

# State Arts Agency Legislative Appropriations Preview, Fiscal Year 2025

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This report provides a forecast of state government funding for the arts in fiscal year 2025. Data presented were collected before most states began a new fiscal year on July 1, 2024.

As of September 10, 2024, 50 states have enacted budgets for FY2025. In the coming months, many states will revisit their enacted budgets to accommodate shifting revenue and expense conditions. For the latest information on state and jurisdictional arts agency (SAA) funding fluctuations, contact Nakyung Rhee.

# The Climate for Arts Funding

The <u>FY2025 fiscal outlook for states</u>, as reported by the National Association of State Budget Officers (NASBO), indicates a gradual return to conservative state

# **Preliminary Findings**

- Total appropriations to state arts agencies are projected to decrease by 11.1% in FY2025 compared to FY2024, primarily attributable to substantial reductions in line item appropriations or nonrecurring funds for a few states.
- Twenty-nine SAAs reported projected increases in total legislative appropriations. The median increase was 10.2%.
- Eighteen SAAs reported projected decreases, with a median decrease of 10.5%.
- Total per capita appropriations to SAAs are projected to be \$2.09 in FY2025, a decrease of \$0.26 from FY2024.

budgeting practices. Governors' recommended general fund budgets for FY2025 are projected to decrease by 6.2% compared to FY2024 levels, following years of robust growth. This shift likely reflects the phasing out of one-time expenditures and surplus funds that boosted spending in previous years, as well as the expiration of federal COVID-19 pandemic relief. Figures for FY2025 suggest varied approaches across states, with some planning for substantial cuts and others maintaining or slightly increasing their spending. As states phase out expenditures related to surplus funds and COVID-19 relief measures, they are adopting a more cautious fiscal stance.

States are expected to continue building their rainy-day funds, with the median balance anticipated to reach 15% of general fund spending by the end of FY2025. This fiscal approach suggests states are preparing for a budget environment where new money is limited and revenue performance is more predictable.

Total projected appropriations for SAAs in FY2025 stand at \$705.8 million, representing a 10.9% decline from FY2024. It is important to note that not all budgets have been finalized, leaving room for potential adjustments to SAAs' appropriations in the coming months. The National Assembly of State Arts Agencies (NASAA) will publish a comprehensive report during the upcoming winter, providing detailed information on the enacted budgets of all state arts agencies.

## **State Arts Agency Appropriations Projections**

Based on current estimates, total legislative appropriations to state and jurisdictional arts agencies are projected to decline by 11.1% in FY2025. This aggregate decrease is partially due to a 29% reduction in line item appropriations passed through SAA budgets to other legislatively designated entities.

Projected baseline appropriations (those given directly to SAAs) show a 5.8% decrease in FY2025, attributable to significant reductions in allocations for a few states experiencing substantial budget decreases. Notable changes include Florida, which projects a 98.3% decrease in baseline legislative appropriations, representing a substantial arts-sector cut relative to previous years, though this cut is partially offset by an increase in line item funding. California anticipates a 43.5% decrease in total appropriations, largely due to the elimination of \$26 million in line items. Illinois projects a 60.7% total decrease, largely due to the sunsetting of \$50 million in capital project appropriations. Several states project increases in total appropriations, such as Michigan (56.5%), Missouri (83.8%) and Nevada (116.0%).

The total state arts allocations estimated for FY2025 are \$705.8 million, which is \$87 million less than FY2024; nevertheless, this figure is higher than the prepandemic level (68% higher than FY2021's \$421.2 million).

#### In FY2025:

- 29 states or jurisdictions expect their arts appropriation to increase,
- 18 expect their appropriation to decrease, and

9 expect their appropriation to remain unchanged.

Note that unchanged appropriations include changes of less than 0.5%.

Budgets will change throughout the summer and fall, as state legislatures reconvene to assess changing revenue estimates. For more state-by-state details, see the tables and notes on <u>page 6</u>, <u>7</u> and <u>8</u> of this report.

