



WEBINAR WEDNESDAY

Local ARP Funding and the Arts

Wednesday, April 28
11 AM



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What is the American Rescue Plan?

- ❑ The **American Rescue Plan Act of 2021**, also called the **COVID-19 Stimulus Package** or **American Rescue Plan (ARP)**, is a **\$1.9 trillion economic stimulus bill** passed by Congress and signed into law by President Biden on March 11, 2021, to speed up the United States' **recovery from the economic and health effects of the COVID-19 Pandemic** and the ongoing recession.
- ❑ **Stimulus Checks, PPP Loans, Unemployment, Vaccine Support, and more...**
- ❑ ARP includes **\$122 billion in [Elementary and Secondary School Emergency Relief \(ESSER\)](#)** for ALL State and Local School Districts.
- ❑ **ARP includes \$362 billion in Fiscal Recovery Funds (FRF)** for ALL state, local, municipal, tribal, and territorial governments.
 - ❑ **North Carolina: \$5.5 million**
 - ❑ **NC Counties: \$2 billion**
 - ❑ **NC Cities and Towns: \$1.3 billion**





What Can ARP Funds Do?

1. Respond to the **COVID-19** public health emergency or its negative economic impacts, including assistance to households, **small businesses, and nonprofits, or aid to impacted industries** such as tourism, travel and hospitality.
2. Respond to **workers performing essential work during the COVID-19** public health emergency by providing premium pay to eligible workers that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.
3. Provide government services to the extent of the **reduction in revenue** due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency.
(Lost Government Revenue)
4. Make necessary investments in **water, sewer or broadband infrastructure.**

****Treasury has not issued full guidance yet****





What Can ARP Funds Do?

- ❑ “The intent of this legislation is to **shore up business and government stability, preserve jobs, and get people back to work**; plan your spending with this in mind.” ([National League of Cities](#))
- ❑ “The bill states that a metropolitan city, non-entitlement unit of **local government, or county receiving a payment from funds may transfer these funds to a private nonprofit organization**, a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of state or local government.” ([National Association of Counties](#))

What Can't ARP Funds Do?

- ❑ **No funds shall be deposited into any pension fund.**
- ❑ States are not allowed to use the funds to either **directly or indirectly offset a reduction in the net tax revenue** that results from a change in law, regulation or administrative interpretation during the covered period.
- ❑ Any local government, including counties, that **fail to comply** with the federal law and related guidelines shall be **required to repay the federal Treasury**.



Temporary Nature of ARP Funds

(How Local Governments will be thinking about ARP Funds)

- ❑ **ARP funds are non-recurring** so their use should be applied primarily to **non-recurring expenditures**.
- ❑ Care should be taken to **avoid creating new programs** or add-ons to existing programs **that require an ongoing financial commitment**.
- ❑ **Replenishing reserves used to offset revenue declines** during the pandemic should be given high priority to rebuild financial flexibility/stability and restore fiscal resiliency.
- ❑ **Use of ARP funds to cover operating deficits caused by COVID-19 should be considered temporary and additional budget restraint may be necessary** to achieve/maintain structural balance in future budgets.
- ❑ **Investment in critical infrastructure is particularly well suited use of ARP funds because it is a non-recurring expenditure** that can be targeted to strategically important long- term assets that provide benefits over many years. However, care should be taken to assess any on-going operating costs that may be associated with the project.

Source: Government Finance Officers Assoc. [ARP Guiding Principles](#)



How Much ARP Funds Do You Get?

<u>Small</u>					
<u>State Govt</u>	<u>Counties</u>	<u>Metro Cities</u>	<u>Cities/Towns</u>	<u>Capital</u>	<u>Total</u>
5.276	2.034	0.672	0.682	0.277	8.942

in Billions of \$

- ❑ [NC League of Municipalities: Estimate of ARP Funds for NC Cities & Counties](#)
- ❑ [Arts NC: Estimate of ARP Funds for NC Cities and Counties](#) (March 8, 2021)

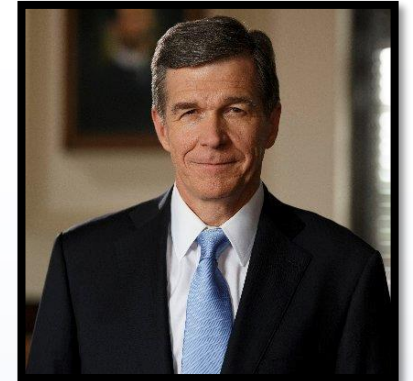
When Do ARP Funds Arrive?

