

# House Appropriations Testimony

February 15, 2017

Alex Aldrich

on behalf of the

Vermont Arts Council

My name is Alex Aldrich, Director of the Vermont Arts Council. My colleagues Joan Carter and Zon Eastes and I are here to discuss the importance of investing in the arts and creativity of the State of Vermont, as well as to support the very valuable work of our colleagues you have heard from earlier today.

You have in your tablets a colorful two-page summary case for a \$500,000 increase to the Council's appropriation which, I regret to report, did not make it through the transition process from the previous administration to the current one. Our own slide show will be pulling out highlights of the material featured on this two page hand-out as I offer my testimony today.

A \$500,000 increase is a lot of money to a legislature charged with plugging \$50, \$70, or even \$90 million budgetary holes. The Council urges you to consider, however, what kind of investments it takes to attract revenue to the state of Vermont and to its municipalities? We believe that scant attention has been paid to what art and culture bring to the table.

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First, and foremost, they bring jobs. According to a [FutureWorks study completed in 2016](#), there are more than 37,000 jobs in Vermont's Creative Sector or nearly 9% of all Vermont jobs. And this percentage is nearly a third greater than the same sector in other states (on a per capita basis). Furthermore, a very positive indicator is that one of the most active "jobs generators" is in the area of sole proprietorships and entrepreneurs—a segment in which we have been actively engaged for five years through Breaking into Business and Agile Nonprofit workshops and about which I will talk more later.

There are other important benefits of investing public dollars in the arts. The first is its direct relationship to Vermont's quality of life. For many, Vermont's Quality of Life is about skiing, hiking, foliage, and artisanal foods and drink. But what I have learned from talking to recruiters, the top two questions they are asked by potential employees are: "how are the schools," and "what do people do for fun?" The answers to both of these questions, we believe, have a lot to do with the creative sector.

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Today, the Council's work is substantially focused in three areas:

**Investing in Communities** through our Animating Infrastructure Program and the Vermont Creative Network

**Investing in collaborative marketing campaigns**—including social media—that showcase the arts at the center of Vermont communities

**Investing in schools** so that, through the arts, our children learn lifelong skills that are far beyond simple book learning that “teaches to a test”

**Your instructions asked us to note Significant Changes between 2016 and 2017 (current) budget request:**

In 2016 we requested \$30,000 to keep pace with the National Endowment for the Arts. We also requested an additional \$30,000 from the House Economic Development Committee to support the start-up of the Vermont Creative Network. At the end of the session, those two requests were folded into a single appropriations increase of \$30,000, effectively leaving us with recognition but no start-up support for the Vermont Creative Network.

This year, for clarity, our 2017 Budget Request is in two parts, the first of which details what “business as usual” looks like for the Council in the coming year.

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**We assert that “level funding” is not “level” for several reasons:**

- 1) the current “gap” between what the National Endowment for the Arts funds and what the State matches will increase to nearly \$60,000.
- 2) Legislation mandating \$30,000 be spent to support the work of the Vermont Creative Network did not come with additional money.
- 3) the current gap between what it costs us to manage vital state programs (like Art in State Buildings and Cultural Facilities) which used to be a few thousand dollars, is now \$25,000 which like the support of the VCN must come out of our core program grants and service funds.
- 4) as a “quasi state agency” we are not eligible for a pay act allowance. All other state agencies receive an amount to compensate for increases in cost of living and health benefit expenses. Without this benefit, we calculate that the annual cost is now at \$25,000, an amount we pay to retain experienced, professional staff. Currently that offset comes out of Council Programs and Services.

**Thus, “level funding” for us requires a \$140,000 increase to \$815,000.**

The second part of the budget request is what we refer to as the **New Investment Request**: To respond to our RBA Statement that everyone in Vermont should have access to the arts and creativity in their life, education, and community, we are proposing a further investment of \$360,000:

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**\$125,000 in Community Development:**

\$50,000 to fully fund our “Breaking into Business” and “Agile NonProfits” Workshops. These workshops support the professional development of sole proprietors in the sector that I mentioned a moment ago.

\$50,000 to invest in VCN and Animating Infrastructure. Using our own Cultural Facilities Grant Program data as a guide, this investment is expected to be matched at least 4-1 at the community level (200,000 + 50,000 = \$250,000) and result in 75% of the money (\$187,500) is expected to be paid to designers, vendors, etc. in the local economy.

