

ArtsWA (Washington State Arts Commission) in Partnership with Washington State Cultural Partners



Proposal for Emergency Relief Funding and Technical Support for Arts and Cultural Organizations, Individual Artists and Cultural workers. In Response to the Impact of COVID-19.

March 2020

Summary

This is a request for immediate COVID 19 relief funding for \$10 million dollars for Washington's Arts and Culture sector. Relief funding from the state COVID emergency fund, will be disbursed in the form of streamlined grants, and focused technical and professional support, will target staff retention and the mitigation of job loss; core operational support for arts organizations for maintenance of facilities and infrastructure; and on the urgent and immediate needs of artists and cultural workers reliant on public performance and community interaction who demonstrate income loss as a result of postponements, cancellations of gigs, performances, and events. Relief efforts and monies will be managed and dispersed by the Arts Commission. This will be to the immediate and long-term benefit of the state's creatives, and our creative economy.

Background and Context

The value of Washington's Arts and Culture sector is valued at more than \$44 billion dollars (2017 data). the Arts and Culture sector ranks first, compared to other Sectors of Washington State's Economy. Retail ranks second at just over \$43 billion dollars, followed by construction at \$22 billion dollars. When comparing 2016 data to 2017, Washington State's Arts and Culture sector increased in value by 11.48% between the two years. (Source: *Arts and Cultural Production Satellite Account (ACPSA)*, a partnership between the National Endowment for the Arts (NEA), Office of Research & Analysis, and the U.S. Bureau of Economic Analysis)

Today's COVID 19 situation presents special challenges for the non-profit arts and creative sectors. We are experiencing significant job losses and furloughs as a result of theatre, venue, gallery and school closures, cancelled programming, rentals, and fundraisers. Many of our non-profit arts and culture organizations have closed their doors to the public for the foreseeable future. The impact of these closures has a disproportionate effect on artists, performers, gig workers, and musicians whose livelihoods depend on income from teaching, performing, and participating in cultural activities. Most of these cultural workers also hold jobs in other highly-impacted industries such as restaurants and the service industry doubling the economic impact of the pandemic.

The arts, humanities, and culture industries statewide comprise nearly 18,000 businesses, 70,000 employees, and countless creatives and contractors who drive significant economic activity and spur tremendous social impact. In addition to creative economy jobs, every city, town, and village benefits from arts, humanities, heritage and cultural programs that enliven and lead to meaningful social connections and bonds between individuals and communities. Additionally, arts organizations, teaching artists, and arts therapists deliver expressive therapeutic services to vulnerable members of communities such as seniors, veterans, citizens living with disabilities and other often marginalized

members of communities. As an economic sector, arts and culture workers add remarkable and recognizable value to Washington's high quality of life.



The majority of our non-profit arts and culture organizations operate under the assumption of earned revenue from ticket sales for performances, admissions to exhibitions, other services and learning programs. In addition to losses in earned revenue as a result of COVID 19, arts and culture organizations are experiencing lost charitable contributions and sponsorships as donors reassess their capacity to give due to stock market volatility and general uncertainty. Cash flow, an essential ingredient for cultural nonprofit organizations to maintain operations, staff and services, is severely, adversely affected. Major layoffs and deficits are occurring or are eminent. Many organizations face bankruptcy and permanent closure. Cancellations of events, programming and school closures have affected thousands of artists and cultural workers whose livelihoods depend on income from teaching, performing and participating in cultural activities. The potential loss of artists, arts activities, and arts and culture organizations would decimate the future well-being and economies of every community statewide.

Proposal for Emergency Response and Relief

To mitigate this drastic situation, ArtsWA (Washington State Arts Commission) proposes the creation of an emergency relief fund in the amount of \$10,000,000 dollars. Relief efforts and monies will be managed and dispersed by the Arts Commission. Hundreds of arts and humanities organizations, and thousands of creative economy workers and their communities will benefit.

Relief funding will focus on FTE retention and core operational support to maintain facilities and infrastructure for arts and culture organizations. Funding will alleviate immediate needs of artists and cultural workers reliant on public performance and community interaction who have lost income due to cancellations and postponements. Funding will also focus on technical and professional support to help organizations through the crisis, and to better prepare them for the future.

