RE: Support for $1 Billion in Stimulus for Arts, Creativity, and Culture (Over Four Years)

Dear Governor Newsom, Speaker Rendon, Pro Tem Atkins, Leaders Waldron and Wilk, and Chairs Ting and Skinner,

Thank you for your leadership during these challenging times and the efforts of the State of California to keep Californians safe during the COVID-19 pandemic.

The ecosystem of arts, culture, and creativity in Sacramento and more broadly California is vast and impactful, representing over eight percent of the Gross State Product. The sector relies on revenue from live events, indoor attractions, gatherings, and group participation, which has largely been shut down for over a year to stop the spread of COVID-19. According to a report by McKinsey & Company, the arts, entertainment, and recreation sectors will not fully recover from this public health crisis and muted economy until 2025.
To fully address the recovery of our sector and to help stimulate economic activity, as Mayor of the capital city of California, I ask for your support for a $1 billion investment in the 2021-2022 budget year, to be spent over four years:

- **Support for Independent Venues**: $250 million in a grants program to be distributed by CAL-OSBA for for-profit independent venues and nonprofit cultural organizations to reopen and bring economic vitality back to every community across CA. This program, which would use existing infrastructure to deliver grants, would identify revenue loss and the gaps in funding due to limited capacity reopening plans.

- **Community Access to Arts**: $400 million allocation over three years as a onetime increase to the existing general fund allocation of $26 million to the California Arts Council to expand existing grants programs including Cultural Districts, arts in schools and general operating support and to establish the Performing Arts Equitable Payroll Fund which will direct critical relief funding to artists and production workers. Small Nonprofit Performing Arts Companies (SNPACs) historically have been undercapitalized and underfunded, yet contribute to the economic growth, social well-being and cultural vitality of the local communities they serve. Many SNPACs are culturally rooted and are considered the onramp and incubator for new works and opportunities for emerging performers and people entering the creative performing arts industries. This funding will help assist SNPACs create and preserve job opportunities for performers and people in the performing arts sector, particularly workers in marginalized communities.

- **Workforce Development and Infrastructure Investments**: $100 million to workforce development and jobs training programs to employ workers in all aspects of the creative economy industries. The training program would focus on developing marketable skills and living wage employment in the arts with particular prioritization for low-income, unemployed, and disadvantaged persons beginning their careers in the creative arts. Creative industries are integral to rebuilding California and workforce development must be the focus to rebuild the economy.

- **Support Museums and Cultural Institutions**: $250 million to the California Cultural and Historical Endowment to be distributed competitively to government entities, non-profit organizations, and Tribal Organizations for the acquisition, restoration, preservation, and interpretation of California’s historical, cultural, and natural resources. Of this amount, $50 million will go to the Museum Grant Program for capital projects or programs that support and enhance museums services and serve historically underserved communities and/or students subject to Title 1 of the Federal Elementary and Secondary Education Act.
The pandemic has also exposed deep inequities, with disproportionate impact and lack of access to funding and resources within rural areas and communities of color. All programs proposed would reach every corner of California and emphasize equity and investment in traditionally under-resourced and marginalized communities and organizations.

Federal relief funds and windfall tax state tax receipts have given California an opportunity to make a substantial investment that could help stabilize the sector and stimulate economic activity. A $1 billion investment in California’s arts, culture, and creativity industries over a four-year period will help overcome the challenges of state-imposed COVID-19 restrictions and have a positive impact on jobs creation, tourism, and tax revenues.

As California looks to rebuild local communities and recover, arts, culture and creativity will be an essential industry to bringing social cohesion, mental health support and wellness, and positive opportunities for families and youth.

Sincerely,

Darrell Steinberg, Mayor
City of Sacramento