



The Arts Sector and COVID-19 Relief

June 2020

To New Jersey Congressional Delegation:

Representative Donald Norcross
Representative Jeff Van Drew
Representative Andy Kim
Representative Chris Smith
Representative Josh Gottheimer
Representative Frank Pallone
Representative Tom Malinowski
Representative Donald Payne, Jr.
Representative Bill Pascrell
Representative Albio Sires
Representative Mikie Sherrill
Representative Bonnie Watson Coleman
Senator Cory Booker
Senator Robert Menendez

Dear Honorable Members of Congress,

Over 8 million New Jersey residents participate in and enjoy the arts every year. New Jersey's nonprofit arts contribute over \$600 million to our state's economy and employ over 30,000 people. Bringing people together in community for artistic and educational experiences is what the arts are all about, so the COVID-19 crisis has hit the arts in New Jersey hard. In fact, a national study by Americans for the Arts revealed that **only 53% of New Jersey arts organizations expect to survive the COVID-19 crisis.**

As Congress and the Administration prepare additional forms of COVID-19 federal assistance, we call for relief that will sustain the arts sector's unique capacity to support the U.S. economy, uplift the human spirit, animate the issues of our time, and provide lifelong learning. In months and years to come, the country will need the arts and culture sector to deliver on its unique mission and to catalyze economic activity. The unexpected loss of revenue and declines in charitable contributions are challenging arts organizations and individual livelihoods and will worsen over time.

The arts sector serves artistic and educational missions through myriad occupations filled by individuals who work in full-time, part-time, hourly, seasonal, and freelance capacities. In March 2020, the Bureau of Economic Analysis reported that the arts and culture workforce contributed \$877.8 billion, or 4.5 percent, to the nation's gross domestic product (GDP) in 2017. The arts sector is an economic engine that—prior to the pandemic—directly employed more than 5 million workers. The next COVID-19 federal relief efforts should **support the arts workforce and arts sector continuity:**

- **Expand and recapitalize the Paycheck Protection Program** resources, provide new opportunities for those that have exhausted initial PPP funds, remove restrictions and burdens for self-employed applicants, eliminate the 500-employee cap, and provide dedicated funding for nonprofit organizations. Extend the duration of the program and the loan forgiveness period, expand eligibility and allowable costs, and swiftly issue clear loan forgiveness guidance.
- **Fully fund the Economic Injury Disaster Loan program** and eliminate the \$1,000 per employee cap imposed by SBA, so businesses with one or very few employees can access funds.
- **Provide streamlined, low-interest forgivable loans** to assist microbusinesses (self-employed, sole proprietors, partnerships, freelancers, and LLCs) with zero or few employees/low net business income that have documented fixed

business expenses such as rent/mortgage interest, utilities, business insurance and debt service and are not adequately served by current programs.

- **Provide loan forgiveness for nonprofits through the Main Street Lending Program** and the Economic Stabilization Fund to support payroll costs and fixed overhead costs and ensure eligibility for nonprofit employers with more than 500 employees that have been left out of current relief provisions.
- **Expand the duration of pandemic unemployment benefits** and improve guidelines for implementation so that artists and other gig economy workers with mixed income sources (such as W-2 and 1099) receive full support rather than unfairly being limited to partial benefits. Update Disaster Unemployment Assistance to ensure support for artists and other gig economy workers in the long term.
- **Increase charitable giving** by removing the \$300 cap on the above-the-line tax incentive for non-itemizers and allowing all taxpayers to claim the deduction on both 2019 and 2020 tax returns. Maintain the CARES Act removal of the Adjusted Gross Income limitation on deductibility of charitable gifts for 2021 and beyond.
- **Provide assistance for single- and multi-employer pension funds** to protect artists' retirement security.
- **Expand access to health coverage and care** by including a one-time special enrollment period in relief legislation and removing access and affordability barriers to health coverage for artists and arts workers that have atypical employment structures.
- **Support the U.S. creative economy**, which is growing at twice the rate of most other sectors, by supporting proposals in the PLACE Act (S.3232) to amend the Workforce Innovation and Opportunity Act, the Public Work and Economic Development Act, the Small Business Act, the New Markets Tax Credit, the Consolidated Farm and Rural Development Act, and the Disaster Relief and Emergency Assistance Act to improve access to existing federal workforce development opportunities for creative businesses and creative workers.

The arts sector is innovating to provide online arts experiences and distance learning opportunities, preparing to serve audiences when quarantine orders are lifted, and will be an essential partner in jump-starting national, state, and local efforts during and after COVID-19. The federal government should **support ongoing creative sector activity**:

- **Support a complete education for all students** through federal education funding and distance learning resources that will increase the capacity of state and local education agencies to ensure equitable access to arts education as part of a well-rounded education for all learners amidst the COVID-19 crisis and beyond.
- **Adopt an emergency broadband benefit** to ensure that all people, no matter their income or location, have access to high-speed broadband. Ensuring connectivity enables more equitable participation in artistic, educational, and cultural activity taking place online.
- **Approve substantial funding for the National Endowment for the Arts, National Endowment for the Humanities, and Institute of Museum and Library Services**, as they administer dedicated COVID-19 relief to address the unique needs of cultural organizations.
- **Maximize the impact of new and continued funding for the National Endowment for the Arts** beyond the \$75 million investment in the CARES Act by making COVID-19 relief grants available to all eligible organizations as defined in the NEA's authorization statute (20 U.S.C. §954); expanding waivers for public/private matching requirements to apply to all active FY19 and FY20 NEA grant awards; and, allowing current grantees to re-allocate funding for general operating support to address COVID-19 economic losses. Enable national nonprofit organizations to subgrant federal arts funds to support community-based arts and culture organizations, agencies, and artists to assist in efficiently supporting the nation's cultural infrastructure and workforce.