# **Supplemental Funding**

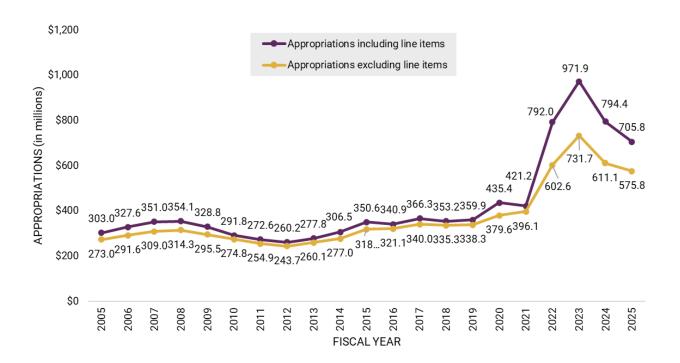
As a result of the American Rescue Plan Act of 2021 (ARPA), state and local governments received \$350 billion in coronavirus pandemic State and Local Fiscal Recovery Funds (SLFRF), to be spent over four years. ARPA had provided states \$198 billion for pandemic relief by March 2022. According to the Center on Budget and Policy Priorities, as of December 1, 2022, all 50 states, the District of Columbia and Puerto Rico have appropriated 87% (\$173 billion) of this \$198 billion. The U.S. Department of the Treasury reported that, at the end of 2023, states and the largest cities and counties budgeted 92% of their total SLFRF funds to specific projects. States have until the end of 2024 to determine how they will employ their Fiscal Recovery Funds and until the end of 2026 to complete spending.

#### **Historic Trends**

The projected 11.1% reduction in total appropriations to state arts agencies from FY2024 to FY2025 is primarily attributable to line items, which historically are volatile and have a substantial impact on total funding for many states. This reduction also reflects the discontinuation of nonrecurring, one-time allocations from state and federal COVID-19 pandemic relief funding.

**Figure 1: State Arts Agency Legislative Appropriations** 

Fiscal Years 2005-2025



## **Per Capita Funding**

Projected appropriations to state arts agencies of \$705.8 million for the coming fiscal year represent an aggregate investment of \$2.09 per person. This is a decrease from the FY2024 record of \$2.35 but is 30% higher than the nominal all-time prepandemic per capita high of \$1.60 in FY2001. For state-by-state per capita data, see <u>page 8</u>.

#### **About These Data**

Based on data provided to the National Assembly of State Arts Agencies in May and June 2024, this preview contains information on the legislative appropriation that each state arts agency expects to receive for FY2025, which began for most states on July 1, 2024. This report does not include information on other sources of funding (federal money, state transfer funds or other revenue sources) that SAAs may receive. NASAA will collect comprehensive FY2025 SAA budget statistics in the fall and will report those findings in winter. Background information on total SAA revenues for FY2024 is available in the <u>Funding</u> section of the NASAA website, which includes a suite of data visualizations detailing appropriations and revenue over time, regional comparisons, and per capita rank estimations.

All references to historic trend data in this forecast are presented in nominal terms—i.e., they are not adjusted for inflation. Detailed discussion of inflation's effects (and accompanying constant-

dollar adjustments) are included in NASAA's in-depth State Arts Agency Revenues report, published each winter. Trend charts including inflation adjustments are available through our <u>appropriations</u> and revenue explorers.