Funds will be focused as follows

- 1. Emergency Grant Relief Program for Organizations:** Organizations will submit a short application to ArtsWA describing their losses, needs and plans for allocating requested funds. Organizations will provide a budget summary with salary totals and numbers of staff. Specific staff positions can be identified for support. Allowable funding for staff will be based on a percentage of total payroll (prior to impact). Support for rural, small, and mid-sized organizations, where funding is extremely limited, will be prioritized and awarded at a higher percentage rate. Organizations may request support for staff or a percentage of their needs resulting from COVID-related losses, or both.
- 2. Emergency Grant Relief Program for Artists and Cultural Workers.** Working in partnership with Artist Trust, funding will target independent artists and / or cultural workers. Grant amounts will be based on losses due to cancelled activities, and demonstrated need.
- 3. Technical and Professional Support Program for Organizations:** Technical support will be provided to all recipients of the Emergency Grant Relief Program for Organizations. A demonstrated expert in non-profit cash flow and financial management will consult with arts managers and administrators on a variety of financial strategies relevant to the non-profit arts sector. These will include cash flow forecasting based on cash flow patterns, accessing



lines of credit, converting donors to credit holders and more. With the long-term in mind, the Consultant will work with the arts managers to help them better understand their business, its financial patterns and seasons. The Consultant will help organizations to be better prepared to face the current fiscal emergency, and those to come. The Consultant will also train an ArtsWA staff member to carry on this work in the future.

Eligibility

Emergency Grant Relief Program for Organizations: ArtsWA maintains a database of more than one thousand arts and cultural organizations in Washington. All would be eligible to apply for the Emergency Grant Relief Program for Organizations as long as they are active, in good standing, and can demonstrate losses as a result of the current crisis. Grants will range from \$10,000-\$250,000 based on an organization's needs, and available emergency funding. Technical support will accompany all awards.

Emergency Grant Relief Program for Artists and Cultural Workers: Independent artists will be eligible to apply. Grants will range from \$500-\$5,000 based on artists' needs. Monies will support working artists who can demonstrate

- Lost wages and earnings
- Loss from event, performance, and conference cancellations and school / community-based education closures
- Medical expenses
- Rent and mortgage payments, food, utilities, and other basic living expenses

Review Process

ArtsWA will develop an easy-to-use application, which would be reviewed internally. Funding to organizations would be based on a percentage of total payroll (prior to impact), or for those mid-sized or smaller, often more rural and / or disadvantaged organizations with little or no staff, a percentage of demonstrated need. Funding allocations for artists and cultural workers would be based on loss as specified above and demonstrated need. Technical support will be provided for all arts organizations receiving funds.

Examples of Recommended Allocations for Organizations:

- Small to mid-size organizations with budgets between \$100,000 to \$500,000 may receive up to 50% of total payroll for one or more identified positions for three to four months of operations.
- Larger organizations with budgets over \$500,000 may receive between 10% to 30% of total payroll for one or more identified positions for three to four months.
- Organizations requesting non-payroll expenses may request funds to offset their demonstrated needs and losses, support online programming, mortgage/rent payments and other debt relief.
- Organizations may request support for payroll and to offset demonstrated losses, but the overall amount awarded will remain unchanged.
- Once approved, grants and technical support will immediately be disseminated to arts and cultural sector.



STATE OF WASHINGTON
WASHINGTON STATE ARTS COMMISSION

711 Capitol Way S, Suite 600, PO Box 42675 Olympia, WA 98504-2675
(360) 753-3860 • FAX (360) 586-5351

March 26, 2020

Dear Governor Inslee:

We are writing to you in strong support of a request from the Washington State Arts Commission (ArtsWA) for \$10 million dollars in immediate relief funds from the State's \$200 Million COVID-19 Emergency fund.

ArtsWA is uniquely placed to competently, quickly and compassionately distribute allotted funds to thousands of artists and non-profit arts and creative organizations in crisis now. Proposed funds will be disbursed in the form of streamlined grants, and focused technical and professional support. They will provide an immediate lifeline. They will help artists and arts organizations retain a future when life returns to normal; a future that will desperately need its artists, arts organizations and creatives to help economies rebuild, to provide reasons for people to gather again, to uplift spirits, and to help restore balance, equilibrium and peace of mind.

We know that no aspect of society is untouched by the pandemic we are now experiencing. The ArtsWA board of commissioners appreciates the daily challenges you face in addressing the needs of individuals, organizations, and businesses in the state. But, we respectfully ask that you include the arts and creative sectors in your relief efforts; a sector that has been disproportionately impacted by layoffs, cancellations and closures.

The arts contribute not only to the wellbeing of Washingtonians, but also to the economic health of the state in good times. Help is urgently and immediately needed to support the arts, artists, and artistic organizations as they strive to survive, and to assure their future.

