

March 22, 2018

RE: Testimony to the Vermont State Legislature on Capping Tax Credits for Charitable Contribution

FROM: Doreen Kraft, Burlington City Arts

Good day, I am Doreen Kraft, Executive Director of Burlington City Arts, part of the City of Burlington.

I believe it is incumbent on all of us who work in the non-profit sector to urge you to reconsider the proposed cap on gifts over \$10,000 to Vermont's non-profits. These gifts-- from hundreds, if not thousands of generous individuals--provide the funding backbone for programs that you have come to expect as part of the fabric of a healthy, productive and engaged community. It is this quality of life that is at risk if we lose Charitable Gifts from the most generous citizens in our state.

I speak today from the perspective of the Arts and Cultural Sector. Our daily work is teaching arts, music, language, science and diverse culture in community settings. We provide early childhood programming, create afterschool opportunities, offer family entertainment and bring millions of people to our downtowns and community centers to be a part of civic and communal life. We drive a positive impact on individual aspirations and shared community needs. We also make a significant impact on the state's economic well-being.

In 2016, BCA partnered with the Vermont Arts Council to conduct a national study with Americans for the Arts on the economic impact of arts and culture non-profits in Vermont. BCA took the lead in gathering over 800 audience surveys, connecting with over 80 eligible cultural non-profits and receiving financial information from 49 in the Greater Burlington Area, which included Burlington, South Burlington, Winooski, Colchester, Essex, Shelburne, Williston.

According to the study, the impact of the nonprofit arts and culture sector in Greater Burlington alone resulted in:

- \$95.1 million in direct expenditures by organizations and their audiences
- 3671 Full-time-equivalent jobs
- \$2.5 m Revenue to local government
- \$6.6 m Revenue to state government

Every one of the arts and culture organizations represented in this study are dependent on the charitable donations of individuals who can give \$10,000 or more on an annual basis. The proposed cap will dis-incentivize donors to give, which will lead to cuts in programs, loss of jobs, and a reduction in revenue to local and state governments from our sector. Without these major gifts of \$10,000 or more the arts and culture sector simply would not survive. Loss of this sector and the many other non-profit sectors we are hearing from today would destroy the quality of life of many Vermonters and have a catastrophic effect on the fragile economic ecosystem of this small state.



135 Church Street
Burlington, VT 05401
P 802.865.7166
F 802.865.5839
BURLINGTONCITYARTS.ORG

BOARD OF DIRECTORS

President
Beth Montuori Rowles

Vice President
Lori Rowe

Secretary
John Gonter

Treasurer
Michael Metz

Member-at-large
Billi Gosh

Phillip Bosen

Orieta Glozheni

Margaret Coleman

Rachel Kahn-Fogel

A.J. LaRosa

Lisa Lillibridge

Laura McDonough

Barbara Perry

Bryan Parmelee

Milton Rosa-Ortiz

Leslie Black Sullivan

Dana vanderHeyden

BOARD EMERITUS

Penrose Jackson

Judy Kelly

Sherrill Musty

Pat Robins

Christine Stiller

EX-OFFICIO MEMBERS

Mayor Miro Weinberger

EXECUTIVE DIRECTOR

Doreen Kraft