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#### **Table 1: State Arts Agency Total Appropriations Including Line Items**

Fiscal Years 2024–2025, Preliminary Projections

9	State or Special	FY2024	FY2025	Percent
	Jurisdiction	Enacted	Projected	Change
	Alabama*	\$7,806,197	\$8,158,074	4.5%
1	Alaska*• American Samoa	\$736,300 \$231,000	\$917,200 \$231,000	24.6% 0.0%
2	Arizona	\$2,000,000	\$2,000,000	0.0%
3	Arkansas	\$1,425,904	\$1,577,861	10.7%
4	California	\$66,229,000	\$37,392,000	-43.5%
5	Colorado	\$2,023,000	\$3,273,000	61.8%
	Connecticut*	\$9,065,930	\$7,715,930	-14.9%
	Delaware	\$4,879,100	\$4,906,800	0.6%
	District of Columbia	\$50,077,000	\$42,159,000	-15.8%
6	Florida*	\$55,652,101	\$30,670,843	-44.9%
7	Georgia*	\$2,116,412	\$1,587,150	-25.0%
	Guam*	\$543,750	\$772,866	42.1%
	Hawaii*	\$27,212,366	\$26,454,128	-2.8%
	Idaho	\$982,800	\$933,400	-5.0%
8	Illinois*	\$65,521,600	\$25,728,526	-60.7%
	Indiana Iowa*	\$5,197,761	\$5,197,761 \$2,220,493	0.0%
	Kansas	\$1,600,000 \$1,021,173	\$1,521,173	38.8% 49.0%
	Kentucky	\$1,839,700	\$1,833,500	-0.3%
	Louisiana	\$2,112,377	\$2,175,176	3.0%
	Maine*	\$1,108,640	\$1,008,893	-9.0%
9	Maryland*	\$34,549,746	\$34,250,622	-0.9%
10	Massachusetts*†	\$25,895,000	\$26,850,000	3.7%
11	Michigan*†	\$8,850,000	\$13,850,000	56.5%
	Minnesota	\$55,195,000	\$58,508,087	6.0%
12	Mississippi*	\$10,495,803	\$13,091,367	24.7%
13	Missouri*	\$29,619,580	\$55,782,132	88.3%
	Montana	\$1,116,392	\$1,134,040	1.6%
	Nebraska*	\$2,600,377	\$2,628,779	1.1%
14	Nevada*	\$2,261,397	\$4,885,340	116.0%
	New Hampshire	\$1,406,566	\$1,417,598	0.8%
15	New Jersey*	\$45,780,000	\$35,055,000	-23.4%
15	New Mexico New York*	\$1,718,100 \$110,105,000	\$1,690,000 \$103,450,000	-1.6% -6.0%
	North Carolina*	\$12,408,629	\$103,430,000	0.0%
	North Dakota*	\$1,298,510	\$12,408,629	0.0%
	Northern Marianas	\$280,254	\$280,254	0.0%
	Ohio	\$25,563,000	\$25,563,000	0.0%
	Oklahoma*	\$4,453,709	\$5,750,425	29.1%
16	Oregon*•	\$13,826,570	\$2,020,000	-85.4%
	Pennsylvania	\$10,583,000	\$10,660,000	0.7%
	Puerto Rico*	\$19,185,327	\$18,408,000	-4.1%
	Rhode Island*	\$2,292,758	\$2,395,211	4.5%
	South Carolina	\$13,123,843	\$9,608,696	-26.8%
17	South Dakota	\$1,107,666	\$1,407,573	27.1%
18	Tennessee*	\$13,013,000	\$13,203,100	1.5%
	Texas*	\$14,309,718	\$14,319,358	0.1%
	Utah	\$7,391,700	\$10,189,800	37.9%
	Vermont	\$968,940	\$973,848	0.5%
10	Virgin Islands	\$374,437	\$374,000	-0.1%
19 20	Virginia* Washington*	\$5,520,707 \$6,535,643	\$5,340,172 \$7,595,000	-3.3% 16.2%
21	West Virginia	\$997,446	\$811,500	-18.6%
-1	Wisconsin	\$1,078,000	\$1,083,000	0.5%
	Wyoming	\$977,649	\$1,077,773	10.2%
	Total	\$794,265,578	\$705,795,588	-11.1%

