

THE POLITICS OF STATE PUBLIC ARTS FUNDING

by

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## ABSTRACT

### THE POLITICS OF STATE PUBLIC ARTS FUNDING

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Arts funding in America is comprised of public dollars, private support, and earned income that is critical to the economic vitality of state and local communities and to the nation's cultural well-being. To date, most research has focused either on the national level, on the local level, or on public opinions and attitudes regarding the arts. In contrast, patterns of state arts funding have not been thoroughly examined since the 1980s. This study attempts to identify factors that explain differences in levels of state funding for the arts by examining changes in state-level funding (1985-2007) and policymaking.

This study is important because it takes into consideration the theory of cultural policy and maps out how it has created our current arts policy priorities. It also builds upon an older study Hofferbert and Urice by updating their dependent variable, independent variables, and methodology. Moreover, this study adds to the current literature by conducting case studies of the process of public arts policymaking.

To conduct the analysis, two models were used: the Political Systems model (cross-state quantitative study) and the Policy Communities model (case studies). The Political Systems model states that political systems can be analyzed in terms of their structures and function. In the terms of this study, the functions analyzed were environmental conditions

(commercial appeal, income, and education level), inputs (level of participation in arts activities), institutions (agency age, agency size, legislative professionalism, and party control), federal aid, and policy (state expenditures on the arts). The Policy Communities model states that multiple interest groups are involved in both the planning and decision-making phases, and that communication is vital to seeking solutions to future problems. In terms of this study, the Policy Communities model was applied to case studies of six states: New York, Utah, Washington, Pennsylvania, California, and Texas.

Overall, this study found that the interparty competition and agency size play a large role in determining the level of state funding for the arts. Commercial appeal also plays a significant role. Forty states were found to have instituted cultural development programs and 32 states have visual arts programs. These programs directly related to the measurement of commercial appeal which is marked by the building, or restoration, of arts centers, and tourism. This study found that states attempting to boost their commercial appeal will use the arts as a commodity. Nearly all 50 states have used either cultural development programs or visual arts programs to boost their commercial appeal. In fact, the 32 states that have Public Arts programs have appealed for more arts funding in the last decade. And, the arts have been proven to be an economic benefit. This is supplemented by the fact that participation in the arts is high; at the end of 2002, 76 percent of U.S. adults made the arts part of their lives.

These findings were supplemented by six state case studies that illustrate the creative economy movement. The case studies show that as cultural activities have become infused with business and tourism promotion, local cultural policy communities will be altered. Three such ways are:

1. Existing organizations may be transformed as they accommodate the re-framing of their policy areas.
2. Existing organizations can create partnerships with up-and-coming arts organizations and businesses to promote the arts.

3. New organizations can be created designed to specifically promote one facet of the arts world.

The creation of new organizations acknowledges that “culture as development” constitutes its own policy arena. And that the arts do provide an economic benefit, and if they are used by more states as a means to develop their communities, states might receive more funding for the arts.

## TABLE OF CONTENTS

ACKNOWLEDGEMENTS.....	iii
ABSTRACT.....	iv
LIST OF ILLUSTRATIONS.....	xiii
LIST OF TABLES.....	xiv
Chapter	Page
1. INTRODUCTION.....	1
1.1 Statement of Problem.....	1
1.2 Need.....	1
1.3 Hypotheses.....	2
1.4 Theory.....	2
1.5 Terms and Definitions.....	4
1.6 Overview.....	5
2. REVIEW OF THE LITERATURE.....	7
2.1 Background.....	7
2.2 Why is There Public Funding for the Arts?.....	7
2.2.1 Liberalism and Public Funding for the Arts.....	8
2.2.2 The Utilitarian Argument.....	10
2.2.3 Communitarianism.....	12
2.3 A Pluralistic Partnership.....	13
2.3.1 Individuals.....	13
2.3.2 Federal Government.....	14
2.3.3 The States.....	15

2.4 Public Policy Toward the Arts.....	15
2.4.1 Positive Aspects.....	16
2.4.2 Normative Aspects.....	17
2.5 Development of Federal-State Arts Policy over Time.....	18
2.5.1 History and Policy Development of Third-Party Approach to Cultural Policy in the United States compared to Europe.....	18
2.5.2 The National Endowment for the Arts and the Growth of State Arts Agencies: Block Grants.....	20
2.5.3 1963-1983: A Period of Growth and Change.....	21
2.5.4 Growth of State Arts Agencies .....	23
2.5.5 Cultural Policy at the State Level.....	23
2.6 The Arts and Government: Public Policy Questions.....	24
2.7 Previous Models of Funding Sources.....	26
3. METHODOLOGY.....	28
3.1 Purpose.....	28
3.2 Framework for the Models Used .....	28
3.2.1 The Political Systems Model.....	28
3.2.2 The Policy Communities Model.....	29
3.3 Application of Political Systems Model to Study Design .....	32
3.4 Statement of the Dependent Variable to be Tested.....	33
3.5 Testable Hypotheses of Variables in the Cross-State Quantitative Study .....	33
3.6 Measurements for Independent Variables in the Cross-State Quantitative Study .....	37
3.6.1 Federal Stimulus .....	37
3.6.2 Political System.....	38



