

WESTAF

2011 WESTAF Arts Leadership and Advocacy Seminar

Selected Readings

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WESTAF Arts Leadership and Advocacy Seminar

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Reading One

The following reading contains an online dialogue between several bloggers regarding the issue of public funding for the arts.

'Hide/Seek' And The Problem With Funding Controversial Art

*Jonathan Chait February 10, 2011
The New Republic*

NPR today had what strikes me as a wildly slanted report on the controversial National Portrait Gallery exhibit 'Hide/Seek,' which honors the contribution of gay and lesbian artists. The exhibit created controversy because, under political pressure from conservatives, it removed a video depicting ants crawling on a crucifix. The unchallenged point of view conveyed by the report was that opponents of the exhibit claimed they were offended on religious grounds but actually were anti-gay bigots:

The show had been open for a month, and hadn't received a single complaint. Then the conservative Catholic League got wind of *Hide/Seek* and urged supporters to deluge the Smithsonian and members of Congress with grievances. Republican politicians including John Boehner and Eric Cantor — now the Speaker of the House and the Majority Leader — advocated canceling the exhibition, though it's unclear if they actually saw it.

Scholar Jonathan Katz, who co-curated the show, believes it's telling that much of the criticism of *Hide/Seek* was couched as an objection to what some argued was anti-Catholic bias.

"It's no longer the same game that it was 15, 20 years ago, where you simply had to point out the homo and yell, 'Kill it,' and the mob attacked," Katz says. "Now you have to clothe your homophobia in something else."

Do some opponents of the exhibit hate gays? Probably. But if you want to test that proposition, you need to see how they react to an exhibit about gays *that does not include a crucifix covered with ants*. My guess is that most of the critics are actually upset about the message about Christianity.

Episodes like this are recurrent features in American politics, and one takeaway I have from is that public arts subsidies are inherently problematic. It's problematic to force people to subsidize art that offends their religion or their values. It's also problematic to have the government vet art for messages that might be politically toxic.

A while ago, I wrote an article for TNR making the case against public arts subsidies.

My basic argument is that art is not a clear cut case of market failure requiring government intervention, and the complications involved with either censoring or failing to censor offensive exhibits are hard to square:

The problem is that art is not like most of the public goods that liberals want government to subsidize. Art is not a giant project like a highway or a national park, something so big that individuals have neither the incentive nor the means to build it on their own. Nor is art a good that ought to be universally enjoyed as a matter of entitlement, like education or health care. (Even if your goal is universal access to art, you don't want the NEA, you want art vouchers for the needy. But that would put the government in the cruelly paternalistic position of requiring the poor to spend money on a symphony instead of food.) Rather, art bears a strong resemblance to the sort of goods that liberals are content to leave to the market, like clothing and entertainment. Art can be produced and consumed by small groups or individuals who are willing to pay for it. People are also willing to subsidize it through their own charitable donations.

I suspect arts subsidies survive because their core constituency is rich and influential. But given that the government only provides 1% of art funding, is it really worth the trouble?

The Biggest Arts Subsidy of All

*Matthew Yglesias February 11, 2011
Think Progress*

Jon Chait is government funding of the arts through mechanisms like the NEA, arguing that it's "not a clear cut case of market failure requiring government intervention, and the complications involved with either censoring or failing to censor offensive exhibits are hard to square."

I don't know which way this cuts, but it's worth pointing out that for all the sporadic hubub over the NEA, by far the biggest federal subsidy to the arts comes in the form of the federal income tax deduction for charitable contributions:

The fiscal cost of allowing deductions for charitable organizations

| Fiscal year 2011 | Five years (FY11–15) |
|------------------|----------------------|
| \$53.7 billion | \$315.1 billion |

Source: Budget of the United States Government, Fiscal Year 2011, Analytical Perspectives, table 16-1 (includes deductions for contributions to educational, health-related, and other institutions).

This costs a ton of money, a lot of charitable donations go directly to the arts (museums, ballets, opera, etc.) and another large chunk goes to universities that, in turn, spend

money on the arts. The huge advantage of subsidizing the arts this way is it lets you hide the ball. You never hear people getting mad over the fact that tax-exempt contributions are going to fund controversial or offensive art. It's a pretty good model, and yet nobody ever talks about it, in part because it works precisely through the mechanism of people not talking about it.

Why Federal Arts Subsidies?

*Matthew Yglesias February 17, 2011
Think Progress*

Reading Isaac Butler's defense of subsidies for arts and culture I have two main reactions. One is that I want off the Drum/Chait list of philistines. All I said about this is that the big federal arts subsidy is the indirect subsidy provided through the tax code. I think decentralized subsidization of aesthetic endeavors makes a lot of sense, I was just observing that perennial complaining about the NEA is kind of a sideshow.



Modern Art Museum of Ft Worth

In terms of *direct* subsidies, however, this is a relatively rare case where I think “federalism” is a non-BS issue. It seems to me that a city might want to spend money on an art museum for roughly the same reason it might want to spend money on a park—these things improve quality of life. But I think you'd like to see as much Tiebout competition as possible around this sort of thing. Expending resources on aesthetic matters, whether they're arts or trees or what have you, is a perfectly defensible course of action but it's basically a kind of local or community benefit.

Subsidizing the Arts

*Kevin Drum February 11, 2011
Mother Jones*

Conservatives want to slash federal arts subsidies and NPR funding, but Matt Yglesias points out that these costs are probably peanuts compared to the federal boost to the arts from the tax code:

I don't know which way this cuts, but it's worth pointing out that for all the sporadic hubub over the NEA, by far the biggest federal subsidy to the arts comes in the form of the federal income tax deduction for charitable contributions [amounting to about \$50 billion per year]. This costs a ton of money, a lot of charitable donations go directly to the arts (museums, ballets, opera, etc.) and another large chunk goes to universities that, in turn, spend money on the arts. The huge advantage of subsidizing the arts this way is it lets you hide the ball. You never hear people getting mad over the fact that tax-exempt contributions are going to fund controversial or offensive art. It's a pretty good model, and yet nobody ever talks about it, in part because it works precisely through the mechanism of people not talking about it.

I think this partly misses the point. Sure, one of the reasons conservatives are OK with this is because it's a tax break, but they're also OK with it because it fundamentally leaves the choice of *what* art to subsidize in private hands. There's no sense in which a federal bureaucrat is choosing which art to fund and there's no sense in which the federal government is actively approving or disapproving of certain kinds of art.

For what it's worth, I'd actually be happy to get rid of both the tax deduction for charitable contributions *and* federal subsidies for the arts. On the former, an awful lot of charitable contributions seem to me like "charity" only in the most technical sense, and I don't especially see why you should get a tax break for, say, contributing money to your own church or giving money to your alma mater for a new basketball arena to be named after you. Besides, I suspect that if this tax break were done away with, we'd reach a new equilibrium fairly quickly in which charitable donations weren't affected very much. As for direct federal subsidies to the arts, I agree with Jon Chait that there really isn't much of a market breakdown here: the current market for art, broadcasting, and entertainment seems pretty robust to me without government help. The United States isn't the Florence of the Medicis, after all. I'm going to annoy my sister for repeating this, but direct spending on the arts is mostly a subsidy to the upper middle class and CPB funding is mainly a way for the upper middle class to avoid the indignity of having to listen to ads. I'm not sure that's a group that really needs this special treatment. The money could be better spent elsewhere.

But I should add that I'm pretty open to argument on both these points. These aren't deeply held sentiments or anything.

