



## **AB 700 - Creative Industries & Revitalization Act Updated 4/06/09**

### **BACKGROUND**

According to the National Governors Association 2008 report, "The Arts & the Economy," the arts "create jobs, attract investments, generate tax revenues, and stimulate local economies."

The report asserts that the arts "infuse other industries with creative insight" and "prepare workers to participate in the contemporary workforce, create communities with high appeal to residents, businesses, and tourists, and contribute to the economic success of other sectors."

The nation's mayors agree. Including the arts in their 2008 Ten Point Plan, the U.S. Conference of Mayors state "The arts, humanities and museums are critical to the quality of life of America's cities."

The mayors' plan goes on to quote economic figures from Americans for the Arts showing the nation's nonprofit arts generate \$166 billion in economic activity each year and support 5.7 full-time equivalent jobs.

The 2009 Creative Industries report for California, prepared by Americans for the Arts, showed 110,840 arts related business throughout the state, employing 438,912 Californians.

Despite the clear evidence proving the many important contributions of the arts to California's economy and quality of life, the budget for the California Arts Council was cut in 2003 by 97 percent. Since then, California has ranked 50<sup>th</sup> in the nation in public investment for the arts, spending just three cents per capita for the arts from the state's General Fund when the national median is \$1.12.

Over the years, the California Arts Council (CAC) budget grew from just under \$2million

in its first full year of funding in FY 1976-77 to more than \$32 million in FY 2001-02, when 1,590 grants were awarded to nonprofit arts organizations across the state.

In 2003, when the CAC's budget approached the national median of one dollar per capita, the Arts Council's grants programs included 14 target areas. Today, with its resources severely diminished, the CAC maintains just four grants programs:

#### **ARTISTS IN SCHOOLS**

This program supports artists in residency activities taking place in schools, both in the classroom and in after-school settings, creating partnerships between schools and non-profit arts organizations.

#### **CREATING PUBLIC VALUE PROGRAM**

Supports small California arts organizations in rural or underserved areas in implementing projects designed to make a positive contribution to communities.

#### **STATE-LOCAL PARTNERSHIP PROGRAM**

Support for local arts agencies designated by County Boards of Supervisors to develop and sustain the arts and culture of local communities.

#### **STATEWIDE NETWORKS PROGRAM**

Support for culturally-specific, multicultural, and discipline-based arts networks and service organizations to strengthen constituencies and promote the public value of the arts in communities. (Through organizational capacity and community building)

Currently, only \$1.14 million of the CAC's budget derives from the General Fund, an investment of just three cents for every Californian.

## **PROBLEM**

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California's last place status in state arts investment limits California's ability to:

- Provide equal access to the arts for every citizen of California.
- Leverage the arts to attract more tourists to the state.
- Utilize the arts to spur the economies of local communities—from rural towns to major metropolitan areas.
- Renew and revitalize local downtown developments as well as neglected neighborhoods.
- Invest in local community groups, in-school and after-school programs and multi-cultural organizations serving underserved communities.
- Provide arts services to children, at-risk-youth, seniors, prisoners, and public school students.
- Celebrate California's diversity and build bridges of tolerance and understanding between the state's many demographic communities.
- Enhance the quality of life for all California citizens.

## **SOLUTION**

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To increase California's investment in the arts, this bill:

- Establishes the Creative Industries and Community Revitalization Fund (CICRF)
- Transfers 20% of sales tax collected on specific arts-related lines of business, identified by two Board of Equalization categories, to the CICRF
- Authorizes local assistance program grants for organizational support
- Encourages joint partnerships between applicants
- Provides oversight by the Legislature
- Directs the CAC to administer the grants program and allocate funds from the CICRF.

## **BILL STATUS**

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2/26/09: Introduced

3/31/09: ASM Arts, Entertainment, Sports, Tourism, & Internet Media Committee (5-3)  
4/27/09: ASM Rev & Tax Comm. Hearing

## **SUPPORT**

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Sponsor: California Arts Advocates

- American Federation of State, County and Municipal Employees (AFCSME)
- Art Between Us, Inc.
- Axis Dance Company
- Balboa Park Cultural Partnership
- Berkeley Unified School District
- California Alliance for Arts Education
- Campo Santo Theater Company
- CounterPULSE
- Diavolo Dance Theater
- Flights of Fantasy Story Theater
- Intersection for the Arts
- Long Beach Shakespeare Company
- Musicians Union Local 6, American Federation of Musicians
- Nannette Brodie Dance Theatre
- New Conservatory Theater Center
- North Coast Repertory Theater
- Performing Arts Workshop
- Playwrights Project
- Professional Musicians of California
- P.S. Arts
- San Diego Opera
- San Diego Youth Symphony and Conservatory
- San Francisco Arts Providers Alliance
- San Francisco Musical Fund Society
- San Francisco Symphony
- South Coast Repertory
- Stagebridge
- Synthaxis Theater Company
- The Laguna Playhouse
- Theater Bay Area
- Theater West, Los Angeles
- 2 Individuals

## **OPPOSITION**

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Cal-Tax

## **FOR MORE INFORMATION**

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