As appointed ArtsWA commissioners, we request you honor the Arts Commission's request for immediate and critical funding so urgently needed by artists, arts organizations and the creative sector.

Sincerely,

Diane Martindale

ArtsWA Board Chair and Members of the ArtsWA Board

Robin Avni, Gig Harbor

Francene Blythe, Vancouver

Andre Bouchard, Olympia

Rep. Carolyn Eslick, Sultan

Ginger Ewing, Spokane

Jolyn GC, Seattle

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Rosanna Sharpe, Coulee City

Judy Tuohy, Everett

Senator Lisa Wellman, Mercer Island

Sheree Wen, Medina

Rep. Sharon Wylie, Vancouver

Senator Hans Zeiger, Puyallup

March 25, 2020

The Honorable Jay Inslee
Governor, State of Washington
Legislative Building
Olympia, WA 98504

Dear Governor Inslee,

I know that we share an appreciation and commitment to the arts and cultural resources of our state. The data we have shows the arts are as much or more an economic driver as sports stadiums or other investments. There are many sectors of our economy that we are supporting during the Covid crisis. But workers in the arts are particularly hard hit and likely to be forgotten. The non-profit organizations that make it all work throughout our state are already in dire need.

That is why I ask that the proposal from ArtsWa be included in urgent and immediate assistance as well as any future allocations for longer term restoration of our economy. As a state that depends on tourism as well as the creativity that drives our innovations in technology and biotech, we need to make sure the arts sector receives commensurate attention as we rebuild our economy and survive this crisis.

Thank you for your leadership and comprehensive attention to the people we both serve.

Warm regards,

A handwritten signature in black ink, reading "Sharon Wylie". The signature is fluid and cursive, with the first name "Sharon" being more prominent than the last name "Wylie".

Sharon Wylie
State Representative
49th Legislative District



March 25, 2020

Greetings,

On behalf of Spokane Arts and the Spokane Arts Commission, I'm writing to urge you in the strongest possible terms to approve the Washington State Arts Commission's request for emergency relief funding.

Spokane is the second largest city in Washington, and I have spent the past week speaking with arts and cultural organizations to assess their situation, find out their most emergent needs, and learn in detail about the financial losses, layoffs, deficits, and other challenges they are facing. What I'm hearing is catastrophic; we are facing unprecedented losses and are in desperate need of support from the state.

The Spokane Symphony has slashed 80% of their staff and is looking at \$300,000-\$500,000 per month shortfalls. The music director has donated his salary toward helping pay a tiny portion of health insurance premiums for the symphony musicians who are now out of work until the fall. Roughly 95% of those musicians do not qualify for unemployment. Similarly, the Spokane Civic Theater and other organizations have cut staff hours, eliminated staff positions, and they are terrified regarding cash flow. Right as this crisis unfolded, local theaters like the Civic, Stage Left, and many others had just announced their season ticket packages for next year, relying on those sales to sustain them through the slower summer months. Right now, online sales have dropped off a cliff; they're doing 10% of what they'd normally be selling at this time of year. Terrain, a local arts organization that runs a storefront where individual artists sell their work, estimates they are losing \$20K/month being closed, and that's after they've laid off staff and begged for temporary rent relief from their landlords. I've spoken with over 30 organizations thus far, with that many more on my call sheet, and I am frantically working to assemble a comprehensive dataset, but right now it looks like the cultural sector in Spokane is losing at least \$1 million/month, which for us is absolutely catastrophic.

At this time, the creative sector has been told by city leaders to look to the state for support. Our city's leadership does not plan to create a recovery package specific to the creative economy, and other cultural leaders I've spoken to across the state have heard the same from their city governments. Seattle is the only city in the state with available funding and political willpower to create emergency relief for its arts and cultural organizations; the rest of us are in desperate need of support & resources from state leaders.

Spokane Arts has jumped into action in various ways, and we're quite proud of the work we're doing, but we are a small local arts agency with 1 full-time staff and 2 part-time. We've already emptied out the proverbial pennies from our piggybank, directing them toward immediate support for individual self-employed artists who've lost wages/earnings and don't qualify for unemployment. We've also restructured our small grants program—the only arts & culture focused grant fund in the city of Spokane—but our grants cap at \$10,000 and we only have \$100,000K remaining to distribute this year, serving the entire Spokane region. That means we'll be able to offer just 10 organizations a modicum of support; a band-aid for a bullet hole. We need the state to make available as many resources as possible. The creative sector represents the 5th largest economic driver in Washington State, and the resources allocated to keep it afloat should be distributed accordingly. Other industries—hospitality, restaurants, tourism—won't be able to recover quickly without arts and culture offerings to draw people, and the harsh reality we're facing right now is that if we don't provide immediate assistance to these arts and culture organizations, they won't exist by the time the economy stabilizes. We need your support. Thank you, and take care.