Trying To Answer My Question (Part I)

*Isaac Butler February 15, 2011
Parabasis*

So, having thought about this post yesterday about trying to convince center-left policy wonks that supporting the arts is worthwhile, I realized how tough a challenge it really is. Where do you even start? I mean, Kevin Drum isn't even raising the really ethically thorny stuff like "why shouldn't I give that money to stop AIDS in Africa" or whatever.

Here on Parabasis, over a couple of posts, I'm going to try to come up with an answer for the Drum/Yglesias/Chait axis of people who are ambivalent-to-negative about arts funding but also possibly persuadable.

It seems to me the best place to start are with the assumptions underlying Drum's argument. Drum is arguing that, in order to help balance the budget (etc) we should eliminate both federal subsidies for the arts *and* tax deductions for charitable contributions. I want to take both of these separately.

First let's do the big one... eliminating all tax breaks for charitable contributions. Drum writes "an awful lot of charitable contributions seem to me like "charity" only in the most technical sense, and I don't especially see why you should get a tax break for, say, contributing money to your own church or giving money to your alma mater for a new basketball arena to be named after you. Besides, I suspect that if this tax break were done away with, we'd reach a new equilibrium fairly quickly in which charitable donations weren't affected very much."

Here, Drum is claiming several things:

- (1) Many things designated as charities aren't really charities.
- (2) Eliminating the tax deduction for charitable contributions would not have much of an adverse affect on charitable giving.

The first one I agree with. But-- and I think this is important-- *without an agreed upon working definition of what a charity is, there's no way to say whether arts organizations fit under the title or not.* This is why Guy Yedwab lays down some ideas here about how to make arts orgs more like what he thinks of as charities. But not knowing *Drum's* definition, I can't really speak to this portion of his argument.

To me, arts organizations are called "charities" when most of them aren't. And I agree with Guy that more of them should be. But it seems to me that we call them charities simply because that's a big umbrella word in our tax code. What we really mean is that there are some things which we have decided as a society provide a civic good and aren't feasible if left exposed to the bitter winds of the market without any kind of protection (think about trains and public transportation here as a rather concrete and obvious example).

We provide the arts two kinds of protection: hidden subsidies in terms of the non-profit status and explicit subsidies in terms of the government funding. That is because for the last five decades or so, there's been a rough consensus that art is an important part of a healthy society and that it can't thrive (particularly *aesthetically*) without some help. There's plenty of historical precedence for this, but we'll get to that later.

The second assumption in Drum's argument is that funding for current charitable organizations would not be substantially altered. It would instead reach some kind of "new equilibrium." I'm not 100% sure what Drum means by this. It sounds to me like he means, essentially, the market would correctly decide which organizations are truly charitable and give them donations, with the other less deserving organizations (like,

say, Harvard) falling off. I'm not sure. I'd need to ask him.

Because if it is in fact that case that Drum believes that doing away with the charitable contributions deduction would lead to less money going to "charities" like Harvard's basketball team and more money going to charities like your local food bank, I'd like to hear how that's going to happen. It strikes me as a fairly unsupportable conclusion that doing away with the charitable contributions deduction will lead to people donating their money in some kind of better way. But then again, I'm not sure what the new equilibrium is that Drum's predicting here, and I don't want to put words in his mouth.

As to the impact of doing away with the deduction... I know there are quite a few people from the arts advocacy and funding sector who read this blog, so I have to ask: are there studies out there that can tell us whether Drum is right? Has anyone reliable gamed out what the potential impact of doing away with charitable deductions would be? Because I think this is the kind of scenario where data is really going to drive the argument.

Third, it's worth saying that here, Drum is summing up all charitable donations as either donating to your church or donating to your alma mater to have a basketball team named after you. It's a fun little rhetorical flourish, but it's also wildly inaccurate. Charitable organizations do everything from feeding hungry families to providing medical care to people affected by war. I think Guy's point about perhaps refining and strengthening the requirements to be a charity stand.

Next post: Looking at the assumptions about direct funding to the arts.

Answering My Question (Part II)

*Isaac Butler February 17, 2011
Parabasis*

So, in Part I I mentioned that for my next post I'd try to unpack some of Drum's assumptions about direct funding for the arts. I know this is a bit slow and a bit thoroughgoing, but I think in these types of conversations, we tend to talk past each other, so I want to better understand someone's POV before responding to it. Alright, here goes.

Drum writes:

As for direct federal subsidies to the arts, I agree with Jon Chait that there really isn't much of a market breakdown here: the current market for art, broadcasting, and entertainment seems pretty robust to me without government help. The United States isn't the Florence of the Medicis, after all.

So what's going on here? What does Drum mean when he says "market breakdown"? This gets back to what I was saying yesterday. There are certain things that we believe are a public good that the market does not do a very good job of supporting effectively. When that happens, we use the levers of government to subsidize them. So Drum's *not*

saying that art *isn't important* which is the common argument that we end up arguing against. What he's saying is that *the market is doing a good enough job of supporting the arts* and therefore, government intervention is not needed. And furthermore, arts patronage is a distortion of what the government should do (hence the Medicis crack.) I think it is within these arguments that the clearest counter-arguments are available. First off, Drum is simply wrong about the historical background of government arts support, which goes all the way back to the Ancient Greeks, who subsidized ticket prices for poor attendees of the City Dionysia. Our own public support for the arts goes back to the WPA not the NEA, and several other nations' arts patronage goes back further than that.

Now, there's a counter to the historical argument, which goes along with the Rocco kerfuffle of a few weeks ago, namely that the WPA and then the NEA (with some help from some private foundations like the folks at Ford) did a really good job of creating a burgeoning arts scene, massively increasing both supply and quality of the American arts all over the country and now that that mission is accomplished... maybe we don't need them anymore.

This leads us to Drum's point about a market breakdown. In order to support his point about a market breakdown, he lumps together broadcasting, "art" (by which I believe he means studio/visual arts) and entertainment. These, he believes, are doing okay, and therefore don't need government support.

What he *leaves out* are things like Jazz, "Classical" Music, Theatre, Dance etc. In other words, it may in fact be true that *some* art forms are supported well by the market. But others are not theatre, the one I happen to know the best, is suffering an insane level of market breakdown. It is simply too expensive to make (most) theater to be able to price it accurately. Even now, thanks to lack of support, it is still overpriced in most major markets.

Furthermore, it's worth saying that (at least in theatre) we are still suffering the aftershocks of the government not making good on its promises in the 1960s. The regional theater system was seeded by the Ford foundation on the promise that it would be watered by aggressive NEA funding. The NEA was supposed to sustain it. It never did. We've been spinning plates ever since. There's a reason why theatre always seems to be in crisis. It was built and designed on certain assumptions that turned out not to be true.

Drum does not appear to be saying that he thinks the arts are only worthwhile if the market will support them. he's saying he thinks that market *does* support them. If we believe that art is important to society and meaningful and valuable regardless of its capacity to make money or work within a market framework, than *at least* those art forms that are not well supported by the market are deserving of government support. Furthermore--in terms of artistic quality-- it's important to have a counterweight to the market because it is not necessarily true that what people *want to buy* is the same as what is *artistically valuable*.

Also, it's harder to separate out these threads than one would like. The robust film and tv markets, for example, are partially buttressed by having playwrights work on writing staffs, many of whom came up through NEA supported theaters. And film and television work is highly subsidized on the local level through all kinds of tax breaks and incentives used by cities and states used to lure shoots to their areas. Just because you can't see the government support, doesn't mean it isn't there.

