



INDEPENDENT  
VENUE  
COALITION



Metro

## Economic Development Package: Arts and Culture Request \$50 million to help the arts and culture sector survive

Oregon's arts and cultural organizations, live venues, and museums thank you for your past financial support aiding nearly 700 non-profits and small businesses. Those dollars were spent to maintain salaries and benefits for as long as possible, cover basic operational costs, and directly support musicians, curators, fabricators, designers, dancers and artists throughout the state. With reopening now under way, organizations are faced with start-up costs and increased expenses at a time when most of us expect revenues to remain well below pre-pandemic levels for the foreseeable future.

The unfortunate reality is that Oregon's arts and cultural sector remains extremely fragile.

Our non-profit organizations and small businesses are struggling to recover from the financial losses, cancelled performances, exhibit closures and reduced attendance resulting from the prolonged pandemic. Oregon arts and culture venues were shut down by mandate longer than any other state in the nation. More than 70% of our organizations report the crisis is having a severe financial impact, forcing closures, layoffs, furloughs, and other cost-saving measures. Being among the first to close and the last to fully reopen, it will take several years for our sector to fully recover.

In Oregon, COVID-19 has devastated creative economy businesses with a loss of \$1.6 billion in revenue. In addition, 64% of all creative workers in Oregon became unemployed (43,332 people) as of July 2020.<sup>1</sup>

These cultural entities and small businesses are anchors in their communities, supporting jobs and generating economic benefit for other industries that depend on their vitality.

To help us regain our footing, we ask that you invest \$50 million to help create stability within the arts and cultural sector and allow us to be a part of Oregon's recovery in rural and urban communities. The pandemic and significant need within the sector has united arts and cultural organizations advocating for critical pandemic relief funding that is **inclusive and equitable**.

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<sup>1</sup> Source: Brookings, Lost art: Measuring COVID-19's devastating impact on America's creative economy, 2020.

## **Language to Support an Equitable Distribution Process**

To accomplish a goal of inclusion and equity, we have worked closely with Business Oregon and our collective organizations support the below guidelines and principals embodied in the -1 amendment to House Bill 4040 (attached) to provide clarity for future relief funds:

### **Oregon Cultural Organization Definition**

*‘Oregon cultural organization’ means a public or private entity, whether operated for profit or as a nonprofit, that: Has its business headquarters, and operates primarily in this state; operates primarily for the purpose of producing, promoting or presenting the arts, culture, humanities, heritage or live cultural entertainment, other than adult entertainment, to the public; and operates a public facility, performing organization, museum, historical site, visual arts organization; or produces cultural projects or programs for the public.*

### **Earned Revenue Definition**

*‘Earned revenue’ means income from the sales of goods or services, including, but not limited to, admission, tickets, rentals, merchandise, food and beverages, advertising and contracted services and performances. ‘Earned revenue’ does not include other sources of income, including, but not limited to, donations, federal, state and local governmental grants or returns on investments.*

### **Eligibility**

*To be eligible for a grant, an Oregon cultural organization must demonstrate to the department’s (Business Oregon) satisfaction that, at any time after February 29, 2020, and before January 1, 2022, the organization experienced a significant loss in earned revenue because of statewide mandates or guidance of the Oregon Health Authority, in response to the COVID-19 pandemic.*

### **Equity & Inclusion in Allocation Process**

*The department shall develop an equitable funding allocation so that grant moneys shall be awarded, with priority given according to the greatest ratio of an applicant’s total lost earned revenue to the applicants total earned revenue for each fiscal year, beginning with fiscal year 2019, to which each application relates: The department shall develop award allocation options that take into account an equitable percentage of an applicant’s fiscal size and eligible loss and available funding; and grant moneys shall be awarded proportionately among the geographic regions of this state, as defined by the department, but based on the relative population, and the eligible applications received from Oregon cultural Organizations located in each region.*