- ❑ Treasury has 60 days to disburse funds from passage of ARP on March 11th, so before May 10, 2021.
 - ❑ State, 100 Counties, and 24 Metro Cities
 - ❑ Direct Payment from federal government.
 - ❑ 526 Smaller Cities & Towns (population less than 50,000)
 - ❑ State will have 30 days to distribute after receipt of funds.
- ❑ Distributed in Two Tranches: 50% now, 50% no less than 12 months later.
- ❑ Deadline: Funds must be spent on expenses occurring before December 31 , 2024.



NC ARP Funds and the Arts

- ❑ **Over \$5.5 billion** over \$5.25 billion plus more than \$250 million for capital projects fund.
- ❑ **NC General Assembly is working on state budget first** (done before July 4th?).
 - ❑ **NC General fund has \$4 billion one-time surplus** (not including ARP funds).
 - ❑ **[\\$8 million request for Restart the Arts \(H562\)](#)**.
- ❑ **State American Rescue Plan Funding**
 - ❑ **NC General Assembly will allocate ARP after budget.**
 - ❑ **Arts funding expected to be included in Governor's proposal.**
- ❑ **Arts NC has options:**
 - ❑ **If Restart the Arts is not in budget- could become ARP ask.**
 - ❑ **If Restart the Arts is in budget- ARP funds could expand program.**
 - ❑ **ARP could be used for separate relief/recovery fund for the arts.**
- ❑ **Arts NC also working for:**
 - ❑ **Inclusion of nonprofits in programs and policy.**
 - ❑ **Inclusion of arts as a hard-hit industry in programs and policy.**
 - ❑ **Clarity for ARP use form NC Pandemic Recovery Office (NC PRO)**





How to Access ARP Funds



❑ See the Opportunity

Provide for the right program, at the right time.

❑ Create the "Ask"

A good idea supported by narrative and information.

❑ Create a Coalition

A large chorus of diverse voices. Perhaps a champion.

❑ Be Consistent

The large chorus needs to be singing the same song.

❑ Make the First Move

Do not wait for someone to ask what you need.

❑ Be the Expert

Be prepared and be confident in your knowledge.

❑ Understand Political Landscape

Know your audience, and all the players.

❑ Define Your "Win"

What you ask for and what you need may be different.



Making the "Ask"

- ❑ **Project should focus on Relief, Reopening, and/or Recovery.**
- ❑ **Remember the funding is temporary, so the request should be as well.**
- ❑ **Lead with a narrative and put it in context with data and information.**
- ❑ **Show you are part of the big solution, not just trying to fix your problems.**
- ❑ **Show how arts are vital to the entire community and economy.**
- ❑ **Not just making things the way they were, but how they can be better.**





Economy, Relief, Jobs, Health

- ❑ **Our local economies will benefit from a healthy arts and culture sector.** Economic impact to every community and the domino effect. A healthy arts and culture corridor benefits all businesses and aids in recovery for all. (tourism, restaurants, lodging, retail etc.)
- ❑ **The impact of COVID closures on the creative industries in our cities has been severe.** Arts and culture are small businesses/nonprofits that have been disproportionately impacted by COVID and will take longer to recover. ([McKinsey & Company Report](#))
- ❑ **Creative Jobs are Critical to the Future of Work.** Innovation is crucial to competition, and creativity is integral to innovation. According to 2019 LinkedIn behavioral data, creativity is the most in-demand soft skill in short supply. ([Forbes article](#))
- ❑ **Arts and creativity improve health and well-being.** Invest in a workforce that will help bring social and emotional wellness, community cohesion, jobs and economic benefit to every community. ([University of Florida Center for Arts in Medicine](#))

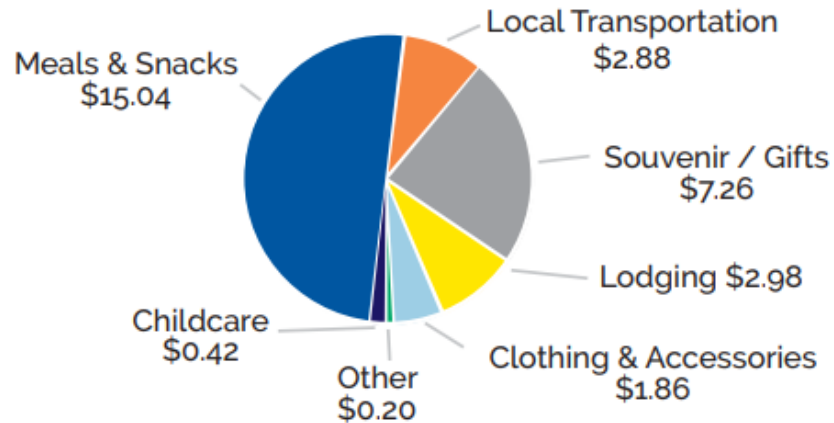




Nonprofit Arts & the NC Economy

Total Expenditures in 2015	DIRECT \$937.5 Million	INDIRECT \$1.18 Billion	TOTAL \$2.12 Billion
Jobs Supported (FTE) in 2015	37,194	34,783	71,977
Taxes from Arts Nonprofits in 2015	STATE \$94,544,000	LOCAL \$106,909,000	TOTAL \$201,453,000

