



For Immediate Release
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Arts Advocates Launch Campaign Urging Governor Newsom to Reverse Arts Funding Cuts Proposed in May Revise

Newsom's Draconian 58% Cuts to Critical Arts Programming to have Catastrophic Consequences on Creative Industry That Supports 847,688 Jobs; Rural Communities and Communities of Color to be Most Impacted

On Friday, May 10, 2024, Governor Gavin Newsom presented his May Revision proposal for the 2024-25 State Budget. With a remaining \$27.6 billion dollar deficit in the current year, the arts were among the hardest hit in Newsom's proposed spending cuts. The May Revise proposes fully cutting the state's innovative Performing Arts Equitable Payroll Fund (\$12.5 million), plus a reduction of 38% (\$10 million) in state grant funding for small arts nonprofits through the California Arts Council (CAC).

"In total, we're looking at budget cuts upwards of 58% that will decimate California's small nonprofit arts organizations and industry workers reliant on this funding," said **Julie Baker, CEO, CA Arts Advocates**. "While we understand that every agency and sector must play their part to balance the budget with a 7.95% reduction across nearly all departments, the additional cuts to arts and culture are massively disproportionate. We had hoped we were long past the days when the arts were the first to be cut and undervalued. The state's recent investments recognized the creative industry's essential service for bolstering the economic and social health of local communities, especially as an industry still very much in post-pandemic recovery."

Since 2020, a broad coalition of arts and culture workers, entertainment unions, producers, nonprofits, live entertainment venues, music film, tv, and movie theater representatives have worked together on public policies and resources to ensure the recovery and sustainability of the creative industries. However, while some parts of the arts and culture ecosystem have recovered from the impact of COVID, many have not, most notably the nonprofit performing arts. The sweep of the \$12.5 million intended for the Performing Arts Equitable Payroll Fund, a groundbreaking program that supports live arts workers at smaller, nonprofit companies, was approved just a few years ago with a strong, bipartisan vote from the Legislature. This policy innovation remains critical to stabilizing the performing arts workforce. The Governor's cut erases five years of building a legislative solution to address the deleterious impacts of both rising labor and operational costs and the pandemic on California's small performing arts organizations.

"Over the past four years, our small performing arts nonprofits have suffered severe losses. During this time, our coalition urged the Legislature to act or risk decimating the live arts sector. The stakes today remain high: artists make up one of the most vulnerable populations in California and their jobs are crucial to preserve the State's creative workforce. Last September, pilot funding for the Performing Arts Equitable Payroll Fund (EPF) was welcomed as a strategy to restore sustainability. Though \$12.5M won't balance the state budget, it will save many arts workers' livelihoods," says **Martha Demson, Board President of Theatre Producers of Southern California.**

Currently, Arts & Culture production drives 8% of California's economy, producing over \$290 billion in direct impact and supporting 847,688 jobs; it also drives 7.3% of state tax revenues. Meanwhile, the California Arts Council is already functioning at a cut-level and the performing arts community is facing unprecedented challenges.

"The state's commitment to the arts through modest investments deliver outsized impacts for California and must be protected to ensure a future that integrates arts and culture into solving civic issues, fostering social cohesion, revitalizing neighborhoods and ensuring access to the tools of creative expression and innovation for all," says **Al Vincent Jr., Executive Director, Actors' Equity Association.** "When people go to see live arts events, they generate economic activity – everything from spending on dinner and drinks to parking and childcare. When there is less arts funding, there is less economic activity in small cities and towns across the state. California has a chance to be a leader that prioritizes the arts and artists, not just when times are easy, but when times are hard. As

the budget process proceeds, we look forward to engaging the Newsom Administration and the Legislature to restore this critical funding for the arts.”

In total, the Governor’s proposed \$10 million cut to the California Arts Council’s budget for Local Assistance Funding represents a greater than 38% reduction to the \$26 million allocation level at which it has been stalled for the past seven years. The highpoint of support for the California Arts Council’s programming was at \$30.7 million in the 2000-2001 budget, which in today’s dollars counting for inflation would be \$54.7 million. Since 2018-19, general fund support has plateaued at \$26 million – just .67 cents per California resident. At this level, California ranks 36th in the nation in per capita arts spending. In contrast, Florida spends almost \$2.00 per resident. The \$10 million cut to this program would position California at 45th in the nation in local arts assistance funding, just above Kentucky, Kansas and Georgia.

“It is unthinkable that California would fall to 45th in the nation when it comes to funding for the arts, trailing behind Alabama and Florida. The California Arts Council’s budget is already too small to meet the needs of this state with close to 850,000 workers employed in the arts and culture industry alone. In the 2023 grant cycle, roughly 54% of applicants were denied due to a lack of available funding. If this program is cut further, this will have a devastating impact on the field, especially in rural communities and communities of color,” says **Jennifer Laine, Board President, CA Arts Advocates and Executive Director of the San Benito County Arts Council.**

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