December 21, 2020

Governor Gavin Newsom
Governor’s Office
State Capitol, First Floor
Sacramento, CA 95814

Dear Governor Newsom,

Thank you for your efforts over the last year to help guide California through the horrors of COVID-19, and the subsequent economic calamity. Thank you also for your continued support for the arts in California. In your first two years as California’s Governor, you used your January budget as an opportunity to set the tone for arts funding in California. In both budgets you proposed a modest increase in state general fund support for the California Arts Council, and we supported those efforts.

We understand that state government must focus to solve our most urgent problems effectively and efficiently. Today, there has never been a more urgent time for the arts. California’s concert venues, dance studios, festivals, and live theaters were among the first California businesses to close down in response to the pandemic, and they’ve remained closed and without any industry guidance even as others reopened. Although we understand the need for caution to prevent community spread, no industry can survive being completely closed for 12-18 months which is the current prediction for the live performing arts and entertainment industry. In fact, CA Dept of Labor reports from March - August 2020, Arts, Entertainment & Recreation has seen the largest percentage of job loss (-40.3%) in the state—well beyond even the second larger sector’s percentage of job loss: “Leisure & Hospitality” (-27%)

We respectfully urge you to continue your leadership in this area and once again propose modestly expanded funding for the California Arts Council. We see the following possibilities:

2021 California Arts Council Funding

We believe that the current statewide funding level of $26M should be augmented with a one-time infusion of $15M, which would help augment California’s underfunded arts organization particularly serving communities of color and in rural areas that lack access to private funders to address emergency-related needs. We would suggest the following pots of funds:

• $5 million in one-time funds for jobs creation for unemployed artists in a CA Creative Corps programs in service to public health, mental health, education and other community services.

• $5 million in one-time funds to support organizations overcome the financial impacts of the COVID-19 restrictions that have been imposed by state and local governments.

• $5 million in one-time funds to support small community-based arts nonprofits with the investments needed as they re-organize to comply with new standards under AB 5.
CALIFORNIA’S ARTS EMERGENCY

California arts nonprofits, music venues of all sizes, live theaters, dance studios, and festivals are facing multiple significant problems as we enter 2021. The sector is coping with unique COVID-19 economic impacts, significant labor-related cost increases from AB 5, and already struggling with comparatively low levels of support from our state budget. It’s fair to say that California is experiencing an arts emergency, and we believe the funding outlined above is absolutely necessary to help our sector survive and continue to serve the diversity of our state through the arts.

Public funding is an equity and access issue. According to a James Irvine Foundation study in 2011, there are over 11,000 arts non-profit organizations in California delivering much needed creative and cultural programs to our state of 40 million people. Most of these organizations operate on small budgets with tight margins but do the work because they know the difference the arts bring to our lives and our communities. However, in grants in 2020, the California Arts Council was able to provide funds to only 8% of the total arts organizations in California. Without additional funding communities across California will continue to be deprived of access to the arts. The data shows that California is leading the nation in benefitting from the creative economy but still falls behind other states in terms of public investment in the arts. Even at current funding levels, California is still investing less than a dollar (.71 cents per capita) and ranks 26th amongst the states for arts funding. A state of our size with a large and diverse arts ecosystem can and should do a better job of seeding arts access in the most vulnerable and underserved areas of our state.

Recent legal decisions and legislation such as AB5 are changing the way the arts do business, resulting in an increase staffing costs up to 40% for some organizations. While some of the larger entities in the arts ecosystem may be able to adjust to this added cost, there are thousands of very small community-based arts programs that are the backbone off arts access for the neediest Californians. Those small community-based arts organizations will either need to drastically cut back on programming, depriving some areas of the state of what little access they have, or will close entirely.

Finally, the impact of COVID-19 on the arts ecosystem has been profound. In addition to being completely shut down as COVID rages out of control, it is also true that our live theaters, music venues, and types of performances were never allowed to re-open even when California successfully brought COVID-19 numbers down. At no point has California’s reopening guidance made room for these types of facilities to re-open. These organizations need help if they are going to survive shuttering their doors to help defeat COVID-19.

Thank you for your support of the creative industries in California. We look forward to working with you and your administration.

Wishing you a safe and wonderful holiday season.

Respectfully yours,

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Cc: Pro Tem Atkins, Senator Skinner, Senator Caballero
Speaker Rendon, Assembly Member Ting, Assembly Member Carrillo
Gayle Miller, Governor’s office