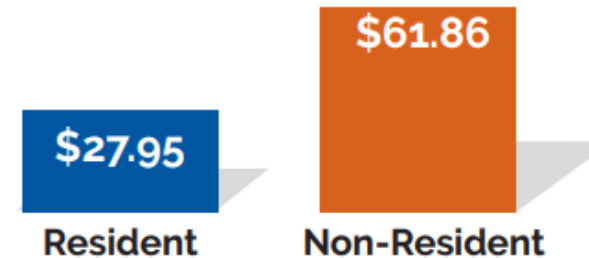
NC Attendees on Average
Spend **\$30.66** per each Arts & Culture Event
in addition to the Cost of Admission



ARTS ATTRACT VISITOR DOLLARS

Event Related Spending
Resident vs. Non-Resident

1 in 3 arts patrons are not from the area
hosting the cultural event/attraction.





Pandemic Impact on the Arts Sector

FINANCIAL LOSSES are staggering in North Carolina

- ❑ **\$300 million in lost sales** estimated from shuttered **arts nonprofits**.^{1,2}
- ❑ **\$1 billion total economic impact** estimated from shuttered **arts nonprofits**.^{1,2}
- ❑ **\$3.4 billion in lost revenue** from the larger **NC creative economy**.²

JOB LOSSES are massive in North Carolina

- ❑ **36% of nonprofit arts jobs lost**³ (est. over 10,000 in NC)
- ❑ **50% fine arts and culture industry unemployment**² (est. over 40,000 in NC)
- ❑ **63% of artists and creative workers with no income**⁴ (est. over 80,000 in NC)



(1) [Arts and Economic Prosperity 5](#), Americans for the Arts, 2015. (2) [Lost Art](#), Brookings Institution, 2020. (3) [Center for Civil Society Studies](#), Johns Hopkins University, 2021. (4) [Pandemic Impact Artist and Creative Worker Survey](#), Americans for the Arts and US Bureau of Labor Statistics, 2021.



Resources

GETTING STARTED

- ❑ [Springboard for the Arts – ART-TRAIN](#)
 - ❑ [ART-TRAIN Memo](#)
 - ❑ [ART- TRAIN Training and Technical Assistance Program](#)
- ❑ [Art On The Streets: Framing Your Ask for ARP Funding](#)
- ❑ [Arts North Carolina](#)
 - ❑ [Arts Nonprofits Impact in NC](#)
 - ❑ [Arts Advocacy Hub](#)

RESEARCH

- ❑ [Put Creative Workers to Work](#)
- ❑ [Americans for the Arts- Research](#)
- ❑ [National Assembly of State Arts Agencies- Research](#)

GOVERNMENT

- ❑ [NC League of Municipalities](#)
- ❑ [National League of Cities](#)
- ❑ [NC Association of County Commissioners](#)
- ❑ [National Association of Counties](#)





Special Thanks



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Local CARES Act Success Stories



Laura Way
President & CEO
ArtsGreesboro

**\$700,000 from Guilford County CARES Act
Coronavirus Relief Fund**

Charles Phaneuf
President
United Arts of Raleigh and Wake County

**\$1,000,000 from Wake County CARES Act
Coronavirus Relief Fund**





Questions?

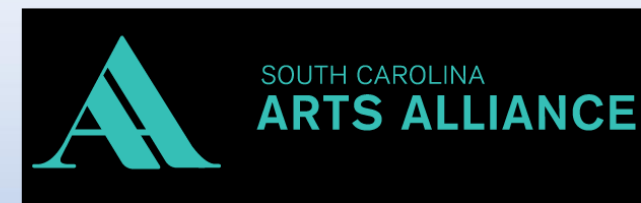
- Local ARP Funding Uses
- Local ARP Funding Amount & Timing
- How to Approach ARP Funding
- Making the "Ask"
- Information and Resources



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- Cape Fear Regional Theatre
- Center for Craft
- Children's Theatre Of Charlotte
- Cucalorus Film Foundation
- DREAMS of Wilmington
- Duplin County Schools
- Gaston Arts Council
- Gina Harrison / GHDesigns.net
- High Point Arts Council

- High Point Arts Council
- Jackson County Arts Council
- Mallarmé Chamber Players
- NC Glass Center
- North Carolina Theatre Arts Educators
- Penland School of Craft
- Pinecone: Piedmont Council of Traditional Music
- Pocosin Arts Council of Catawba County
- The Paramount Theatre Foundation
- United Arts Council of Catawba County
- Winston-Salem Symphony Association