\$25,000 to support Research and Projects related to the Vermont Creative Network.

**\$90,000 in Vermont Identity/Quality of Life “campaigns”:**

\$60,000 in Collaborative marketing campaigns (Vt. Ski Areas, Vermont Tourism, Vt. Chamber, etc.)

\$20,000 on enhanced social media exposure/campaigns

\$10,000 statewide calendar expansion and upgrades

**\$145,000 in support of Learning in and through the Arts**

\$70,000 Community/School investments in integrated arts training and instruction

\$50,000 in Workforce Development; expanding knowledge and skills to more integrated arts specialists

\$25,000 to support research on benchmarks and trends with Agency of Education

Americans for the Arts put the benefits of arts education succinctly:

- Through the arts, students learn the skills necessary to succeed in life, including learning to solve problems and make decisions, think creatively and collaboratively, and accept responsibility to complete tasks from start to finish.
- Students with an education rich in the arts have higher GPAs and standardized test scores, and lower drop-out rates—benefits reaped by students regardless of socio-economic status. Students with 4 years of arts or music in high school average 100 points higher on the verbal and math portions of their SATs than students with just one-half year of arts or music.
- Nine in 10 American adults believe that it is important for students to receive an education in the arts—including dance, media arts, music, theater, and visual arts—as part of the curriculum in elementary school (88 percent), middle school (90 percent), and high school (89 percent).
- Despite the importance of the arts education, only 61 percent of Americans believe that students in their area have enough access to the arts. Rural and low income respondents were the most likely to cite a concern about access to arts education.

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Coupled with this data is that in Vermont, according to the 2016 Vermonter Poll, 94% of all Vermonters value the arts as an integrated part of K-12 instruction. Since 2015 we have been working closely with our Agency of Ed partners to determine how best to help schools, and, more importantly, students that are at risk.

Conclusions:

Based on preliminary (not yet released) research on tax data and employment data,<sup>1</sup> the creative sector suffered a severe retrenchment from 2007 to 2015, but is bouncing back in a variety of ways. Businesses with employees (like the Barre Opera House or the Chandler Center)

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<sup>1</sup> Creative Employment Report, New England Foundation for the Arts: University of Massachusetts, Donahue Institute; slated for release in June 2017.

are still operating on a shoe-string with fewer than three employees. Others, like the Flynn, seem to not only have weathered the recession, but are continuing to expand their scope of services. Three theaters (Paramount Theater, Northern Stage, and Weston Playhouse) in just the past two years have made significant capital investments in their physical plant (two with our assistance), which are creating an enormous buzz around New England for Vermont as a destination for world-class theatre.

In addition, data from the aforementioned Creative Workforce study from New England Foundation for the Arts indicates a remarkable jump in creative entrepreneurs and sole proprietors. The research shows Burlington/Chittenden County as one of the “high performing” arts destinations for these creative industries. We believe our helping individual artists become better trained to serve as businessmen and women has had something to do with this statistic as there are nearly 300 alumni of the Breaking Into Business workshop program that are part of this count!

Finally, we believe that the impact of the approximately \$3 million in public investment at the state and local level gets a healthy return on this investment, based on studies done first by Doug Hoffer in 2010 and repeated by [UMass Dartmouth, Center for Policy Analysis](#) in 2014. Despite the recession, and using only five NAICS industry codes, (Artists, Arts Promoters and Agents, Museums, Historic Sites, and Performing Arts Companies), the study revealed that in Vermont this limited subset of the creative sector generated \$14.7 million in state and local tax revenues—or just under a 500% ROI.

Based on this, we assert that increased state and local revenues from an additional \$500,000 investment in Council programs and service will in very short order return at least \$2 million more to state and local municipalities; and that the additional investment in schools and in marketing the arts in Vermont will improve our students’ education outcomes, increase tourism across the state, and significantly improve the quality of life for Vermonters.

I would like to share with you a one minute video of the “[Vermont. Arts. Everywhere.](#)” marketing campaign we produced last year that won the Governor’s SMART Award at the Vermont Tourism Summit last April. I think it captures the spirit and direction that we all value.