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Advancing California through the arts, culture and creativity

TO: Assembly Committee on Arts, Sports, Entertainment and Media

FR: Julie Baker, Executive Director, California Arts Advocates

RE: Testimony at Arts Informational Hearing, Restarting the Arts: Best Practices for Safely

Reopening

February 2, 2021

Madame Chair and members of the committee, thank you for the opportunity to speak today and for the passion and commitment you've shown for advancing arts, culture and creativity in California. My name is Julie Baker and I am the Executive Director of California Arts Advocates and Californians for the Arts, the statewide arts and creative industries advocacy organizations. My pronouns are she/her/hers and I am coming to you today from the land of the Nevada City Rancheria Nisenan Tribe who are currently fighting to have their Federal recognition restored.

Let me start by sharing a quote by one of my favorite authors, Toni Morrison, that I think exemplifies this moment for our sector. "This is precisely the time when artists go to work. There is no time for despair, no place for self-pity, no need for silence, no room for fear. We speak, we write, we do language. That is how civilizations heal."

There has never been a more important and relevant time for the arts and for artists to go to work to heal and provide empathy, hope and joy for a nation divided and sick. If at anytime during the pandemic you have looked to the work of artists to help find meaning or even a little distraction from the Groundhog Day nature of sheltering at home, then you understand the value of their contributions.

Although we have looked to our artists for solace in our eleven months of isolation, we have failed to support, recognize and truly value them—particularly financially—for their contributions as our nation's second responders. We are here today to ask for your help in finally ending the historic undercapitalization of the arts, while also creating the opportunity for California to emerge as a leader in fostering thriving creative industries. Now is the time to proclaim, arts are essential and to make an investment that can truly make a difference. With the expected \$15 billion surplus this one time bonus of funds should in part be dedicated to restoring the creative workforce, businesses and nonprofits that contribute so much to every community in California an industry that represents \$230.3 billion to California's economy and 8.2% of the state's GDP—a larger share than Construction or Transportation.

Access to the arts will help us survive and overcome the pandemic, and as we emerge from the crisis, we will be a changed society. Investment in the arts needs to be part of the long-term strategy to deal with aftermath of the pandemic. Rebuilding California will require ingenuity including a reckoning of systemic problems such as racism and economic disparity.

The arts sector offers resourcefulness and innovation – by our very nature we are creative problem solvers who will show up in service to rebuilding our communities. We have wonderful models across the state, of integrating skilled creative workers into municipal government and statewide infrastructure programs, providing employment training and mentorships, developing thought provoking and original works of art to build empathy and belonging and innovative strategies to utilize venues and performers until we can gather safely again. It is time to bring this to scale for all of California.

And once we are able to gather, the arts will reignite communities across the state, filling our restaurants, hotels, and theaters to capacity. But our arts and cultural institutions must not be allowed to perish if we seek to recover and revitalize our communities. We are a keystone in our state's economy, identity, and social fabric.

Supporting the arts now is support for immediate social services in our most vulnerable communities. We cannot wait any longer to increase funding and staffing for the state arts agency, the California Arts Council, funding the budget to at least \$1 per capita per person. Currently at \$26 million in ongoing general budget funds, we are at only .66 cents per person. By comparison NY invests \$2.31 and Minnesota over \$7.00. If California is truly going to be <u>The</u> State of the arts, we must demonstrate commitment to its survival and sustainability.

Today you will hear stories of resiliency and innovation in the face of the shut downs and how art continues to bring people together to provide social cohesion and healing when we need it the most. However what you will also hear is how this crisis has made an already financially fragile industry much worse.

