
- **Programs that boost the academic success of Alaskan youth and reduce school dropouts:** Lowering Alaska's dropout rate could lead to more than \$31 million annually in economic growth opportunities and reduced dependency on the state's social safety net.
- **Promotion of authentic work by Alaska Native artists:** The Silver Hand program protects the livelihoods of Alaska Native artists and secures Alaska's position in a competitive global art marketplace.
- **Activities that stimulate business for the hospitality, transportation and retail sectors:** Arts attendees in Fairbanks alone spend \$9.3 million on other services.

Also lost is the leveraging power of the state arts agency. Without a state commitment to ASCA, the agency will not be eligible to secure a share of National Endowment for the Arts funds. Those dollars will be allocated elsewhere, leaving Alaskan taxpayers to foot the bill for the arts *in other states*. Philanthropic funds for ASCA's public-private partnerships also are at risk. Last year ASCA led the entire nation in securing foundation investments in its work, recording more than \$1.2 million in funding for statewide arts programs—more than any of the other 49 states. These investments are now in peril. So, too, is the local support catalyzed by the state. For every \$1 that ASCA awarded in 2018, grantees secured an additional \$27 in local matches, private contributions and earned income.

To forfeit this return on investment is a shortsighted policy choice at a time when Alaska needs every economic advantage it can muster. According to [data](#) published by the Bureau of Economic Analysis and the National Endowment for the Arts, Alaska's gross state product has *contracted* for the past two years, while the economic impact of the state's creative industries has *increased*. The arts and culture contribute \$1.4 billion to the state's bottom line.

Thoughtful policy leaders in other states and jurisdictions recognize the arts as an asset, not a frill. When kids receive a creative education, we all benefit. When artworks transform public spaces, we all benefit. When businesses thrive through proximity to arts events, we all benefit. And when the cultural heritage of a state gets passed on to future generations, we all benefit. The private sector has [shown](#) that it cannot and will not close these gaps. **Every state needs a public arts agency to ensure that all communities—not just those that are wealthy or urban—have the chance to thrive through the arts.**

This veto makes Alaska the only state in the nation without a state arts agency—for now. ASCA currently remains an authorized state entity, albeit without funds. ASCA has garnered strong legislative supporters on both sides of the aisle. And Alaskan advocates are fired up. NASAA fully expects that arts advocates, rather than becoming disheartened or disillusioned, will work even more passionately to restore state support for the arts in Alaska.

We look forward to that revival.

Pam Breaux  
President and Chief Executive Officer  
National Assembly of State Arts Agencies