Up Next: A Final Post Suggesting What a Response To Drum Might Look Like

Answering My Question (Part III)

*Isaac Butler February 19, 2011
Parabasis*

One of the surprising (and pleasant) things that's happened in between writing Part II and now is that both Kevin Drum and Matt Yglesias have responded to this series. They both raise really interesting points that I'm going to try to address here. I'm concerned about this conversation going off in like ten thousand directions now, but we'll see.

Before we begin, though, I just want to say that in reading through Kevin and Matt's comments, I see that there is a widespread misunderstanding about how the NEA works (and what it has achieved). You see a lot of "name one great work of art between 1965 and 2000 that the NEA is responsible for," when historically very little of the NEA's money has gone to fund individual artists or projects (and now they are forbidden to do so by law) and you see a lot of mention of "government bureaucrats," &c. So, although this post is already topping out at over 2K words long, let me just stat real quick with...

HOW THE NEA WORKS

(1) NEA grants are administered through partnerships with other organizations, many of whom are state arts agencies. In his post, Matt asks why we need *federal* arts subsidies. One of the reasons is so that *we can have* local, city and state arts councils to begin with. 40% of the NEA's money goes into that pot. I'm sure there could be more efficient ways to do this, but it's worth saying that it's not that we face an either/or choice when it comes to federalism and arts funding.

(2) NEA grants are largely given out in the form of matching funds and challenge grants. This is important for two reasons. First off, it means that the organization that receives the grant has to have community support (or is attractive to the market, if you want to think about it that way). Second, it *also* means that you get a lot of arts funding bang for your NEA buck because it multiplies on itself and snowballs.

(3) The grants given out by the NEA are not decided upon by a bunch of General Schedule 10 functionaries better suited to an Eastern European satire of Soviet bureaucracy. Rather, grants go through two stages where they are evaluated by people in the arts (*not government employees*) for merit and one final stage where they are

decided upon by the NEA Chair, who is a government employee, but tends to either be an artist or come from a life of experience in the arts. In particular, round II involves the National Council On The Arts. You can read all about them here. The only government employees on the council are the non-voting members of Congress.

It's easy to get spooked out by the specter of the government determining what art you should like. This view is an inaccurate picture of the NEA. The NEA is our way as a society of pooling resources (in the form of taxes) in order to support the arts (for reasons I'll get into below) and entrusting that money with a group of experts with decades of experience in the field.

GOVERNMENT ARTS SUBSIDY WORKS

It's also worth saying that the NEA/nonprofit system of subsidies has been wildly successful over the past few decades, while in terms of per capita spending having far less money than its counterparts in other countries. It helped build and sustain both the regional theater movement and the orchestra movement in the United State. It gave the seed money to start the American Film Institute, the Vietnam Memorial design competition, the Sundance Institute and the Spoleto Festival.

If you want to be truly impressed by what the NEA has done, go ahead and load up this PDF and jump to page 171. There you'll find a series of essays, one about every major American art form the NEA has impacted.

One of the NEA's key functions historically has been creating and giving seed money for these kinds of projects. Many of them have gone on to be quite successful, some of them haven't, some of them aren't in business anymore. Having the government be that first major funding risk-taker is important for getting these projects off the ground. I personally worry a little less about current projects running aground without the NEA than I do about tomorrow's project that never reaches its audience because there isn't that first bold yes.

In the interest of complete honesty, yes there are areas where capacity building has been too successful. I am not sure we need 1800 symphony orchestras in this country, and there are many areas where the supply of a particular form of art outstrips the need for that art. But this is not an argument against government arts subsidies (in either the NEA or tax break form). Rather, this is an argument for taking honest stock of where we are and figuring out what areas (both in terms of geography and genre) could use more focus on demand and what could use more capacity. Luckily, it appears that the Chairman of the NEA wants to do exactly that.

ARTS JOBS ARE JOBS, ARTS MONEY IS MONEY

Taking those aforementioned 1800 orchestras for a moment, in their 2003-2004 season, they provided work for 76,000 musicians. As one op-ed writer put it, arts jobs *are jobs*. Government arts subsidies helps create jobs for people, just as arts events (largely, but not entirely put on by nonprofits) bring all sorts of money into communities (\$103 billion annually!) when people go to participate in the arts.

For example, in San Francisco (a city I happen to have the numbers on), the non-profit Arts and Culture sector accounts for \$1.03 Billion in expenditures. Around \$460 million of that is generated by arts organizations themselves, while \$570 million of it comes from audiences. The non-profit arts/culture industry in San Francisco employs 27,837 full time employees, generating a total household income of \$548 million. (**UPDATE:** This figure above needs to be clarified, if you see comment below from Marissa. This sentence should read: "the San Francisco arts community contributes to the creation and support of the equivalent of 27,837 full-time jobs, generating \$548 million in household income and delivering \$93.1 million in local and state government revenue." which comes from an article on this issue in the San Francisco Examiner.)

Nationally, arts patrons spend about \$27.79 per person per arts event they attend, not including transportation, lodging and the price of the event itself. Non-local attendees spend twice as much as local ones (\$40.19 to \$19.53). Arts Orgs around the nation generate \$166 billion dollars in spending, \$103 billion of which is from the *audiences* not the arts orgs. (Much of this information is available at the Americans for the Arts website, if anyone is interested in digging deeper).

Even if you disagree with everything I'm about to say, I think it's worth pausing here and thinking about these numbers. We're talking about government money being spent fairly efficiently in partnership with private money to create large numbers of jobs and lots of economic activity. Even if you don't really care about the kinds of projects it funds or why, we should care about the money it generates and the jobs it creates.

ART, ENTERTAINMENT AND THE COMMUNITY

Now, I want to discuss Kevin's post in response to mine for a moment, because it demonstrates a clear difference in the way he and I view the arts. Kevin espouses what's loosely labeled the "arts and entertainment" view of art:

Now, I, Kevin Drum, happen to like classical music but not jazz. I like film but don't really get much of a kick out of theater. I love novels but have never developed an appreciation of poetry. Etc. etc. If it turned out that my tastes were broadly shared, would that mean there's a market breakdown in jazz, theater, and poetry?... If serious modern composers produce music that the public has to be bribed to listen to (usually with a post-intermission performance of a popular old warhorse), does that mean there's a breakdown in the market for serious modern music? Or does it mean that serious modern composers ought to rethink the kind of music they write? How do you know?... I view the decline of live theater with equanimity because I think that modern film, video, and multimedia performances are better than live theater on virtually every level. Obviously Isaac disagrees, and that's fine. **The question is, why should the federal government adjudicate our disagreement?**

Basically, by this view, art and its various mediums and subgenres is a category of entertainment, just like any category of entertainment. By this point of view, most of us

in the arts are essentially laboring in the creation of luxury goods and asking the federal government to help us by giving us enough money that we can price our luxury goods cheap enough to get people to buy them.

I have a lot of sympathy and understanding for this worldview. A lot of people I know agree with it. And I think we artists *bear an enormous amount of responsibility* for this worldview through our lack of community engagement and sense of entitlement, through our reducing of everything we do to marketing language and our using of the language and logic of the market to pervert our principles.

This is why 99 and I get so pissed at what we see as the betrayals of the foundational ideas of the non-profit system because ultimately, those betrayals are contributing to a world in which art is simply something made for and by upper middle class people who have conned the government into giving them a handout to do it. Guy is right that part of answering the concerns of natural allies like Kevin should involve reform on our part. I don't think the federal government *is* adjudicating our disagreement, actually. In order to do that, it would need to keep Kevin from seeing movies while allowing me to see theatre. Instead, it's taking a broad view of what our culture needs in terms of the arts and providing it at very, very low cost to us (\$164 million! less than the cost of *Avatar!*) while creating and sustaining jobs and bringing huge amounts of economic activity to communities all over the country.

