February 19, 2021

The Honorable Phil Ting  
Chair, Assembly Budget Committee  
State Capitol, Room 6026  
Sacramento, CA 95814

The Honorable Wendy Carrillo  
Chair, Assembly Budget Subcommittee #4  
State Capitol, Room 4167  
Sacramento, CA 95814

Subject: Budget Proposal for the California Arts Council

Dear Chair Ting and Chair Carrillo:

Thank you for your continued leadership in these challenging times, and for the January 12th guidance document on member budget requests for 2021. I recently became Chair of the Assembly Committee on the Arts, Entertainment, Sports, Tourism, and Internet Media. I would like to share with you what COVID-19 has exposed and heightened some of the ongoing issues for our California nonprofit arts and creative industries, systemic undercapitalization that we have an opportunity to support now with additional resources and funding.

Arts and culture businesses are economic engines and their financial health is in the best interests of the California economy. U.S. Bureau of Economic Analysis reports that in 2017, the arts and culture sector contributed $230.3 billion to California’s economy, representing 8.2% of the state’s GDP—a larger share of the state’s economy than Construction ($102 billion), or Transportation ($72 billion). However, our public investment in the arts pales in comparison to the sector’s corresponding economic impact. California’s current budget surplus, this one time bonus of funds, should in part be dedicated to supporting the creative workforce and nonprofits that contribute to every community in California with increased funding for the California Arts Council (CAC), our state arts agency.

Investing in the arts now is support for immediate social services in our most vulnerable communities and investment in long-game economic recovery. We need to increase funding for the CAC to at least $1 per capita per person. At the state’s current $26 million funding level, California only invests .73 cents per person. By comparison New York invests $2.31 and Minnesota over $7.00. If California is truly going to be the creative capital, we must demonstrate true commitment to its survival and sustainability.
The historic peak for CAC funding was in 2000-01 at $30.7 million. Factoring for inflation, we would need a total of $44.7 million in ongoing general fund support to match the state’s investment from two decades ago.

I respectfully request that your committee and subcommittee consider taking the following actions for the 21-22 budget:

- Increase the amount of arts funding to $1 per person per capita in funding with a $14 million budget increase to the California Arts Council. This would fund the California Arts Council at $40 million for the 2021-2022 budget year.

California Arts Council grants funds are consistently oversubscribed and although their grants system has geographic and cultural diversity with a commitment to fund every county in California, the current funding of $26 million is simply not enough. There are an estimated 11,000 non-profit arts organizations in California. In 2019 grants funding, California Arts Council was only able to fund 12% of the total arts organizations in California.

According to Cal Nonprofits, more than 50% of non-profit arts organizations have annual revenue below $106,500. Most recently, the CAC prioritized grants for organizations with budget sizes of $250,000 and under. These represent value-based community organizations, purposeful, with sustained commitment to fundamental values related to cultural responsibility, ethical practices and respectful relationships. They often work in partnerships that cross silos and sectors to connect art organically with other areas such as health, community development, humanities, and social justice. They are multilingual in more ways than just language, and their social networks run broad and deep.

The California Arts Council programs have proven to be effective in solutions for trauma associated with Veterans, recidivism rates in our state prisons, as pipelines for creative sector jobs for our youth and for building programs that contribute to local economies and tourism such as the California Cultural Districts program, and to the social and emotional health of every community.

There is currently no statewide funder for the arts except for the California Arts Council. Rural and traditionally economically under resourced communities are reliant on public funds to allow arts to be accessible for all Californians. In order to sustain our valuable arts nonprofit ecosystem in California, we must consider an increased investment.

Thank you for considering my request for $1 for the arts. I look forward to working with you to help prioritize California’s arts and culture sector as the 21-22 budget items are finalized.

Sincerely,

Sharon Quirk-Silva

Assemblywoman Sharon Quirk-Silva
Assembly District 65