3.6.3 Environmental Conditions.....	40
3.7 Application of Policies Communities Model to Study Design .....	42
4. FINDINGS .....	44
4.1 Analysis of the Federal Stimulus .....	44
4.1.1 Analysis of State-by-State findings .....	45
4.2 Analysis of the Political System .....	48
4.2.1 Interparty Competition Analysis .....	48
4.2.1.1 Testing Interparty Competition Hypothesis .....	49
4.2.1.2 Caveats of the Ranney Index .....	50
4.2.2 Legislative Professionalism Analysis .....	50
4.2.2.1 Testing Legislative Professionalism Hypothesis .....	51
4.3 Analysis of the Environmental Conditions .....	52
4.3.1 Analysis of Commercial Appeal .....	52
4.3.1.1 Testing Commercial Appeal Hypothesis .....	54
4.3.2 Analysis of Participation .....	55
4.3.2.1 Testing Participation Hypothesis .....	60
4.3.3 Analysis of State Arts Agency Age and Size .....	62
4.3.3.1 Testing Agency Age and Size Hypothesis ....	65
4.3.4 Analysis of Education and Income Levels .....	66
4.4 Additions to Current Literature .....	69
5. CASE STUDIES .....	72
5.1 Case Study: New York .....	74
5.1.1 Organizational Structure of the New York State Council on the Arts .....	74
5.1.2 Equity Plan of the New York State Council on the Arts .....	74

5.1.3 Programs Offered by the New York State Council on the Arts .....	75
5.1.4 The Role of Cultural Arts in the New York Economy from 1990-2006 .....	75
5.1.5 The Creative Economy in New York: Results from the Empire State Poll .....	76
5.1.5.1 Findings Regarding the Value of Cultural Activities .....	77
5.1.6 The Creative Economy and Economic Development in New York .....	78
5.1.6.1 The Creative Economy at the Regional Level in New York .....	79
5.1.7 Application to the Policy Communities Model .....	81
5.2 Case Study: Utah .....	82
5.2.1 Organizational Structure of the Utah Arts Council .....	82
5.2.2 Programs offered by the Utah Arts Council .....	83
5.2.3 The Role of Cultural Arts in the Utah Economy – A Comprehensive View .....	83
5.2.3.1 Snapshot of 2005 .....	83
5.2.3.2 Snapshot of 2006 .....	84
5.2.3.3 Snapshot of 2007 .....	87
5.2.4 The City of Moab and the Creative Communities Initiative .....	89
5.2.5 Salt Lake City: Utah’s Arts and Culture .....	90
5.2.6 The Rise of Cultural Centers and Tourism .....	91
5.2.7 Application to the Policy Communities Model .....	92
5.3 Case Study: Washington .....	93
5.3.1 Organizational Structure of the Washington State Arts Commission .....	93
5.3.2 Programs Offered by the Washington State Arts Commission .....	93
5.3.3 Focus on Seattle .....	94

5.3.4 Application to the Policy Communities Model .....	96
5.4 Case Study: Pennsylvania .....	96
5.4.1 Organizational Structure of the Pennsylvania Council on the Arts .....	96
5.4.2 Equity Plan for the Pennsylvania Council on the Arts....	97
5.4.3 Programs Offered by the Pennsylvania Council On the Arts .....	98
5.4.4 A Financial Look at the State of Pennsylvania .....	98
5.4.5 Focus on Philadelphia .....	99
5.4.6 Application to the Policy Communities Model .....	102
5.5 Case Study: California .....	103
5.5.1 Organizational Structure of the California Arts Council .....	103
5.5.2 Programs Offered by the California Arts Council .....	104
5.5.3 Current State of California Arts Funding .....	104
5.5.4 Effects of the Budget Cut on the California Community .....	105
5.5.5 Application to the Policy Communities Model .....	106
5.6 Case Study: Texas .....	107
5.6.1 Organizational Structure of the Texas Commission on the Arts .....	107
5.6.2 Equity Plan for the Texas Commission on the Arts .....	108
5.6.3 Programs Offered by the Texas Commission on the Arts .....	109
5.6.4 The Role of Cultural Arts in the Texas Economy – A Comprehensive View .....	109
5.6.5 Arts and the Texas Economy – A Traditional Approach.....	112
5.6.6 The Arts and Economic Benefit in Texas .....	115
5.6.7 Application to the Policy Communities Model .....	116

5.7 Comments on Case Study Findings .....	117
6. SUMMARY AND CONCLUSIONS .....	119
6.1 Summary of Findings .....	119
6.2 Conclusion .....	122
APPENDIX	
A. TOTAL CONGRESSIONAL APPROPRIATIONS FROM 1985-2007 .....	124
B. TREND LINE GRAPHS OF STATE CONGRESSIONAL APPROPRIATIONS FROM 1985-2007: ALL 50 STATES .....	138
C. RANNEY INDICES .....	156
D. SQUIRE RANKINGS .....	162
E. ARTS PROGRAMS OFFERED BY STATE ARTS AGENCIES .....	166
F. DATES OF ESTABLISHMENT .....	168
G. ARTS ATTENDANCE RATES BY EDUCATION AND INCOME LEVEL FOR 2002.....	170
REFERENCES.....	172
BIOGRAPHICAL INFORMATION.....	179