This is because (if I may get ephemeral for a moment here) the arts aren't just about entertainment. A society's cultural output is the way it speaks with itself and the broader world, with history and to the future. Given the high barriers of access to and the very small number of stories tellable by more market driven art forms like film and television, having other channels where voices can participate in that conversation is vital. Investing as a society in something ephemeral, non-rational, something that can't be easily commodified is important to our humanity.

Additionally, different art forms work in different ways, communicate through different means and have different effects. I love the movies. I love going to them and seeing them and being swept away by them. But they are a fundamentally different experience from going to see a live show in which social engagement and the use of one's imagination are paramount. And both of these could be more different from photography, and photography is something entirely different from painting, or jazz. More kinds of voices means a more complex conversation, a deeper song for us to sing.

Finally, arts have an impact on communities that goes beyond both economics and individual enjoyment. We have a vision in this country that "the arts" is a big gala at the Met where everyone is wearing scarves and they all look exactly the same. And while the Met is of course part of the arts, the arts are also The Bronx Academy Of Arts and Dance, a queer-friendly performance and visual arts space in the South Bronx. It's the Guthrie here in Minneapolis, yes, but it's also Pillsbury House, a community center run by the theater it encloses.

Ultimately, I don't think the arts are about the individual benefit of my being able to see theater and not pay an arm and a leg for it, or of there still being new jazz music composed. The entertainment/consumer view of art is certainly part of the picture, but the larger one, the more *vital to our society* and therefore more worth funding is the way arts help make communities unique, inspire civic pride, reach underserved populations and create community wide participation. Eliminating government funding for the arts makes all of this harder to achieve.

Drum Smackdown Watch: Public Funding for the Arts

Kevin Drum February 17, 2011

Mother Jones

Last week I wrote a quick post suggesting that government support for the arts wasn't exactly on my Top Ten list of great ways to spend public money. I received a scorched-earth response via email from Michael O'Hare, along with some recommended reading material, though in the end the scholarly articles didn't especially change my mind. But I decided not to blog about it again regardless. Disagreements about public arts policy are deeply rooted in a personal view of the value of certain kinds of high art, and I simply lack a strong enough version of the art gene to talk about this with any vigor or nuance.

Nonetheless, Isaac Butler wants to persuade me that I'm wrong, and he's writing a three-part blog post to do it. Here's an excerpt from part two:

Drum's not saying that art *isn't important* which is the common argument that we end up arguing against. What he's saying is that *the market is doing a good enough job of supporting the arts* and therefore, government intervention is not needed....In order to support his point about a market breakdown, he lumps together broadcasting, "art" (by which I believe he means studio/visual arts) and entertainment. These, he believes, are doing okay, and therefore don't need government support.

What he leaves out are things like Jazz, "Classical" Music, Theatre, Dance etc. In other words, it may in fact be true that some art forms are supported well by the market. But others are not. Theatre, the one I happen to know the best, is suffering an insane level of market breakdown. It is simply too expensive to make (most) theater to be able to price it accurately. Even now, thanks to lack of support, it is still overpriced in most major markets.

There's something to this. But since part three is still being incubated, here's the question I'd like to see answered: how do you *know* that the market for this kind of art has broken down? The fact that something is expensive and losing popularity doesn't, by itself, indicate a market breakdown. Just the opposite, in fact: we usually think of market breakdowns in areas where there's a lot of demand but, for some reason, the market isn't meeting it.

Now, I, Kevin Drum, happen to like classical music but not jazz. I like film but don't really get much of a kick out of theater. I love novels but have never developed an appreciation of poetry. Etc. etc. If it turned out that my tastes were broadly shared, would that mean there's a market breakdown in jazz, theater, and poetry? Or would it mean that public tastes have changed over time and artists ought to change with it? If great playwrights are producing scripts for HBO movies instead of scripts for regional theaters, does that mean the market is working or failing? If serious modern composers produce music that the public has to be bribed to listen to (usually with a post-intermission performance of a popular old warhorse), does that mean there's a breakdown in the market for serious modern music? Or does it mean that serious modern composers ought to rethink the kind of music they write? How do you know?

In any case, I look forward to part three. I view the decline of live theater with equanimity because I think that modern film, video, and multimedia performances are better than live theater on virtually every level. Obviously Isaac disagrees, and that's fine. The question is, why should the federal government adjudicate our disagreement?

Reading Two

MEMO

To: State Arts Agency Executive Directors
From: Americans for the Arts, Government & Public Affairs
Date: October 25, 2011
Re: Update on Charitable Deduction and Congress

BACKGROUND

For three consecutive years, the Obama Administration has proposed capping the value of charitable deductions to 28 percent for those taxpayers who itemize. Currently, the value of the deduction is tied to the marginal income tax rate the donor pays; 35% for the highest earning families. The administration has used this proposal to help close revenue gaps for everything from the newly enacted health care law to federal deficit reduction. Each time, Congress has passed on seriously considering the cap.

The non-profit community has remained vigilant in opposition to itemized deduction changes. Most analysis, including a recent Congressional Budget Office study, show charitable giving would drop if the tax incentive's value were to be reduced. Urban Institute research shows that charitable giving to the arts would be among the most affected by this kind of tax change. To that end, Americans for the Arts has been working closely with nonprofit sector advocacy groups like Independent Sector, recently signing a letter addressed to Congress and the Administration that was published in POLITICO, urging that the charitable deduction be taken off the table as a possible revenue raiser.

SENATE FINANCE HEARING ON CHARITABLE DEDUCTION

The U.S. Senate Finance Committee held a hearing on October 18, 2011 on possible reforms to the Charitable Deduction in response to the Obama Administration's persistent call to propose limiting the value of itemized deductions. The administration's latest attempt to cap the deduction was to raise revenues for the *American Jobs Act* which seeks to provide small business tax breaks, hiring incentives and infrastructure investment in an effort to spur sagging employment. The cap was recently removed from the jobs bill in large part due to the lack of support in using it as a "pay-for."

The Senate Finance committee took the opportunity to nearly unanimously reject the president's plan to limit the charitable deduction. In their opening statements, Finance Chairman Max Baucus (D-MT) and Ranking Member Orrin Hatch (R-UT) both praised nonprofit charities and their missions especially as they are a critical lifeline for goods and services during these hard economic times. Senator Hatch went even further in defense of charitable incentives in his statement saying "*As state and local governments grapple with budget deficits and revenue shortfalls, Americans in crisis are turning for help in ever greater number to churches, charities, shelters, and other social welfare groups. Charitable donations are the lifeblood of charities and the last thing Congress should do is interrupt the blood supply.*"

Testimony at the hearing consisted of various organizations such as the United Way and Church of Latter Day Saints along with the Congressional Budget Office and Urban Institute. The panelists had varying opinions on how best to preserve and administer the charitable deduction. Some were in favor of major reforms while most believed that it needed little amending and is the model for charitable giving around the world. Even the most critical voices expressed with some certainty that the proposed cap would impact giving negatively, but as to how much was disputed.

What became abundantly clear is that the panel and the senators almost unanimously agreed about the social value and worth of the arts and their importance in shaping, building and preserving communities. Often the arts have been maligned as patronage and not sometimes worthy of the same treatment under the tax code as direct social services provided by such organizations as the Catholic Charities and the United Way. In fact, United Way President and CEO Brian Gallagher directly refuted this misperception by praising the arts as “a huge part of community development - as part of the common good; I have seen the crossover between the arts and human services. We should not parse between the different nonprofits.” Ranking Member Hatch said resolutely, “Congress has wisely chosen not to prefer one charity over another” when talking about the charitable deduction. Senator Hatch added that he hears criticism of charitable contributions to the arts but cited the importance of helping the sick and the underprivileged through use of the arts, demonstrating their public good. He himself came from an underprivileged background and acknowledged how the arts had aided his development.