#### **Table Notes**

- \* The total projected appropriation includes line item funds designated by the legislature to pass through the state arts agency to other entities.
- Agency has indicated its budget is extremely likely to change. † At the time of publication, the state does not have an enacted FY2025 budget.
- 1 Alaska: The Alaska State Council on the Arts projects an increase in funding for FY2025 due to enhanced state support, potential revenue from new license plate fees and possible shifts in Arts in Public Places program allocation. The final budget is subject to the governor's approval.
- **2 Arizona:** The Arizona Commission on the Arts expects to receive a \$2 million one-time general fund appropriation from the state legislature.
- **3 Arkansas:** The Arkansas Arts Council's FY2025 appropriation includes cash funds from the additional 1/8 of 1% conservation sales tax levied by Amendment 75 (A.C.A. §19-6-484) to repair, renovate and improve the state parks.
- **4 California:** At the time of data collection, the California Arts Council's operating budget is pending legislative confirmation.
- **5 Colorado:** The governor's FY2024-2025 budget includes \$1.25 million in additional operating funds to Colorado Creative Industries, the first operating budget increase in over a decade.
- **6 Florida:** Funding for \$26 million in General Program Support grants for the Florida Division of Arts and Culture was vetoed in the FY2025 budget. The governor's "Focus on Florida's Future" budget, however, includes nearly \$30 million in legislative line items for arts and culture organizations. This includes \$5.3 million in African-American Cultural and Historical Grants for renovations and new facilities.
- **7 Georgia:** In FY2024, the Georgia Council for the Arts received a one-time \$550,000 line item to support capital improvements for three community arts facilities across the state.
- **8 Illinois:** In FY2024, the Illinois Arts Council was allocated \$50 million in a one-time appropriation for capital projects.
- **9 Maryland:** Appropriation include \$3 million in capital funds from the state's general obligation bonds.
- **10 Massachusetts:** The FY2025 budget projection is based on pending legislative approval. Figures reflect the house's higher base funding proposal and include all chamber-proposed special allocations, subject to legislative finalization.
- **11 Michigan:** The governor's recommendations include a onetime, \$5 million line item from the general fund for the Michigan Arts and Culture Council, earmarked for expanding grants to arts and cultural institutions, in addition to the ongoing baseline funding for this program.
- **12Mississippi:** The Mississippi Arts Commission's projected FY2025 appropriation includes \$3.5 million in capital expense funds for the Building Fund for the Arts, a grant program for arts facilities and building projects.
- **13 Missouri:** The FY2025 state budget includes over \$44 million in line items for various organizations, including \$10 million for Springfield Art Museum.

