

ArtsGreensboro Requests One Million Dollars of Coronavirus Relief Funds to Remediate the Costs of COVID 19 to the Guilford County Arts Community

The arts develop and supply a creative workforce that is essential to Guilford County’s innovation economy, employing 6,000 people and contributing \$7.2 million in local tax revenue. The arts and culture sector represents \$162 million in economic impact. This sector is too vital to lose.

US Treasury Guidance: The US Treasury stipulates that local governments may use CRF (Coronavirus Relief Funds) to make business interruption grants to cover revenue losses of businesses, including nonprofits. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, **such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.** Allowable expenses: Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as **“Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.”** See note below

It Works in Other Cities: Other communities across the country are using CRF to sustain the arts and culture sector.

- Phoenix AZ: The Phoenix City Council approved federal Coronavirus Relief Funding to help support working artists who experienced financial hardship because of the pandemic crisis. Funding is managed by the Phoenix Office of Arts and Culture.
- Sacramento CA: The Sacramento City Council approved the framework for the \$7.5 million Creative Economy Recovery program designed to help arts groups, tourism, and cultural organizations during the pandemic. It is funded by the \$89 million the City received from the federal CARES Act.
- San Antonio TX: San Antonio City Council authorized \$2.6M in federal CRF dollars for nonprofit arts businesses and individual artists who suffered business interruption caused by required closures from March 13, 2020 – December 31, 2020, due to the COVID-19 pandemic.

On the Ground In Guilford County: ArtsGreensboro has been Guilford County’s trusted arts partner for decades as your local official nonprofit united arts council and State-local partner. On your behalf, we serve more than 80 arts organizations and hundreds of artists countywide. The arts in Guilford County enrich the lives of county residents, educates our children, and provides therapy to veterans and those with physical and mental challenges.

A snapshot survey assessing the impact of the COVID-19 crisis on Guilford County’s arts and culture organizations was conducted on July 13 and 14, 2020. The findings were devastating. With 42 organizations reporting, we found that **more than \$6.99 million in earned and contributed revenue has been lost, and over 390 have been laid off or furloughed. The total decrease in economic impact is greater than \$16.4 million since the shutdown.** Worse than that: many of these organizations will not even be able to reopen for public gathering until Spring 2021—a full year of closure that will be devastating.

In a joint effort, ArtsGreensboro and High Point Arts Council will set up and administer a grant program for arts organizations. **Grants will cover the directly related to costs of remediating or responding to COVID-19, including reimbursement of losses from business interruptions caused by closures intended to slow the spread of COVID-19 beginning March 13, 2020.** We will replicate the United Way model for granting CARES funds. ArtsGreensboro and the High Point Arts Council will convene an advisory body to distribute funds to arts organizations per CRF guidelines. All funds will be distributed by December 31, 2020.

Summary: ArtsGreensboro and High Point Arts Council will assist Guilford County via a grants process to ensure the arts remain a strong contributor to our economic vitality. A \$1 million allocation of passthrough CARES Funds as grant dollars will meet the goals outlined in the legislation and provide for a better, more vibrant 2021. Time is not our friend here, Guilford County can lead by example in explicitly addressing the clear need within the arts and culture sector.

Note: ArtsNC requested the NC Pandemic Recovery Office to issue clear and specific guidance to counties that CRF funds may be used to create a business interruption grant program for arts nonprofits.



ORANGE COUNTY
ARTS COMMISSION

August 11, 2020

Dear Commissioners:

The arts are essential, and they need our help. Before the pandemic, the nonprofit arts sector of Orange County contributed \$130M to our local economy annually while approximately 4,000 county residents worked in a creative industry. Arts audiences, totaling 1.5M in Orange County each year, spent money in our local restaurants, paid for parking, put gas in their cars, and stayed in hotel rooms. Annually, the nonprofit arts sector contributed \$5.3M to local government through taxes and fees. Because of the arts' dependency on audiences, the ripple effect on our local economy sets this segment of the nonprofit sector apart from other equally important agencies.

COVID-19 has devastated the arts industry. The current estimated total loss for county arts organizations is \$1.7M. For example, since mid-March, The ArtsCenter has seen approximately \$400k in lost revenue, a 45% decrease of their annual operating budget, and a loss of 56k patrons. They have had to furlough nine staff members and 30 contractors. Like all arts organizations, they have gone six months without a stable means of generating revenue; realistically, it will be well into 2021 before they can fully resume operations. Many local relief programs have either been unavailable to the nonprofit sector, have been set up in ways that are incompatible with nonprofit best practices, or have prioritized human service organizations. Without assistance, many organizations will close permanently in the coming months.

Since mid-March, the OCAC has operated a relief fund supported by contributions from the community. Directing this process has given us a window into the very real hardships facing our community. More than 100 musicians, educators, technicians, artists, and administrators have requested funding to pay rent, purchase groceries for their families, and seek healthcare. Our small grants have been a modest helping hand, but donations have slowed for a variety of reasons, not the least of which is the sheer number of causes needing support right now.

The US Treasury stipulates that local governments may use CRF (Coronavirus Relief Funds) to make business interruption grants to cover revenue losses of businesses and nonprofits **"by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures."** Allowable expenses include **"expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures."**

Please consider allocating \$100,000 of CRF funds to the arts sector. The arts commission will set up and administer a grant program for arts organizations and self-employed arts workers. Grants will cover costs directly related to remediating or responding to COVID-19, including reimbursement of losses from business interruptions caused by closures beginning March 13, 2020. The OCAC board will distribute funds per CRF guidelines by December 31, 2020.

Let us join the growing list of counties throughout the country and within NC that are using CRF to protect their arts industry. An investment in the arts is a real investment in our local economy, and one I believe will pay dividends, both financially and culturally, when these organizations are still standing long after the pandemic has passed.

Respectfully,

Katie Murray, Director
Orange County Arts Commission