Best,
Melissa Huggins, executive director
Spokane Arts



March 25, 2020

Governor Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Dear Governor Inslee,

I am writing in support of the Washington State Arts Commission's request to the state's COVID-19 emergency fund for support for the cultural sector.

The impact of sudden closures and cancellations of cultural performances, fundraisers, gigs, shows, exhibits and more will have an unprecedented effect on organizations and individuals working in art, humanities, and culture. Private and public funding organizations at the city and county level are mobilizing and additional state support will be critical to ensure that we can begin to create opportunities for the cultural economy to recover.

The multi-faceted approach proposed by ArtsWA for the benefit of the statewide cultural community will have wide-ranging, exponential benefits. Our communities will need the economic relief, but cultural organizations will play an important role in the emotional and philosophical healing that will be necessary after such a significant event. The Arts and Humanities are critical to ensuring that we move forward together as communities after a crisis of the COVID-19 magnitude.

Please support their request for \$10 million from this fund. It will be money well spent and leveraged several times over. I appreciate the strong leadership you have shown the state in these last several weeks.

In gratitude,

Julie Ziegler
CEO/Executive Director

Cc: Lisa Brown



INSPIRE WASHINGTON

Opening doors to science, heritage, and the arts.

March 26, 2020

Dear Governor Inslee,

Inspire Washington, our state's non-partisan, independent advocacy group for Washington's cultural sector writes this letter to you in support of ArtsWA's "Proposal for Emergency Relief Funding and Technical Support for Arts and Cultural Organizations, Individual Artists, and Cultural Workers in response to the Impact of COVID-19." This proposal is crucial to our state's Cultural and Creative Economy. The \$10 million proposed creates the groundwork for the crucial first step in keeping our state's cultural organizations, their workers, and the independent contractors, educators, and artists they employ financially solvent in this uncertain time.

The US Bureau of Economic Analysis found that Washington State's Arts and Culture Sector grew in value by 11.48% in just two years. ArtsWA's proposed initial investment in our growing industries will keep the momentum going when we win our war against COVID-19, and provide immediate economic stability for the workers who provide the cultural and technical expertise Washingtonians rely on. Whether empowering our state's veterans with art therapy and cultural experiences, supporting a small town's dance studio, or hosting artists from around the world in the Evergreen State's largest venues, Washington's Cultural Sector provides our state with deeper connections to many different cultures in our home town to across the globe. These vital resources will go away city by city, county by county, state by state without your initial investment in the Cultural Sector of \$10 million.

Inspire Washington especially supports ArtsWA's dedication to our state's small, rural, and disadvantaged organizations and the communities they serve. Many of these non-profit organizations rely on earned revenue from ticket sales, tuition for classes, residencies, and tourism. Cultural workers are being laid off and furloughed with no guarantee that their employer will exist after the COVID-19 Crisis passes. Your initial investment of \$10 million in the Cultural Sector provides the stability necessary to smaller organizations, their employees, and the people and communities that rely on these important cultural services and necessities.

The three funds in ArtsWA's proposal directly address immediate economic needs for individuals and organizations. First, the percentage of payroll for organizations gives a clear focus on the employees, and ensures that companies with the infrastructure for payroll and other vital responsibilities will meet their financial obligations to their employees and contractors. Second, the Emergency Grant Relief for Artists and Cultural Workers will give vital, short-term viability to so many independent artists who often have to work for many organizations to support themselves and share their craft with people and communities who need them most. These independent contractors (artists, educators, and technicians) often do not qualify for unemployment benefits from the organizations so your initial investment of \$10

million will benefit those who need this financial support right now. Third, supporting economic guidance in the cultural sector is key to its survival for the next economic downturn. Developing long-term financial planning skills ensures Washington's Cultural Economy and the essential services it provides will be here for generations to come.

Finally, ArtsWa's proposal is feasible in that the initial \$10 million investment provides a seed of potential for our state's cultural organizations and workers. It provides the stability necessary for our sector to plan and program for Washington's new reality after this current crisis, while allowing the state to meet its other necessary goals. When Washington comes through this crisis, and we can congregate for vital and necessary shared experiences, the cultural sector will answer this call of service thanks to your \$10 million investment that guarantees a strong economy and society.

