

**SAA Executive Directors Retreat  
June 9-11, 2008  
Denver, Colorado**

*Discussion Notes*  
**State-Local Relationships**

**Part I: The Changing Landscape**

**QUESTIONS**

Who is a local arts agency today – is the definition changing?  
What trends are we observing among local arts providers?  
What challenges are state arts agencies facing?  
What solutions are working?

**DISCUSSION**

- **Capacity:** Some local arts agencies are well staffed, well-funded and able to provide a comprehensive array of grants and services. However, many of the smaller, volunteer nonprofits lack staff and/or expertise. Some also lack sound financial, programming or planning systems. Sparsely populated and economically disadvantaged counties are especially likely to lack an entity (public or private) that is capable of providing infrastructure services and/or partnering with the state arts agency. Capacity weaknesses within the local infrastructure can limit what state arts agencies are able to accomplish on a statewide basis.
- **Diversification:** The local arts infrastructure is evolving beyond local arts agencies to become a highly heterogeneous mix. Many different organizations/facilities are playing infrastructure roles – serving as local hubs for arts activity, disseminating and promoting arts information, providing arts services, etc. However, the capacity of these entities – and their ability to do things like grant-making, community arts planning and convening - varies widely. This variability, too, limits what state arts agencies are able to accomplish on a statewide basis. Different geographic areas may require different relationships, assistance or resources from the state arts agency.
- **Population flux:** Changing population sizes and composition can present adaptation challenges for locals. Sometimes locals also have very specific populations (for example, military families, immigrants or seniors) to which they need to respond.
- **Leadership:** Success of the LAA depends largely on the leadership and management effectiveness of the director. This makes LAAs vulnerable in times of turnover or when strong

leadership is not in place. There is also not a strong leadership “pipeline” of prospective directors or young arts leaders ready to advance in the local arts agency field.

- **Structure:** Public LAAs embedded within county/municipal government often gain some sustainability from that structure (as compared to 501c3 volunteer organizations). But government status does not automatically ensure adequate funding or staffing. And LAA positioning within county/municipal government can sometimes be an obstacle. Some states report that LAAs embedded within “Parks and Recreation” may have a particularly hard time setting their own comprehensive arts agendas.
- **Local funding mechanisms:** Some localities have enacted local options taxes that secure significant funds for one community, and can exceed what the state arts agency receives from the legislature to serve the entire rest of the state. (Example: Denver Scientific and Cultural Facilities District) This raises equity concerns, and may diminish the leverage of the SAA’s funding. It also may create the impression among elected officials that the arts is a local issue, or that “the arts are already taken care of.”
- **Network destabilization:** The loss of the NEA’s locals program/funding had a negative impact on the long-term development of LAAs. Combined with the decline of local arts agency assemblies and service organizations in many states, this led to a destabilization of networks needed to strengthen the staff, programming, partnerships, planning and advocacy of LAAs. It is hard for SAAs to pick up this slack.
- **Planning:** According to Americans for the Arts research, only 22% of locals report having comprehensive arts/cultural plans. This statistic is concerning, and makes local strategy development and continuity of effort even more challenging.
- **Decentralization:** Numerous (18) states have decentralized grant-making systems where the SAA awards block grants to local/regional arts councils that then re-grant the funds and provide a variety of local services. (Examples include Indiana, Pennsylvania, New Jersey, Minnesota and others.) These systems are helpful in distributing funds widely, leveraging local involvement and demonstrating a commitment to reaching every community in the state. However, there are risks associated with decentralization, especially the loss of the identity of state funds and the difficulty of relying on partner agencies with different capacities/agendas.