- **Enact policies to ensure rapid processing of artist visas** by U.S. Citizenship and Immigration Services and consulates to shield U.S.-based arts petitioners from the delays and costs of reprogramming international events.

The arts and the work of artists are integral to reimagining and reopening public gathering places and workspaces. Federal policy should **support the arts in safety and infrastructure policies that guide the ways we bring people together**:

- **Support the arts and work of artists as essential infrastructure investments.** Building a strong cultural infrastructure, creating art that enriches our lives and using arts-based approaches to public works and community development initiatives will leave a legacy that defines our society for generations to come.
- **Provide eligibility for arts facilities in infrastructure investments** to renovate, refurbish, and adapt to post-COVID-19 public health protocols.
- **Include the arts sector in consideration of public health and workplace safety policies** to protect the health of arts workers, support the needs of arts venues, and ensure public confidence in gathering again.
- **Ensure the arts are considered in business interruption insurance and liability policy discussions,** as the policy outcomes of both areas will influence the near-term reopening plans and the long-term viability of American arts and cultural organizations.

According to an Americans for the Arts study on economic losses to the arts due to COVID-19, nonprofit arts organizations have, to date, registered an estimated \$5.5 billion in financial losses. In addition, nonprofit arts organizations have lost 197 million event admissions, which has resulted in a loss of \$6.2 billion in event-related spending by audiences. Arts organizations, artists, and the broader arts workforce are vital contributors to the nonprofit sector, are essential to the economy, vitality, and wellbeing of the communities they serve, and they must be supported by all forms of relief.

Signed

ArtPride New Jersey
 Alborada Spanish Dance Theatre
 Algonquin Arts Theatre
 American Repertory Ballet & Princeton Ballet School
 American Theatre Group
 Appel Farm Arts & Music Center
 The Arcadian Chorale
 Art Fair 14C
 Arts & Innovation Center of Rowan College South Jersey
 Arts Ed NJ
 ArtYard
 Atlantic City Arts Foundation
 Atlantic City Cinefest
 Atlantic Highlands Arts Council
 Axelrod Performing Arts Center
 Bergen County Division of Cultural & Historic Affairs
 Bergen Performing Arts Center
 Carolyn Dorfman Dance
 CavanKerry Press, Ltd.
 Centenary Stage Company
 Center for Contemporary Art
 Center for Modern Dance Education
 Children's Home Society of NJ
 City of Millville
 The Company Theatre Group
 Count Basie Center
 Crossroads Theatre Company

Dance New Jersey
The Discovery Orchestra
Dreamcatcher Repertory Theatre
duCret School of the Arts
Eagle Theatre
East Lynn Theatre Company
4th Wall Theatre, Inc.
Frontline Arts
George Street Playhouse
GlassRoots
Gloucester Township, Camden County
Golden Door International Film Festival
Grounds for Sculpture
Hopewell Theater
Hudson Theatre Works
The Institute of Music for Children
Jazz House Kids
Jersey City Arts Council
Mainstage Center for the Arts
Mayo Performing Arts Center
McCarter Theatre Center
Medford Arts
Mercer County Division of Culture & Heritage
Metuchen Arts Council
Mid-Atlantic Center for the Arts
Mile Square Theatre
Millville Development Corporation
Monmouth Arts Council, Inc.
Monmouth Museum
Monmouth University
Montclair Art Museum
The Montclair Orchestra
Morris Arts
Morris Museum
The Moving Architects
Music in the Somerset Hills
Music Mountain Theatre
Nai-Ni Chen Dance Company
Nassau Film Festival
Newark Arts
Newark School of the Arts
Newark Symphony Hall
New Brunswick Cultural Center
New Brunswick Jazz Project
New Brunswick Performing Arts Center
New Jersey Ballet
New Jersey Media Arts Center/New Jersey Film Festival
New Jersey Performing Arts Center
New Jersey Symphony Orchestra
New Jersey Tap Ensemble
New Jersey Theatre Alliance
New Jersey Thespians
Nimbus Dance
The Noyes Museum of Art of Stockton University
Ocean Professional Theatre Co./DBA SurfFlight Theatre

Paper Mill Playhouse
Passage Theatre Company, Inc.
Perkins Center for the Arts
Peters Valley School of Craft
Philomusica Concert Choir
Princeton Symphony Orchestra
Pro Arte Chorale, Inc.
Pushcart Players
Rahway Arts & Business Partnership
Riverfront Renaissance Center for the Arts
The Road Company Theatre Group, Inc.
Roxey Ballet
Rutgers University – Paul Robeson Galleries
Session Arts/Galloway Cultural Arts
The Shakespeare Theatre of New Jersey
Skylands Performing Art Center/The Newton Theatre
Skyline Theatre Company
South Jersey Cultural Alliance
South Orange Performing Arts Center
State Theatre New Jersey
Stockton University Art Gallery
Studio Montclair, Inc.
Symphony in C
Trenton Downtown Association
Tuckerton Seaport & Baymen's Museum
Two River Theater
Union County Office of Cultural & Heritage Affairs
University of the Philippines Alumni & Friends Rondalla
West Windsor Arts Council
Wharton Institute for the Performing Arts
Wheaton Arts & Cultural Center
Young Audiences of NJ & Eastern PA