Sincerely,

Manuel R. Cawaling

Executive Director, Inspire Washington

Opening doors to science, heritage, and the arts

March 25, 2020

Karen J. Hanan
Executive Director, ArtsWA
PO Box 42675
Olympia, WA 98504-2675

RE: Emergency Relief Funding – Letter of Support



CULTURE

TEL 206.296.7580
TTY 711

101 PREFONTAINE PL S
SEATTLE WA 98104

WWW.4CULTURE.ORG

Dear Karen,

On behalf of 4Culture, please accept this letter of support to seek emergency relief funding and technical support for arts and cultural organizations, individual artists, and cultural workers in response to the impact of COVID-19. Our organizations have partnered on many efforts over the years, and I endorse your effort to help the cultural sector in these harrowing times.

4Culture is the cultural development authority for King County, Washington. With a focus on racial equity, we fund, support, and advocate for culture to enhance the quality of life in King County. 4Culture recognizes and acknowledges the complex web of systems that have historically privileged some communities over others, causing troubling disparities within our society. Our four program areas—arts, heritage, historic preservation, and public art—put resources to use all over King County, to ensure that culture is essential and accessible to all.

COVID-19's impact on the cultural community is severe. Cancellations and closures have resulted in revenue loss for the hundreds of cultural practitioners and organizations we serve, and the thousands of people they employ. We hope that this emergency funding will help organizations like these keep their staff and help cultural workers keep their homes across our state. We encourage ArtsWA to distribute these monies as equitably as possible, taking into consideration the people historically marginalized from public and private cultural funding.

We lend our full support to your request.

Sincerely,

Brian J. Carter
Executive Director
4Culture

Arts Northwest
104 N. Laurel Street, Suite 104
Port Angeles, WA 98362
Letter of support:

Dear Governor Inslee,

This letter is in strong support of the proposal for emergency relief funding made by the State Arts Commission. As a longtime recipient of state funding via ArtsWA, we can attest to how critical state support for the arts is. Now more than ever, additional support is urgently required, and respectfully requested.

ArtsNW is a performing arts organization that facilitates the interaction between artists, agents and performance venues. This interaction takes place primarily at our annual booking conference in the Fall. Our conference is a valuable resource for showcasing, professional development, mentoring and networking. We believe that it is essential that performing arts are accessible to smaller communities and cities in our region. The work we do impacts 29 of 39 counties in Washington State alone.

The coronavirus pandemic has had a devastating effect on the livelihoods of artists, agents, and presenters in Washington. All public performances have been canceled. Artists have seen their incomes vanish completely. Most of these artists are self-employed and fall through the cracks when it comes to sick pay, unemployment benefits and/or paid time off. They are on a strictly pay/play basis. The venues that hire artists are suffering equally. The loss of revenue is staggering. Many small to midsize organizations operate on a narrow margin of profitability. These organizations have lost their main source of revenue but still have to meet payroll and pay the bills.

The long-term impact of this crisis on Arts NW remains to be seen. We are a membership organization. We rely on funding from the State Arts Commission, the National Endowment for the Arts (NEA), local arts agencies, from memberships, application fees, and conference registration. Our membership is primarily arts presenters, agents, and artists. These groups have been impacted the most from this pandemic. We are exploring ways that we can provide the resources our members need and still keep our organization operational. The proposal for Emergency Relief Funding made by the Arts Commission for the arts sector would help us continue with this goal.

We appreciate your efforts at this time and urge your consideration for this funding.

Sincerely,

Sam Calhoun
Executive Director
Arts Northwest
360-457-9290



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Danielle Gahl
Executive Director
500 Yale Ave N
Seattle, WA 98109
206/ 249-7585

Dear Governor Inslee,

Re: Emergency Funds for Arts, Culture Workers, and Creative Organizations

On behalf of ArtsEd Washington, please accept this letter of support to ArtsWA in their appeal for Emergency Funds from the state COVID emergency fund.

Like many cultural organizations, our funding is closely linked with programming. In fact, the day schools closed statewide, we were in the middle of running a free professional development session for teachers in rural school districts in Eastern Washington. We operate with a minimal staff and a thin margin. We depend on revenue from paid professional development, grants, and small donations, all of which have come to a standstill. Our teachers and trainers will not have work for several months.

Because of the state's support two years ago, we were able to make our art lessons free online. They have been accessed *thousands of times* in the last two weeks. Our cultural community's contributions to the state's economy and well-being cannot be understated—we give far more back than we take. And now, we need a little so we can give back even more. Please support ArtsWA's request.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Gahl", written in a cursive style.

Danielle Gahl
Executive Director
ArtsEd Washington

