

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: March 31, 2021

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst Council File No: 21-0002-S54
Assignment No: 21-03-0237

SUBJECT: Resolution to support relief for local arts workers and the cultural sector

CLA RECOMMENDATION: Adopt revised Resolution to include in the City's 2021-2022 State and Federal Legislative Programs SUPPORT for any legislation and/or administrative action that would allocate relief and recovery funding to support local arts workers and the nonprofit arts and cultural sector in any and all stimulus, disaster, and recovery legislation.

SUMMARY

Resolution (Lee – Blumenfield – O'Farrell), introduced on February 23, 2021, notes that Los Angeles is home to over 735 nonprofit arts and cultural organizations that employ over 27,000 arts workers contributing to the economic, social, and civic life in Los Angeles. The nonprofit arts and cultural sector generates more than \$2.2B in revenue for the regional economy.

The revised Resolution therefore recommends support for any legislation and/or administrative action that would allocate relief and recovery funding to support local arts workers and the nonprofit arts and cultural sector in any and all stimulus, disaster, and recovery legislation.

BACKGROUND

The Resolution (Lee – Blumenfield – O'Farrell) notes that Los Angeles has the third largest arts sector in the country, and the largest creative workforce in the country—16.3% of Los Angeles County's total employment is related to creative industries. These industries have been heavily impacted by the COVID-19 pandemic and associated stay-at-home orders.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed on March 27, 2020, appropriated \$75M for the National Endowment for the Arts (NEA). The NEA awarded 40% of the CARES appropriation directly to state and regional arts agencies. In March 2021, the American Rescue Plan appropriated \$135M to the NEA, \$135M for the National Endowment for the Humanities, \$200M for the Institute of Museum and Library Services, and \$175M for the Corporation for Public Broadcasting.

The American Rescue Plan also appropriated \$1.25B for the Shuttered Venue Operators Grant (SVOG) Program. SVOG will provide a new infusion of assistance to self-employed workers and businesses of all types within the creative sector. SVOG was established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and amended by the American Rescue

Plan Act to include the additional funds and to amend qualifications for the grants to include those who had previously received loans through the Payroll Protection Program. The program now includes over \$16 billion in grants to shuttered venues, to be administered by Small Business Association's Office of Disaster Assistance. Eligible applicants may qualify for grants equal to 45% of their gross earned revenue, with the maximum amount available for a single grant award of \$10 million. \$2 billion is reserved for eligible applications with up to 50 full-time employees. Eligible entities include: live venue operators or promoters; theatrical producers; live performing arts organization operators; relevant museum operators, zoos and aquariums who meet specific criteria; motion picture theater operators; and talent representatives. Applications are expected to be open for the SVOG Program in April 2021.

The Los Angeles Department of Cultural Affairs (DCA) expressed support for a variety of legislation and initiatives related to arts and cultural relief funding. Specifically, DCA noted support for: Governor Newsom's proposed FY 2021-22 Budget for the California Arts Council and the Creative Corps Program; SB 628 (Allen), the California Creative Workforce Act of 2021, which would establish creative arts workforce development as a state priority; the Put Creative Workers to Work initiative; and the National Arts Service initiative. DCA also expressed support for a variety of policy actions related to the arts and cultural sector detailed in a letter from the Americans for the Arts Action Fund to the Biden-Harris Administration and Congressional leaders. The letter was developed in collaboration with dozens of national, regional, and state arts advocacy organizations.

DEPARTMENTS NOTIFIED:

Department of Cultural Affairs



Tristan Noack

Analyst

SMT:tcjn

Attachment: Revised Resolution

RESOLUTION

WHEREAS, any official position of the City of Los Angeles, with respect to legislation, rules, regulations or policies proposed to or pending before a local, state, or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the City of Los Angeles relies on its partnership with the nonprofit arts and cultural sector, with many of its organizations operating with budgets under \$250,000 a year, to offer free or low-cost access to cultural experiences reflecting the diverse communities of our region; and

WHEREAS, the value placed on artistic, creative, and cultural expression is a racial equity issue; and

WHEREAS, the direct employment generated by the Los Angeles creative industries and the indirect employment they create through multiplier effects constitute 16.3% of Los Angeles County's total employment; and

WHEREAS, Los Angeles is home to over 735 nonprofit arts and cultural organizations who employ over 27,000 arts workers contributing to the economic, social, and civic life of Los Angeles; and

WHEREAS, the nonprofit arts and cultural sector generates more than \$2.2 billion in revenue for the regional economy; and

WHEREAS, a 2020 study by the Southern Methodist University Data Arts listed Los Angeles as the 3rd largest arts sector in the country, but first in terms of the creative workforce; and

WHEREAS, the COVID-19 crisis and mandatory stay at home orders cancelled all arts and cultural events in the City of Los Angeles, resulting in the same catastrophic financial impact on individual artists and nonprofit arts organizations as on hotels, restaurants, and other businesses in the entertainment and travel sectors; and

WHEREAS, without economic relief and access to working capital to survive the public health restrictions, this sector is at grave risk of losing many of our community-specific arts organizations; and

WHEREAS, the arts and cultural sector will play an important role in accelerating economic recovery and restoring civic life to our City; and

WHEREAS, as the City looks toward hosting the 2022 Super Bowl and 2028 Summer Olympics, it will need to marshal partnerships across every sector;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2021-2022 Federal and State Legislative Programs SUPPORT for any legislation and/or administrative action that would allocate relief and recovery funding to support local arts workers and the nonprofit arts and cultural sector in any and all stimulus, disaster, and recovery legislation.