Elder Dallin Oaks of the Church of Latter Day Saints sternly warned against government making the decision of what is a charity and commenting that it should be left to the “marketplace of donations.”

LOOKING FORWARD

It has become evident that the charitable deduction enjoys broad, popular and bipartisan support. Any attempt to devalue the deduction, to this point, has been met with extreme prejudice by the majority of Congress. The larger question becomes how the deduction fits into the entire tax reform effort that has become a prominent ancillary of recent deficit reduction negotiations. It is clear tinkering with it to pay for other programming is highly controversial. But with momentum building for sweeping, comprehensive reform of the tax code, the charitable deduction will be part of a larger conversation to find more government revenue to address the national debt while still preserving the traditional role and treatment of nonprofit charities.

Questions? Please contact Americans for the Arts Associate Director of Federal Affairs Gladstone Payton at <mailto:gpayton@artsusa.org>.

Senate hearing materials online <http://finance.senate.gov/hearings/hearing/?id=915d5477-5056-a032-524b-feac6e9e3321>

Reading Three

Senate Appropriators Set 2012 NEA Funding at \$155 Million

Thomas L. Birch, Legislative Counsel October 26, 2011 Vol. 01:12

The bipartisan leadership of the Senate Subcommittee on Interior Appropriations, Sen. Jack Reed (D-RI) and Sen. Lisa Murkowski (R-AK), last week released the draft text of the fiscal year 2012 appropriations legislation setting funding for the National Endowment for the Arts (NEA) at the 2011 level of \$155 million. The companion bill taken up in the House in August would allocate \$135 million to the arts endowment. The president's budget request for 2012 proposed reducing the NEA funding to \$146.255 million.

In a joint statement, Reed and Murkowski, chair and ranking member of the subcommittee, said that their draft legislation would "serve as the Chairman's mark for our subcommittee. We believe that this proposal constitutes a starting point for further discussions with our Senate colleagues and serves as a solid foundation for future negotiations with the House."

While the House and Senate disagree on the total funding level for the NEA, both bills stand by the congressional mandate to allocate 40% of all program funds to the state and regional arts agencies, with funds for the Our Town initiative included in the program grants category in the Senate and House bills, not as a separate line item as proposed in the administration's budget. The House legislation, with a lower funding total for the NEA, allocates \$2 million for Our Town; the Senate would provide the full \$5 million requested by the administration for the program. The legislation drafted by the Senate appropriators also includes almost \$1 million in new funds for NEA program support (directed at research functions) and slightly more than \$600,000 in increased administrative funds, both items requested by the administration.

It is not clear when the Interior appropriations bill will be cleared by the Senate Appropriations Committee or when the measure might go to the Senate floor. The Senate has shown its intention to bundle appropriations into groups of three and the Interior bill could be among the next set to reach the full Senate. The House still must take a final vote on its version of the bill. Action on the Interior measure was suspended in the House in August, following completion of debate and votes on amendments addressing NEA funding, with the defeat of an amendment to cut an additional \$20 million from the funds in the House bill. Supercommittee Report Due by Thanksgiving, No Hints Yet.

The deadline for the Joint Select Committee on Deficit Reduction, otherwise known as the supercommittee, to deliver its report to Congress is approaching, with the work to be wrapped up before Thanksgiving. Following a few weeks of public hearings remembered most for the committee members' partisan posturing, the committee has

been meeting in ongoing closed-door discussions with little to no comment on the direction its talks are taking.

Last month, NASAA and a host of other arts advocacy organizations sent a letter to the members of the committee, urging them to resist attempts at taking cuts from federal arts spending in the name of reducing the federal budget deficit.

Reading Four

NEA FY2012 Budget Questioned at House Hearing

Thomas L. Birch, Legislative Counsel Vol. 14:11 May 11, 2011

On May 11, Rep. Mike Simpson (R-ID), chair of the House Subcommittee on Interior Appropriations, opened the hearing on the fiscal year 2012 budget proposed for the National Endowment for the Arts (NEA) with the warning that "intense competition for federal dollars" demands that legislators in Congress must examine not only the size of the budget proposed but also the quality of programs funded to serve their constituents so as not to erode the support the NEA has enjoyed in Congress. "It is the role of this subcommittee," Simpson said, "to ensure that we don't lose that support."

In his opening statement preceding the testimony of NEA Chairman Rocco Landesman, Simpson pointed to the work of the state arts agencies in carrying out the mission of the NEA, recalling that Congress in 1997 had mandated that 40% of the arts endowment's program funds must be allocated to the states because state arts agencies are in a better position to reach their communities. Simpson expressed his displeasure over the failure of the NEA in its 2012 budget proposal to comply with the 40% mandate by positioning Our Town outside the program grants category, saying it was "of great concern" and "a troubling precedent" that undermines the support for state arts agencies.

In his testimony, Landesman presented to the subcommittee the Obama administration's FY2012 budget proposal of \$146.255 million for the arts endowment, a decrease of 13% from the 2010 level of appropriations, which he said was "consistent with the agency's fiscal 2008 budget. . . . We have worked to make the smartest decisions possible within the current fiscal reality." Those decisions, Landesman explained, were guided by the agency's newly revised strategic plan, "which has as its central theme the agency's desire to gather and communicate even more data and analysis about the impact of federal funding on the arts."

Landesman referred to the state arts agencies as "key partners in so much of the agency's work." He went on to explain that the NEA is asking Congress for a clarification of the kind of funds that states use to match NEA support and permission to develop "narrow guidelines" governing a temporary waiver of the match.

When asked by Simpson whether the NEA planned to continue support for the Shakespeare in America's Communities program, Landesman said that funds would still be available through the NEA's theatre program, but that the agency was able to save \$400,000 in administrative costs by taking the program away from a third-party administrator and folding it into the agency's program. Asked about the Big Read, the NEA chair said that its funding would be "protected in 2012."

Simpson pursued a line of questioning about the Our Town initiative, which he called "a different role" for the NEA in "community development" that perhaps is "better left to

other agencies" such as the Department of Housing and Urban Development. The money allocated to Our Town—\$5 million—comes, Simpson suggested, at the expense of other programs. When Landesman named examples of the kind of projects he envisions for Our Town, Simpson responded that those were projects that were funded outside of NEA support before Our Town launched.

Simpson went on to assert that Congress does not want to "sacrifice those programs that are making a difference," and referred to concern from members of the National Council on the Arts that the NEA was reducing funding streams to the states. He asked Landesman to explain the role of the council. The main role, Landesman said, is to vote on grants, not to set general NEA policy, which he said is done by him as chair of the NEA. He allowed that members of the National Council on the Arts "don't necessarily agree on everything being done by the NEA."

When asked by Rep. Jim Moran (D-VA), ranking member of the subcommittee, why the NEA budget was proposing to cut funds to the states for underserved populations by more than \$3 million, Landesman said "that must be a proportional cut."

Rep. Jeff Flake (R-AZ) focused his questioning on what he called grants that could "lend themselves to ridicule," citing NEA funds for the International Accordion Festival, the Fabric Workshop and Museum and the San Francisco Mime Troupe. Landesman said he was familiar with the San Francisco group and praised them for their international recognition.

Flake questioned the judgment in awarding grants to organizations affiliated with universities with large endowments that might otherwise provide the needed support. He listed grants awarded to Boston University, Notre Dame, Columbia and Yale. Landesman suggested that these were for productions or projects of theatres or small presses, for example, that are associated with a large institution but are not necessarily funded by the university.