#### **Table 2: State Arts Agency Total Appropriations Excluding Line Items**

Fiscal Years 2024–2025, Preliminary Projections

	State or Special	FY2024	FY2025	Percent
	Jurisdiction	Enacted	Projected	Change
	Alabama*	\$6,606,197	\$6,833,074	3.4%
1	Alaska*•	\$736,300	\$917,200	24.6%
	American Samoa	\$231,000	\$231,000	0.0%
2	Arizona	\$2,000,000	\$2,000,000	0.0%
3	Arkansas	\$1,425,904	\$1,577,861	10.7%
4	California	\$39,344,000	\$37,392,000	-5.0%
5	Colorado	\$2,023,000	\$3,273,000	61.8%
	Connecticut*	\$1,497,298	\$1,497,298	0.0%
	Delaware	\$4,879,100	\$4,906,800	0.6%
_	District of Columbia	\$50,077,000	\$42,159,000	-15.8%
6	Florida*	\$43,252,101	\$742,293	-98.3%
7	Georgia* Guam*	\$1,566,412	\$1,587,150	1.3% 42.1%
	Hawaii*	\$543,750 \$10,330,534	\$772,866 \$10,333,356	0.0%
	Idaho	\$10,330,334	\$933,400	-5.0%
8	Illinois*	\$11,986,300	\$20,876,500	74.2%
	Indiana	\$5,197,761	\$5,197,761	0.0%
	lowa*	\$1,150,000	\$1,150,000	0.0%
	Kansas	\$1,021,173	\$1,521,173	49.0%
	Kentucky	\$1,839,700	\$1,833,500	-0.3%
	Louisiana	\$2,112,377	\$2,175,176	3.0%
	Maine*	\$1,108,640	\$1,008,893	-9.0%
9	Maryland*	\$32,749,746	\$33,325,622	1.8%
10	Massachusetts*†	\$25,000,000	\$25,895,000	3.6%
11	Michigan*†	\$8,850,000	\$8,850,000	0.0%
	Minnesota	\$55,195,000	\$58,508,087	6.0%
12	Mississippi*	\$10,495,803	\$6,545,682	-37.6%
13	Missouri* Montana	\$10,032,046	\$10,948,798	9.1% 1.6%
	Nebraska*	\$1,116,392 \$2,600,377	\$1,134,040 \$2,628,779	1.1%
14	Nevada*	\$2,261,397	\$2,442,670	8.0%
	New Hampshire	\$1,406,566	\$1,417,598	0.8%
	New Jersey*	\$32,355,000	\$32,355,000	0.0%
15	New Mexico	\$1,718,100	\$1,690,000	-1.6%
	New York*	\$101,885,000	\$103,450,000	1.5%
	North Carolina*	\$12,289,672	\$12,289,672	0.0%
	North Dakota*	\$1,293,510	\$1,293,510	0.0%
	Northern Marianas	\$280,254	\$280,254	0.0%
	Ohio	\$25,563,000	\$25,563,000	0.0%
	Oklahoma*	\$3,730,030	\$3,952,325	6.0%
16	Oregon*•	\$2,026,570	\$2,020,000	-0.3%
	Pennsylvania	\$10,583,000	\$10,660,000	0.7%
	Puerto Rico* Rhode Island*	\$15,608,327	\$14,831,000	-5.0%
		\$1,892,758	\$1,995,211	5.4%
17	South Carolina South Dakota	\$11,540,843 \$1,107,666	\$9,608,696 \$1,407,573	-16.7% 27.1%
18	Tennessee*	\$12,238,000	\$1,407,573	5.4%
10	Texas*	\$12,238,000	\$14,319,358	0.1%
	Utah	\$7,391,700	\$10,189,800	37.9%
	Vermont	\$968,940	\$973,848	0.5%
	Virgin Islands	\$374,437	\$374,000	-0.1%
19	Virginia*	\$4,600,207	\$4,590,172	-0.2%
20	Washington*	\$6,535,643	\$7,445,000	13.9%
21	West Virginia	\$997,446	\$811,500	-18.6%
	Wisconsin	\$1,078,000	\$1,083,000	0.5%
	Wyoming	\$977,649	\$1,077,773	10.2%
	Total	\$610,964,144	\$575,774,369	-5.8%

#### **Table Notes**

- \* The total projected appropriation includes line item funds designated by the legislature to pass through the state arts agency to other entities.
- Agency has indicated its budget is extremely likely to change. † At the time of publication, the state does not have an enacted FY2025 budget.

(continued from Table 1)

- **14Nevada:** For FY2025, the Nevada Arts Council secured an additional \$205,000 in one-time general fund support, approved via Assembly Bill 341.
- **15 New Mexico:** The decline reflects the movement of \$150,000 in funding for the New Mexico Music Commission (which was part of the New Mexico Arts budget in FY2024) to a separate budget line. Despite this change, New Mexico Arts secured a modest budget increase.
- **16 Oregon:** FY2025 was the second year of a biennium. Oregon Arts Commission FY2024 line items are reported for the entire biennium, with funds received in FY2024. In FY2024, additional line items for capital construction projects were added during the midterm budget adjustment session.
- **17 South Dakota:** Because the South Dakota Arts Council's budget derives from tourism taxes, it is subject to revenue fluctuation.
- **18 Tennessee:** The Tennessee Arts Commission experienced an increase in FY2024 due to higher specialty license plate sales and the one-time use of reserves. The FY2025 projection is based on estimated license plate revenue.
- **19 Virginia:** The Virginia Commission for the Arts will receive a \$750,000 line item for FY2025: a one-time pass through to the town of Abingdon in support of the William King Museum.
- **20 Washington:** The FY2025 figure reflects a reallocation of \$290,000 from FY2024 to FY2025 due to the revised project time line for the Billy Frank Jr. Statuary Hall project.
- **21 West Virginia:** Supplemental federal match support transitions from the legislative to the executive branch in FY2025.