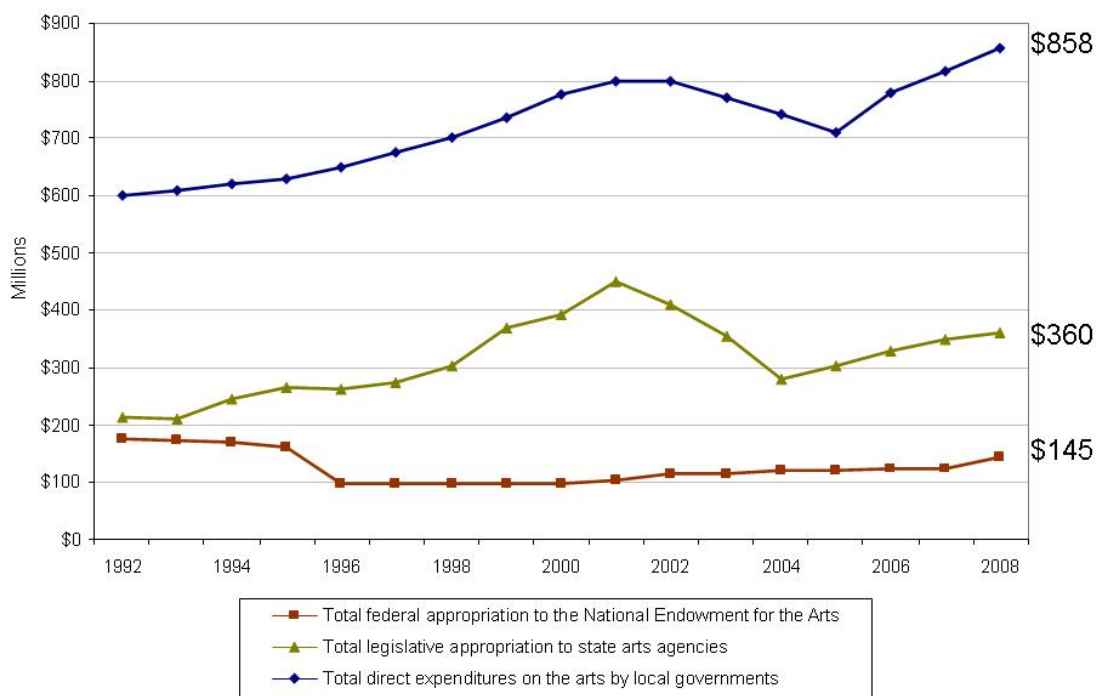
## **HELPFUL STRATEGIES**

- Convene local arts agencies regularly to provide technical assistance and networking support. (Multiple states)
- Identify those communities where the level of energy is high and good ideas are present. Work through those areas first. (Nebraska)
- Work with other partners (libraries, etc.) where needed.

- Create an SAA staff position with responsibility for locals, economic development and tourism. This staff position can become a locus for technical assistance. (Illinois)
- Structure SAA support to local arts agencies as salary support. Staff professionalism/capacity is a “threshold” issue, and limited long-term progress can be made through project support. (Jonathan Katz)
- Focus on key needs/gaps (such as facilities management, advocacy) and provide professional development in those areas.
- Identify multi-county areas or regions. Establish formal partnerships with these “focal points” of strength to provide services and grants at the local level. (Indiana)
- Establish satellite SAA offices to increase SA presence in underserved areas. (Illinois)
- The state arts agency does county-level granting where needed, and where the local capacity to do so is not there. (South Carolina)
- Request special state tax dollars to assist local arts agencies. (California)

## **Part I: Government Support**

### **Federal, State and Local Arts Appropriations**



Source: Americans for the Arts.

## QUESTIONS

What are the forces that drive local government investment in the arts up and down?

Is there a state arts agency role in encouraging greater local investment?

What strategies are states finding helpful?

## DISCUSSION

### Factors that affect local funding:

- Local leadership
- Presence/absence of champions in positions of influence
- Economic conditions – the general economy as well as highly localized trends
- Property taxes (This problem is especially acute given the current housing crisis.)
- Presence of local options taxes (such as hotel/motel taxes)
- Level of “state aid to locals” support
- Local spending pressures, for education and other local problems/priorities

### Observations:

- **State/SAA leadership is necessary.** The \$858 million figure can and should be even higher. There are 3,000 county governments, 19,000 municipal governments and 16,000 township governments in the United States, many of whom lack a formal commitment to arts funding.
- **Local / state / federal funding is no longer a “layer cake” where discrete functions occur at different levels.** That is a construct born in the 19<sup>th</sup> century. In the 21<sup>st</sup> century it has been replaced by a “marble cake” system where there is local, state and federal government involvement in almost every key policy domain – education, health, safety, economic development, etc. This makes it a challenge to learn who has resources and who controls them.
- **Megacities are present in some states.** For instance, the population of New York City exceeds that of 41 *states*. This has significant implications for arts funding, advocacy and state-local dynamics.
- **Make sure legislators understand the importance of *state* investment.** NASAA’s focus group research with NCSL revealed that some legislators perceived arts support as “a local issue.” SAAs need to be able to not only describe why local support is critical, but also be able to describe the specific kinds of leadership and leverage that only state support can accomplish.

### **How state arts agencies can exert influence on local government investment:**

- Emphasize grant matching requirements. (Maryland requires a 3:1 match for grants to county arts councils)
- Provide local government challenge grants that specifically incentivize the investment of county or municipal funding in community projects. (Oklahoma)
- Encourage the development of local policy mechanisms that support the arts, but try to ensure that they proceed in a way that is beneficial for the state as a whole. (Arizona)
- Encourage local arts and cultural development planning.
- “Infiltrate” networks of local decision makers to ensure that arts information is visible and that the arts are positioned as a resource/asset. (New Jersey, League of Municipalities)
- Piggyback on commercial revitalization efforts. Use that momentum as a point of entry to stimulating local cultural development and engaging local arts leaders. (Idaho, Twin Falls)
- Provide state-level tax incentives that encourage specific cultural development strategies. (Maine, tax incentives for provision of artist space)
- Foster the development of a “community identity” within the arts, so that we are able to think and act as a unified voice. Convenings can be designed to achieve this.
- Establish a Strong Arts / Strong Communities program that establishes teams consisting of the mayor, economic development reps, arts leaders and folks from the Main Street program.
- Learn to navigate the “marble cake” of government involvement in key issues and key policy areas. (e.g., education, disaster recovery, etc.) Identify where you can exert influence.
- Provide advocacy training. Help local groups and their boards acquire the basic knowledge and skills necessary to organize themselves make a convincing case to city/county councils, mayors, school boards, etc. These elected officials sometimes advance to serve at the state level, so there is a dual payoff to educating them about the value of investing in the arts.