Every aspect of our industry has been hit. Some have better access to capital and reserves, some have access to private philanthropy others have used public relief funds to keep going but no one had it in their strategic or business plan "how to survive if we can't earn revenue for 12-18 months" that's simply not taught in business school. The funding we've received thus far for our sector from both the federal government and some state and local funds have kept us on life support but will not be enough for us to return to work and reopen arts safely. Philanthropy has stepped up but the access to capital is running dry. There is also currently no private philanthropy statewide for arts and culture. The only funding source for arts to be available in every community in California is the state arts agency. We call upon the private and public sector to invest in this workforce to rebuild back a better CA for all.

But who are our arts and creative workers and how has the pandemic affected their lives? According to ongoing research from Americans for the Arts, the impact has been severe.

- 63% of creative workers were unemployed as of the end of 2020
- 15% of creative workers say they do not have access to clean water for drinking or washing.
- 1 in 10 creative workers has experienced **homelessness**, and 1 in 3 has been faced with the **threat of eviction**.
- Over 50% of creative workers have experienced food insecurity, and over 40% have been unable to get needed medical help
- 55% of all creative workers have no savings to fall back on

Creative workers are suffering from a lack of the most basic human needs right now, in fact they are some of the most vulnerable workforce among us .

And Artists who identify as Black, Indigenous, and people of color (BIPOC) have higher rates of unemployment than white artists and lost a larger percentage of their 2020 income.

In California, the picture is the same with one-third of our sector out of work, more than 450,000 jobs and an estimated \$45 billion in accumulative economic loss. This is backed up by a report from the California Department of Labor that found the arts, entertainment and recreation field accounted for 40.3% of job losses from March to August 2020, the largest percentage, well beyond even the next hardest hit sector, leisure and hospitality, at 27%.

<u>Arts workers are more than 3x more likely to be self-employed</u> than other workers. Had it not been for the availability of Pandemic Unemployment Assistance (PUA) these workers would have been left with few, if any, means of support.

The toll the Covid-19 pandemic could take on the sector and by extension the state is not inconsequential if improvements are not made to address the impact on the self-employed in the creative industries. There may be a significant loss to the output of California's creativity as well as qualified workers to fill the jobs needed for California's economic recovery. Moreover, we may also see a migration to other states that offer more affordable housing and social safety net opportunities.

In our own study of over 600 California creative businesses, 79% of respondents have eliminated and/or reduced programs and 16% are not confident they will be able to survive if programs cannot resume before April 1 and the majority operate with less than 6 months of capital. It is clear that unless we come up with guidelines for the arts to reopen safely and sustainable funding opportunities it will be almost impossible for this sector to survive the crisis.

Part of the problem is that even if we wanted to get back to work, the state of California has effectively sidelined our industry with mandated closures to protect public safety from the spread of the Coronavirus. "The first to close and the last to reopen" has become the mantra but many in the industry are fighting back.

For months, our organization has worked with a 50-person statewide task force, many of whom you will hear from today and directly with the Governor's office to put guidelines into place for safely reopening arts space and events, but as of today, we remain without them.

To be clear, there is not a person in the arts who wants to open until it is safe to do so, but we cannot even prepare to do this without state guidelines. There are close to 6,500 nonprofit performing arts companies and thousands of live independent venues in California. Every community, rural or urban, relies on the live events industries for economic vitality, jobs in multiple industries, and tourism. As we come closer to vaccine distribution, the sector must prepare to reopen but cannot do so without the guidelines. In addition, putting on a live show takes months of rehearsal and preparation so even if they cannot open today, these businesses need the time to plan. Some may not want to open until they can operate at full capacity, but others may opt to open at reduced capacity as we have seen in other industries. Either way, the industry needs to be given the choice.

Our local public health officials are looking to the state for the guidance as they do not have the capacity to create their own guidelines for each arts event. It is simply not scalable to create one off guidelines nor is it equitable for guidelines to be created for some but not all. With consistent state guidelines, all counties are operating from the same playbook which is safer for everyone.

If restaurants, bars and bowling alleys have guidelines for resuming business, why cannot we be given the same opportunity to safely reopen performing arts centers and theaters? In fact, many venues have state of the art ventilation systems, public safety protocols and onsite security that could enforce mask wearing and social distancing during an event.