#### **Table 3: Per Capita State Arts Agency Appropriations**

Fiscal Year 2025, Preliminary Projections

State or Special Jurisdiction	Legislative Appropriations Including Line items		
Jurisdiction	1	apita Rank	
Alabama*	Amount \$1.60	19	
Alaska*•	\$1.25	27	
Arizona	\$0.27	48	
Arkansas	\$0.51	41	
California	\$0.96	32	
Colorado Connecticut*	\$0.56 \$2.13	39 13	
Delaware	\$4.76	6	
Florida*	\$1.36	25	
Georgia*	\$0.14	50	
Hawaii*	\$18.43	1	
Idaho	\$0.48	44	
Illinois* Indiana	\$2.05	14	
lowa*	\$0.76 \$0.69	35 37	
Kansas	\$0.52	40	
Kentucky	\$0.41	47	
Louisiana	\$0.48	43	
Maine*	\$0.72	36	
Maryland*	\$5.54	4	
Massachusetts*†	\$3.83	8 24	
Michigan*† Minnesota	\$1.38 \$10.20	24	
Mississippi*	\$4.45	7	
Missouri*	\$9.00	3	
Montana	\$1.00	30	
Nebraska*	\$1.33	26	
Nevada*	\$1.53	21	
New Hampshire New Jersey*	\$1.01 \$3.77	29 9	
New Mexico	\$0.80	34	
New York*	\$5.29	5	
North Carolina*	\$1.15	28	
North Dakota*	\$1.66	18	
Ohio	\$2.17	12	
Oklahoma* Oregon*•	\$1.42 \$0.48	23 42	
Pennsylvania	\$0.48	33	
Rhode Island*	\$2.19	11	
South Carolina	\$1.79	17	
South Dakota	\$1.53	20	
Tennessee*	\$1.85	15	
Texas* Utah	\$0.47 \$2.98	45 10	
Vermont	\$1.50	22	
Virginia*	\$0.61	38	
Washington*	\$0.97	31	
West Virginia	\$0.46	46	
Wisconsin	\$0.18	49	
Wyoming American Samoa	\$1.85 \$5.26	16 9	
District of Columbia	\$62.09	1	
Guam*	\$4.56	11	
Northern Marianas	\$5.48	7	
Puerto Rico*	\$5.74	5	
West Virginia	\$3.58	15	
Total	\$2.09		

#### **Table Notes**

- \* The total projected appropriation includes line item funds designated by the legislature to pass through the state arts agency to other entities.

  • Agency has indicated its budget is extremely likely to change.
- † At the time of publication, the state does not have an enacted FY2025 budget.

Per capita amounts represent the total dollar figure for each agency's appropriation divided by the total population. The total per capita figure in the bottom row is based on the aggregate population for 56 states and jurisdictions. States are ranked out of 50; jurisdictions are ranked out of 56.

Per capita spending calculations for the 50 states, the District of Columbia and Puerto Rico are based on the July 1, 2023, population estimates in the <u>Annual</u> Estimates of Resident Population Change for the United States, States, District of Columbia, Puerto Rico, and State Rankings: April 1, 2020 to July 1, 2023 table from the U.S. Census Bureau. Population figures for American Samoa, Guam, the Northern Mariana Islands and the U.S. Virgin Islands are from the <u>International Database</u> of the U.S. Census Bureau.