In response to plans announced by the NEA in its budget proposal to eliminate the National Heritage awards, Rep. Jose Serrano (D-NY) cautioned against discontinuing the fellowships. He said that he had heard concerns from community groups in his congressional district about the elimination of these awards, which he called "an important commitment."

The House Interior Appropriations Subcommittee may be expected to begin drafting a 2012 appropriations bill in June. The Senate, which does not plan a hearing on the NEA budget proposal, would follow thereafter.

Reading Five

The Importance of Public Radio to the Music Community

*Tom Hagerman, Shawn King, Jeanie Schroder and Nick Urata The Denver Post,
November 9, 2011*



On a recent stop in Washington D.C., our band, DeVotchka, had the opportunity to meet with some members of Congress and discuss the importance of National Public Radio. We got to tell our story and explain how NPR has given us, and many like us, an audience and a chance at a career.

Telling our story to policymakers was empowering, but we felt a need to take it a step further. Several weeks ago, we sent a letter to the Colorado Congressional delegation, expressing our concern and amazement that America's elected officials would even consider eliminating support for such an important platform for American musical culture.

Many current musicians, who do not fit into a major-label industry, have a strikingly similar story which emphasizes how noncommercial radio helped shape their early influences, played their music when they were getting started and opened the door to a larger audience as they continued. These locally-rooted stations are loved by artists and fans alike because their programming is based on a passion for music and a desire to create a shared experience between listeners.

And that's what we told Congress. Unfortunately, some members have yet to tune in.

Over the last few months, House Republicans signaled their intent to significantly cut back funding for public radio while placing other dramatic restrictions on noncommercial radio stations who want to air programs produced by NPR. While we personally do not feel this is a wise budget cut, professionally this is clearly not helpful to the music community, which depends on noncommercial and public

radio to thrive.

In fact, DeVotchka's own musical path took a turn that we can largely credit to National Public Radio.

A little more than five years ago, the filmmakers Jonathan Dayton and Valerie Faris were listening to one of their favorite radio stations, Santa Monica's beloved KCRW, when they heard our music on the air.

They thought our sound and aesthetic could be a perfect fit for a new movie they were shooting, and came out to one of our shows to meet and discuss the film with us. From there, we agreed to help score their movie, *Little Miss Sunshine*, which ended up receiving a nomination for best picture at the Oscars. The movie brought our music to a universe of fans who had never heard us before.

Now the need to convey the importance of public radio in our personal and professional lives has compelled us to join the growing network of musicians and artists that are writing letters and visiting Congress in support of this crucial broadcast sector.

Ultimately, policymakers need to recognize that local, over-the-air broadcast radio remains a vibrant medium for music discovery. Even in this era of online taste making and subscription music services, radio retains an almost mystical allure.

Radio connects people to culture and community in a way that other media cannot. To be moved by a song over the airwaves is a very powerful thing. It's happened to us as listeners, and we've benefited from it happening to others. We want to preserve that dynamic for artists and fans everywhere, especially those who have yet to come on to the scene.

The public and noncommercial sector remains committed to providing a platform for the widest range of American art and culture imaginable.

To limit or eliminate this vital infrastructure would result in serious harm to the sustainability and growth of today's music industry. As music lovers and music makers, we can't let that happen.

Tom Hagerman, Shawn King, Jeanie Schroder and Nick Urata are members of Denver-based band DeVotchka.

Reading Six

This article from the New York Times outlines the successful lobbying and advocacy effort enacted to pass New York's Gay Marriage law.

Behind New York Gay Marriage, an Unlikely Mix of Forces

Michael Barbaro New York Times June 25, 2011



Gov. Andrew M. Cuomo at the bill-signing Friday with Thomas K. Duane, second from right, the Senate's only openly gay member.

In the 35th-floor conference room of a Manhattan high-rise, two of Gov. Andrew M. Cuomo's most trusted advisers held a secret meeting a few weeks ago with a group of super-rich Republican donors.

Over tuna and turkey sandwiches, the advisers explained that New York's Democratic governor was determined to legalize same-sex marriage and would deliver every possible Senate vote from his own party.

Would the donors win over the deciding Senate Republicans? It sounded improbable: top Republican moneymen helping a Democratic rival with one of his biggest legislative goals.

But the donors in the room — the billionaire Paul Singer, whose son is gay, joined by the hedge fund managers Cliff Asness and Daniel Loeb — had the influence and the money to insulate nervous senators from conservative backlash if they supported the marriage measure. And they were inclined to see the issue as one of personal freedom, consistent with their more libertarian views.

Within days, the wealthy Republicans sent back word: They were on board. Each of them cut six-figure checks to the lobbying campaign that eventually totaled more than \$1 million.

Steve Cohen, the No. 2 in Mr. Cuomo's office and a participant in the meeting, began to see a path to victory, telling a colleague, "This might actually happen." The story of how same-sex marriage became legal in New York is about shifting public sentiment and individual lawmakers moved by emotional appeals from gay couples who wish to be wed.

But, behind the scenes, it was really about a Republican Party reckoning with a profoundly changing power dynamic, where Wall Street donors and gay-rights advocates demonstrated more might and muscle than a Roman Catholic hierarchy and an ineffective opposition.

And it was about a Democratic governor, himself a Catholic, who used the force of his personality and relentlessly strategic mind to persuade conflicted lawmakers to take a historic leap.

"I can help you," Mr. Cuomo assured them in dozens of telephone calls and meetings, at times pledging to deploy his record-high popularity across the state to protect them in their districts. "I am more of an asset than the vote will be a liability."

Over the last several weeks, dozens of lawmakers, strategists and advocates described the closed-door meetings and tactical decisions that led to approval of same-sex marriage in New York, about two years after it was rejected by the Legislature. This account is based on those interviews, most of which were granted on the condition of anonymity to describe conversations that were intended to be confidential.

'I Have to Do This'

Mr. Cuomo was diplomatic but candid with gay-rights advocates in early March when he summoned them to the Capitol's Red Room, a ceremonial chamber with stained-glass windows and wood-paneled walls.

The advocates had contributed to the defeat of same-sex marriage in 2009, he told them, with their rampant infighting and disorganization. He had seen it firsthand, as attorney general, when organizers had given him wildly divergent advice about which senators to lobby and when, sometimes in bewildering back-to-back telephone calls. "You can either focus on the goal, or we can spend a lot of time competing and destroying ourselves," the governor said.

This time around, the lobbying had to be done the Cuomo way: with meticulous, top-down coordination. “I will be personally involved,” he said.

The gay-rights advocates agreed, or at least acquiesced. Five groups pushing for same-sex marriage merged into a single coalition, hired a prominent consultant with ties to Mr. Cuomo’s office, Jennifer Cunningham, and gave themselves a new name: New Yorkers United for Marriage.

Those who veered from the script faced swift reprimand. When Assemblyman Daniel J. O’Donnell, an openly gay Democrat from Manhattan, introduced a same-sex marriage bill in May without first alerting the governor’s office, he was upbraided by Mr. Cohen. “What do you think you’re doing?” the governor’s aide barked over the phone.

Mr. Cuomo’s hands-on management was a turning point not just for the marriage movement, but also for his long and fraught relationship with the gay community. Advocates grouched that he had waited until 2006 to endorse same-sex marriage, years after many leading New York political leaders did so. And many of them still remembered his work on his father’s unsuccessful 1977 bid for mayor of New York, which had featured homophobic posters aimed at Edward I. Koch.