We are ready to go to work and to be part of the solution to the public health crisis offering community engagement and the social, emotional and mental health benefits of the arts. This is the concept of the CA Creative Corps pilot program as introduced by Governor Newsom in his budget proposal which we wholeheartedly support and you will hear a great example of this today from the <u>Sacramento Artist Corps</u>.

There are many roles for the arts to play during and after the health crisis. Let us make sure we are supporting the people and the industries we need the most today and for a healthier future tomorrow. We need our live event and performing arts venues, cultural institutions, community service organizations, museums, galleries, music festivals, symphony orchestras, theater, dance companies and the arts and culture workers to not only survive but thrive to restore our communities economically and socially.

Assemblymember Kamlager reminds us "The arts are essential to our entire way of life, when we don't have answers, somehow or another, the arts provide us the pathway to the answers, or the opportunity to reflect on what's happening so we can find those answers ourselves."

We have specific asks of the legislature which I will briefly outline here.

- 1. Urge the Newsom Administration to issue guidelines in collaboration with industry experts for live events and performing arts now so businesses have ample time to prepare venues and staffing for a safe reopening.
- 2. Provide **funding and resources to reopen arts safely** in the form of loans or grants for audience and performer COVID testing for needs such as audience and performer COVID testing, digital program delivery and staffing transition to meet new standards, and capital improvements to retrofit venues that may not have the ventilation systems needed for proper airflow.
- 3. Develop innovative strategies to utilize venues for vaccine distribution and other needs until we can gather safely again. Consider state supported outdoor pop-up events employing local artists to acclimate patrons to return live events safely and demonstrate that safe behavior protocols are possible while experiencing something that brings communities together. (see NY Governor Cuomo's plan.)
- 4. **Support the CA Creative Corps Pilot Program** for \$15 million (\$5m in 20-21 and \$10m 21-22) as introduced by Governor Newsom in his budget proposal to the Legislature.
- 5. Expand the CA Creative Corps Pilot Program to ongoing legislation to employ and/or commission creative workers in statewide infrastructure programs, as artists-in-residence in government agencies, to offer employment training and mentorships, expand opportunities for teaching artists, and creative economy businesses to produce free and low-cost cultural experiences, with a specific focus on living-wage creative jobs.
- 6. For the CA Relief grant program: Increase funding for vulnerable small businesses and nonprofits that have been forced to close and unable to earn revenue due to the pandemic. Urge the California Budget Committee Chairs to support at least \$50 million in immediate relief funding for cultural

institutions and increase the grant sizes as well and remove the cap on budget size so all organizations can apply. We also agree with the Legislative Analyst's office examination of this program that there is currently no way to gauge if the grants are being dispersed fairly and to those who need it the most. We ask for more transparency in this relief program.

- 7. Urge policymakers to continue dedicated state and federal support for California's creative industries. If and when a second relief package includes state funding, we ask for a **dedicated funding stream to creative businesses organizations** that are still closed due to the state's blueprint for reopening and to local arts agencies that have lost their TOT (transit occupancy tax) and have seen dramatic budget cuts in municipalities across CA.
- 8. Increase funding for the state arts agency to at least \$1 per capita per person to \$40 million in ongoing funds from the general budget.
- 9. Provide financial support in the form of **forgivable loans and artist relief grants** for independent artists and self-employed workers.
- 10. Consider the creation of an unemployment assistance program and payroll system at the state level for self-employed individuals to ensure that post-pandemic they can enjoy the financial support system currently only available to employees.

Simply put, there is no California recovery or rebuilding of California's economy without the arts, culture and creative industries. From rural towns to big cities, arts and creativity strengthen the fabric of every California community.

Thank you for your time and attention. I am available to answer questions.

Respectfully,

Julie Baker, Executive Director

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