DATE: February 11, 2021
TO: Commerce Committee
FROM: Julia Wilcox, Manager of Advocacy & Public Policy, The Alliance
RE: Proposed H.B. No. 6119 AN ACT CONCERNING ARTS, CULTURE AND TOURISM FUNDING | Support

Good morning, Senator Hartley, Representative Simmons, Senator Martin, Representative Buckbee and distinguished members of the Commerce Committee:

My name is Julia Wilcox, Manager of Advocacy & Public Policy at the CT Community Nonprofit Alliance (The Alliance). The Alliance is the statewide advocacy organization representing the nonprofit sector.

Community nonprofits provide essential services to over half a million individuals and families in Connecticut every year, and employ 14% of Connecticut’s workforce, improving the quality of life in communities across the State. Thank you for the opportunity to testify this morning.

The Alliance urges you to support H.B. No. 6119: An Act Concerning Arts, Culture and Tourism Funding.

This legislation seeks to strengthen the arts, culture, and tourism sector in Connecticut by directing additional funding into the Tourism Fund, renaming the fund to better represent the full scope of the sector and ensuring more equitable funding among arts, culture, and tourism initiatives.

The Creative Economy is Essential to Connecticut:

- $9.3 billion: generated annually in Connecticut by the creative economy
- 3.5% of GSP generated annually in Connecticut by the creative economy
- 10,403 creative businesses in Connecticut
- 58,932 creative positions/workers in Connecticut

The Coronavirus Pandemic Has Devastated Connecticut’s Creative Economy:

- $2.4 billion: lost revenue for creative economy businesses in 2020 in Connecticut (est.)
- 33,258: creative workers made unemployed by Covid-19 in Connecticut

Arts, Cultural and Historic Preservation programs that enrich our communities are provided by many nonprofit organizations in Connecticut. Visual and performance artists and cultural organizations enrich the quality of life for every community in Connecticut and contribute substantially to our economy.

Since many programs are indoor, in-person the coronavirus pandemic has had a devastating effect on the creative sector. The impact is exacerbated, when combined with years of underfunding and ongoing uncertainty regarding potential for recovery.

The January 2021 meeting of the Arts, Culture and Tourism Legislative Caucus, included discussion related to the necessity of providing additional funding to these programs. With more than 41 legislators from each caucus participating, discussion included the critical concept that this funding was not considered to be an expense, but rather, and investment in Connecticut’s future. The data supports this position, when the established return on investment is $7, for every $1 invested.
The Alliance supports the following aspects of the legislation, in alignment with the Connecticut Arts Alliance, and our collective statewide partners:

1. **Increase, from ten percent to twenty-five percent, the portion of room occupancy tax revenue directed to the Tourism Fund each quarter:**
   - In a post-pandemic economy, this would generate an additional $13 million to arts & culture, and $20 million to tourism.
   - This increase will not divert funding from other legislative priorities, primarily because hotel and lodging tax revenue not currently allocated to the tourism fund, is allocated to Connecticut’s General Fund.
   - This increase will not raise the hotel and lodging tax. It simply allocates a larger percentage of that tax revenue to the Tourism Fund.

2. **Require that forty percent of money in the tourism fund be allocated to arts and culture and sixty percent of such money be allocated to tourism:**
   - The forty percent allocation reflects the current process for allocation. It does not change the funding to either line item but serves to formalize the requirement.

3. **Change the name of the ‘Tourism Fund’ to the ‘Arts, Culture and Tourism Fund’:**
   - This change more accurately describes its role in providing state funding to all three of these sectors.

4. **Change the name of the "Statewide Marketing" budget line to "Statewide Tourism Marketing":**
   - This change will reflect the critical and expansive role of Tourism in the overall economy.

Thank you again for the opportunity to testify in support of H.B. No. 6119. This bill provides policymakers with a roadmap opportunity to support the creative community, which has suffered greatly, to continue to contribute to the state in a sustainable manner.

Please do not hesitate to contact me with any questions or recommendations.

Julia Z. Wilcox, Manager of Advocacy & Public Policy
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Resource Documents:

2. [Budget White Paper of The Alliance - 2021](#)
3. [Legislative Agenda of The Alliance - 2021](#)
Trends in Arts and Cultural Production: 2016-2017

In 2017, Connecticut ranked 22nd among all states in ACPSA value added, and 39th among all states in ACPSA value added growth. Since 2016, ACPSA value added has grown 0.72 percent in Connecticut, compared with an increase of 4.56 percent for the U.S.

In 2017, Connecticut ranked 25th among all states in ACPSA employment, and 28th among all states in ACPSA employment growth. Since 2016, ACPSA employment has grown 0.3 percent in Connecticut, compared with an increase of 0.86 percent for the U.S.

¹BEA's ACPSA statistics are supported by funding from the National Endowment for the Arts (NEA).
In 2017, Connecticut ranked 22nd among all states in ACPSA compensation, and 45th among all states in ACPSA compensation growth. Since 2016, ACPSA compensation has decreased 0.2 percent in Connecticut, compared with an increase of 4.66 percent for the U.S.

Average compensation per wage-and-salary job in Connecticut's ACPSA industries was $81,417 in 2017, compared with $80,457 for all salaried jobs in the state.

**Location Quotients**

- In 2017, ACPSA value added was 23 percent below the national average. By comparison, the LQ for arts-and-cultural production value added in all states belonging to the U.S. regional arts organization NEFA (of which Connecticut is a member) was 0.91 or 9 percent below the national average.
- As for employment, in 2017 Connecticut and NEFA had an LQ of 1.01 and 1.26 respectively.
- And for compensation, in 2017 Connecticut and NEFA had an LQ of 0.88 and 1.01 respectively.

**Definitions**

**ACPSA Value Added** consists of the gross output of an industry less its intermediate inputs; the contribution of an industry to gross domestic product (GDP).

**ACPSA employment** consists of all wage-and-salary jobs where the workers are engaged in the production of ACPSA goods and services.

**ACPSA compensation** consists of the remuneration (including wages and salaries, as well as benefits such as employer contributions to pension and health funds) payable to employees in return for their ACPSA work during a given year.

**Core ACPSA industries** are originators of ideas and content associated with the creation of arts and culture. “Supporting” industries produce and disseminate arts and cultural commodities.

**Location quotients (LQ)** measure an industry’s regional concentration of value added, employment, or compensation relative to the U.S. industry’s share. For example, an employment LQ of 1.2 indicates that the state’s employment in the industry is 20 percent greater than the industry’s national employment share. An employment LQ of 0.8 indicates that the state’s employment in the industry is 20 percent below the industry’s national employment share.

**Arts Regions**, for the purpose of this brief, are defined by the geography groupings for the nation’s six Regional Arts Organizations (RAOs). RAOs are nonprofit organizations that partner with their constituent State Arts Agencies and with the National Endowment for the Arts on planning and program delivery.

New England Foundation for the Arts (NEFA) contains the states (CT, MA, ME, NH, RI, VT).