Over time, however, championing same-sex marriage had become personal for Mr. Cuomo. He campaigned on the issue in the race for governor last year, and after his election, he was staggered by the number of gay couples who sought him out at restaurants and on the street, prodding him, sometimes tearfully, to deliver on his word. The pressure did not let up at home. Mr. Cuomo’s girlfriend, Sandra Lee, has an openly gay brother, and she frequently reminded the governor how much she wanted the law to change.

Something else weighed on him, too: the long shadow of his father, Mario, who rose to national prominence as the conscience of the Democratic Party, passionately defending the poor and assailing the death penalty. During his first few months in office, the younger Mr. Cuomo had achieved what seemed like modern-day miracles by the standards of Albany — an austere on-time budget and a deal to cap property taxes. But, as Mr. Cuomo explained by phone to his father a few weeks ago, he did not want those accomplishments to define his first year in office.

“They are operational,” he told his father. Passing same-sex marriage, by contrast, “is at the heart of leadership and progressive government.”

“I have to do this.”

A Democratic Surprise

Nobody ever expected Carl Kruger to vote yes.

A Democrat from Brooklyn, known for his gruff style and shifting alliances, Senator

Kruger voted against same-sex marriage two years ago, was seen as a pariah in his party and was accused in March of taking \$1 million in bribes in return for political favors.

Some gay activists, assuming he was a lost cause, had taken to picketing outside of his house and screaming that he was gay — an approach that seemed only to harden his opposition to their agenda. (Mr. Kruger has said he is not gay.) But unbeknown to all but a few people, Mr. Kruger desperately wanted to change his vote. The issue, it turned out, was tearing apart his household.

The gay nephew of the woman he lives with, Dorothy Turano, was so furious at Mr. Kruger for opposing same-sex marriage two years ago that he had cut off contact with both of them, devastating Ms. Turano. “I don’t need this,” Mr. Kruger told Senator John L. Sampson of Brooklyn, the Democratic majority leader. “It has gotten personal now.” Mr. Sampson, a longtime supporter of same-sex marriage, advised Mr. Kruger to focus on the nephew, not the political repercussions. “When everything else is gone,” Mr. Sampson told him, “all you have left is family.”

With Mr. Kruger suddenly a possible yes vote, the same-sex marriage organizers zeroed in on the two remaining Democrats who had previously voted no but appeared open to switching sides: Shirley L. Huntley and Joseph P. Addabbo Jr., both of Queens. Senator Huntley, a close friend of Mr. Sampson, had privately assured him that she would support the marriage bill, largely out of personal loyalty to him and fellow Democrats.

Persuading Senator Addabbo proved trickier. Same-sex marriage advocates had nicknamed him the Counter, after he told them his vote would hinge entirely on a tally of his constituents who appealed to him for or against the measure. By mid-May, Mr. Addabbo sent word to Mr. Cuomo that the numbers were not there for same-sex marriage.

Until then, members of the same-sex marriage coalition had deliberately refrained from inundating Mr. Addabbo’s office with feedback from supporters of the bill, fearing it might alienate and offend him. But now, the advocates received a message from the governor’s office: Open the floodgates. Brian Ellner, who oversees the marriage push for the Human Rights Campaign, called the head of his field team, who had compiled an exhaustive list of supporters of gay rights in Mr. Addabbo’s district.

“Bury him in paper,” Mr. Ellner said.

Over the next week, the field team collected postcards signed by 2,000 of Mr. Addabbo’s constituents who favor same-sex marriage, twice as many as he had received in the previous few months combined.

When his final tally was completed in early June, he had heard from 6,015 people — 80 percent of whom asked him to vote yes. “In the end, that is my vote,” Mr. Addabbo said.

Republicans Resist

In a private room at the Fort Orange Club, a stately brick manor in Albany where the waitresses still wear French maid uniforms, a pollster laid out the results of his research on gay marriage for Senate Republicans in early June.

There was little political rationale for legalizing it, the numbers suggested: statewide support did not extend deeply into the rural, upstate districts that are crucial to the state's Republican Party. And with unemployment at 9 percent, the issue was far down the list of priorities for voters.

Many of the Republicans wanted to avoid ever taking a vote on the issue — a simple strategy to carry out. As the majority party in the Senate, they could block any bill from reaching the floor.

But the caucus — a group of 32 senators who had seized control of the Senate in the elections last year but held just a single-seat majority — was far from unified. And, crucially for same-sex marriage advocates, the Republicans' relatively untested leader showed no interest in forcing them to reach a consensus. "My management style," the Senate majority leader, Dean G. Skelos of Long Island, had told lawmakers, "is that I let my members lead."

Mr. Cuomo was determined to exploit the leadership vacuum by peeling off a few senators from moderate districts.

A major target was James S. Alesi, a Republican from suburban Rochester, who seemed tormented by his 2009 vote. Cameras in the Senate chamber captured him holding his head in his hands as the word "no" left his mouth.

The coalition approached him from every angle. The Republican donors invited him to a meeting on Park Avenue, telling him they would eagerly support him if he backed same-sex marriage. "That's not the kind of lily pad I normally hop on," Mr. Alesi recalled. The advocates collected 5,000 signed postcards from his constituents and nudged a major employer in his district, Xerox, to endorse the bill.

And Mr. Cuomo called him, over and over, to address his objections and allay his fears. He told Senator Alesi that as the first Republican to endorse same-sex marriage, he "would show real courage to the gay community."

On June 13, aides to the governor left urgent messages with same-sex marriage advocates, who had just left a meeting in Mr. Cuomo's office, to return there immediately, offering no explanation.

As the group assembled around a conference table, the governor opened the door to his private office and peeked in. "I want to introduce the first Republican to support marriage equality," he announced.

Mr. Alesi walked into the room, which erupted into applause. In emotional remarks, he apologized to them for what he called his “political vote” against same-sex marriage in 2009.

The next day, Bill Smith, a lobbyist for Gill Action, a gay-rights group, turned to the governor and asked, “How many rabbits are you going to pull out of the hat?”

Outgunned Opponents

It was befuddling to gay-rights advocates: The Catholic Church, arguably the only institution with the authority and reach to derail same-sex marriage, seemed to shrink from the fight.

As the marriage bill hurtled toward a vote, the head of the church in New York, Archbishop Timothy M. Dolan, left town to lead a meeting of bishops in Seattle. He did not travel to Albany or deliver a major speech in the final days of the session. And when he did issue a strongly worded critique of the legislation — he called it “immoral” and an “ominous threat” — it was over the phone to an Albany-area radio show. Inside the Capitol, where a photograph of Mr. Cuomo shaking hands with Archbishop Dolan hangs in the governor’s private office, the low-key approach did not seem accidental. Mr. Cuomo had taken pains to blunt the church’s opposition.

When he learned that church leaders had objected to the language of the marriage legislation, he invited its lawyers to the Capitol to vent their frustration.

Mr. Cuomo even spoke to Archbishop Dolan about the push for same-sex marriage, emphasizing his respect and affection for the religious leader. An adviser described the governor’s message to Archbishop Dolan this way: “I have to do what I have to do. But your support over all is very important to me.”

By the time a Catholic bishop from Brooklyn traveled to Albany last week to tell undecided senators that passing same-sex marriage “is not in keeping with the will of their people,” it was clear the church had been outmaneuvered by the highly organized same-sex marriage coalition, with its sprawling field team and, especially, its Wall Street donors.

“In many ways,” acknowledged Dennis Poust, of the New York State Catholic

Conference, “we were outgunned. That is a lot to overcome.”

With the church largely out of the picture, the governor’s real worry was the simmering tension in the Senate Republican delegation. Its members met, for hours at a time, to debate the political and moral implications of allowing a vote. But each time new arguments arose. Some questioned whether homosexuality was genetic or chosen. Others suggested that the same-sex marriage legislation be scrapped in favor of a statewide referendum.

Mr. Cuomo invited the Republicans to visit him at the governor's residence, a 40-room Victorian mansion overlooking the Hudson River, just a few blocks from the Capitol. There, in a speech the public would never hear, he offered his most direct and impassioned case for allowing gays to wed. Gay couples, he said, wanted recognition from the state that they were no different from the lawmakers in the room. "Their love is worth the same as your love," Mr. Cuomo said, according to someone who heard him. "Their partnership is worth the same as your partnership. And they are equal in your eyes to you. That is the driving issue."

In the late hours of Friday night, 33 members of the State Senate agreed with him.

Reading Seven

Public Funding for the Arts: 2011 Update

Kelly Barsdate

Government grant funding for the arts in the United States originates from three primary sources: federal appropriations to the National Endowment for the Arts (NEA), legislative appropriations to the nation's state arts agencies, and direct expenditures on the arts by county and municipal governments. Although there has been some long-term growth in these funding streams, two major economic contractions within the last ten years have caused major cutbacks across nearly all government functions, including funding for the arts.

Current Funding Levels

The federal government, states, and localities appropriated a combined \$1.12 billion dollars to the arts in 2011, for a total per capita investment of \$3.58. Comprising this total was:

- \$154.7 million in appropriations to the NEA, a decline of almost 8 percent from 2010.
- \$276 million in legislative appropriations to state and jurisdictional arts agencies, a decline of about 6 percent from 2010.
- An estimated \$688.5 million in direct expenditures on the arts by county and municipal governments, a decline of around 10 percent from 2010.

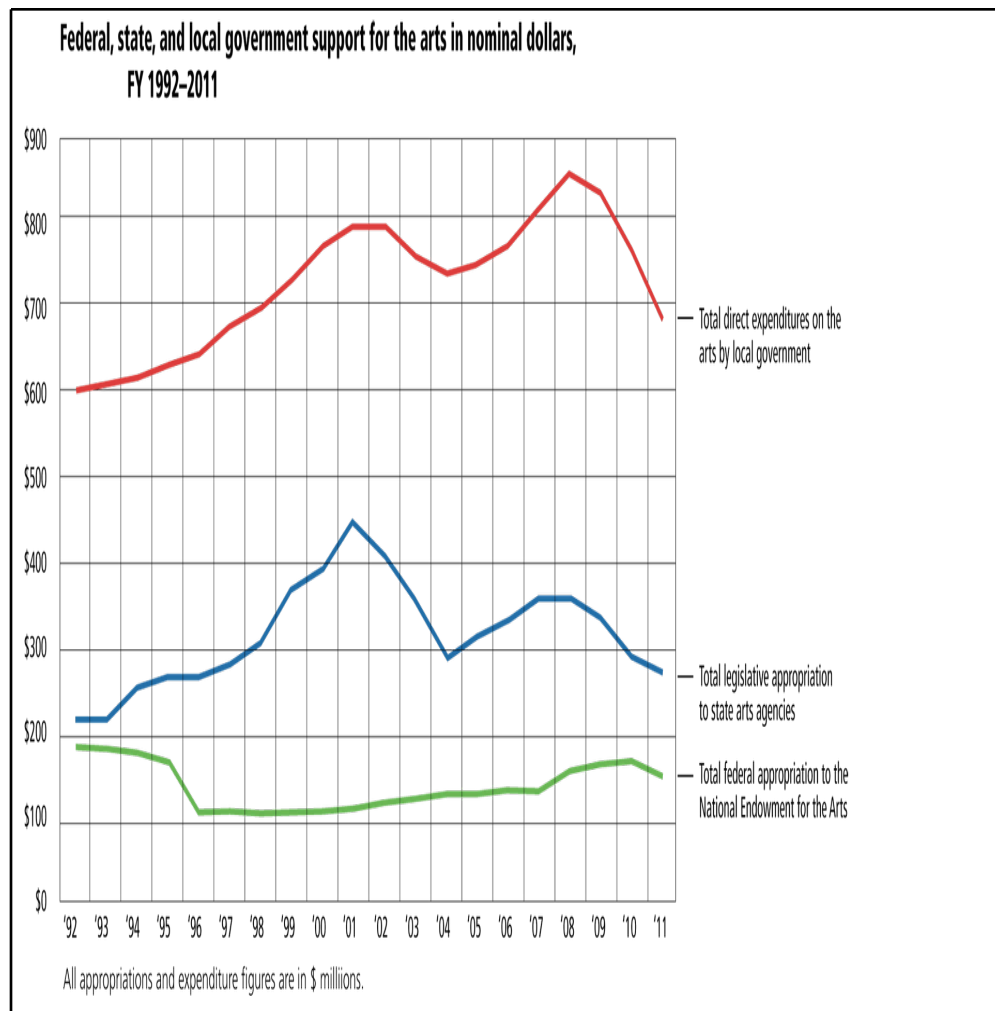
Trends Over Time

Between 1992 and 2011, aggregate appropriations to the arts by federal, state, and local governments increased by 13 percent. Within this overall growth pattern, however, each funding stream has followed a unique trend line and exhibited the effects of economic downturns at different times:

- Local government funding for the arts grew by 33 percent between 1992 and 2002 and reached an all-time high of \$858 million in 2008. Local funding has declined precipitously in recent years, however, dropping by \$169.5 million (-20 percent) between 2008 and 2011.
- Appropriations to state arts agencies grew by 110 percent between 1992 and 2001, reaching an all-time high of \$450.6 million in 2001. Between 2001 and 2011, state arts agencies lost \$174.5 million (-39 percent) of their appropriated funds.
- Federal funding for the arts has been the smallest — but least volatile — part of the public funding mix over time: 1992 was the peak year for NEA funding, when the agency received a federal appropriation of \$175.9 million. After declining to \$100 million in 1996, NEA funds grew steadily and incrementally through 2010. Current NEA appropriations remain 12 percent below 1992 funding levels.

In addition to exhibiting recession-related reductions, public funding for the arts has not kept pace with the cost of doing business. When adjusted for inflation, total government funding for the arts has contracted by 28 percent since 1992. Congressional

appropriations to the NEA declined by an inflation-adjusted 44 percent between 1992 and 2011. State funding declined by 18 percent and local funding declined by 27 percent during that same period.



Future Outlook

While the value of the portfolios held by private-sector arts funders often improves as market conditions rebound, recovery from a recession is typically a much slower process in the public sector. Government revenues, particularly for states and localities depend largely upon proceeds from taxes and fees. Due to the retroactive nature of those collections, growth in tax and fee revenues lags at least one year — and often more — behind broader economic recovery. Public pressure to reduce tax rates places additional restrictions on available revenues. County and municipal governments can experience a “delayed double whammy” of declines when property and sales tax proceeds are compromised (which was especially pronounced during the most recent recession) while cuts in state aid to localities are occurring simultaneously.

For these reasons, few government arts agencies are expecting rapid resource rebounds in the near future. Some agencies are experiencing improved conditions this

year. For instance, fifteen out of fifty-six state and jurisdictional arts agencies anticipate appropriations increases for FY 2012. However, a majority of public arts agencies expect to contend with flat funding or continued cuts in the year ahead.

Following is an article that appeared as a link in the same issue of the *GIA Reader* that the Barsdate article (Reading #7) appeared in. Because it was presented as further information on the same subject, we are placing it here as an addendum to her article and not as a separate reading.