LIST OF ILLUSTRATIONS

Figure		Page
3.1	Easton's Division of Political Systems Model .....	29
3.2	Explanations for State Arts Funding.....	33
4.1	Number of In-House Employees in Each State Arts Agency, 2007 .....	64
5.1	Per Capita Impact of Traditional Cultural Arts Activity in the Urban Areas of Texas, 2000 .....	113

## LIST OF TABLES

Table		Page
2.1	Admission Receipts for Performing Arts Events, Motion Pictures, and Spectator Sports: 1983-1998.....	11
2.2	Public Expenditure on Arts and Museums, Various Countries: 1987.....	16
4.1	NEA Appropriations History, fiscal years 1985-2007 .....	44
4.2	Correlation Results of State Expenditures and Congressional Appropriations, 1985-1995 .....	45
4.3	Correlation Results of State Expenditures and Congressional Appropriations, 1996-2007 .....	45
4.4	Correlation Results of State Expenditures and Interparty Competition, 1985-1995 .....	49
4.5	Correlation Results of State Expenditures and Interparty Competition, 1996-2007 .....	50
4.6	Correlation Results of State Expenditures and Legislative Professionalism, 1985-1995 .....	51
4.7	Correlation Results of State Expenditures and Legislative Professionalism, 1996-2007 .....	52
4.8	Correlation Results of State Expenditures, Legislative Professionalism, and Congressional Appropriations .....	52
4.9	Correlation between Expenditures and Commercial Appeal .....	54
4.10	U.S. Adults Attending, Visiting, and/or Reading the Arts: 1982, 1992, and 2002 .....	57
4.11	U.S. Adults Who Watched or Listened to Performing Arts: 1982, 1992, and 2002 .....	58
4.12	U.S. Adults Performing or Creating Art At Least Once: 1992 and 2002 .....	59
4.13	Correlation Results for Participation, Congressional Appropriations, and Expenditures, 1992 .....	61

4.14	Correlation Results for Participation, Congressional Appropriations, and Expenditures, 2002 .....	61
4.15	Year and Number of State Arts Agencies Established .....	63
4.16	Correlation Results between Agency Age, Congressional Appropriations, and Expenditures .....	65
4.17	Correlation Results between Agency Size, Congressional Appropriations, and Expenditures for 2007 .....	66
4.18	Correlation Results between Education and Participation.....	67
4.19	Correlation Results between Education, Participation, Congressional Appropriations, and Expenditures.....	68
4.20	Correlation Results between Income and Participation .....	68
4.21	Correlation Results between Income, Participation, Congressional Appropriations, and Expenditures.....	69
5.1	The Arts and the Economy in the State of Pennsylvania .....	98
5.2	Impact of the Cultural Arts on Aggregate Production in Texas, 2000 .....	110

## CHAPTER 1

### INTRODUCTION

#### 1.1. Statement of Problem

Arts funding in America is comprised of public dollars, private support, and earned income that is critical to the economic vitality of state and local communities and to the nation's cultural well-being. Direct public support for the arts is disseminated through federal, state, and local arts agencies, but state and local agencies have moved to the forefront. All 50 states and U.S. territories have a state arts agency that oversees funding policies. In addition, there are over 4,000 local arts agencies that provide public and private financial support to organizations and individual artists. This study attempts to identify factors that explain differences in levels of state funding for the arts by examining changes in state-level funding (1985-2007) in the 50 states, and policymaking.

#### 1.2. Need

The purpose of this study is to determine which political system and socio-economic factors account for variance in spending among the states. To date, most research has focused either on the national level, on the local level, or on public opinions and attitudes regarding the arts. In contrast, patterns of state arts funding have not been thoroughly examined since the 1980s. This study focuses on the explanation of state funding for the arts, and why particular arts funding policies are adopted. An examination of the current arts literature indicates that the tremendous growth of arts funding over the past three decades has received little systematic study.

This study is important because it takes into consideration the theory of cultural policy and maps out how it has created our current arts policy priorities. Also, this builds on an older



study by Hofferbert and Urice<sup>1</sup> and updates their dependent variable, independent variables, methodology, and adds to the current literature by conducting case studies of the process of public arts policymaking.

### 1.3. Hypotheses

The hypotheses have been developed from the Hofferbert and Urice article and from other, relevant literature.<sup>2</sup>

1. The more federal arts aid given to states, the higher a state's expenditure.
2. The greater the level of participation in various arts activities, the greater the federal funding.
3. The older the state arts agency (SAA) and the larger the size of the SAA, the higher the state funding for the arts.
4. States higher in legislative professionalism will have higher funding for the arts.
5. The political party in power (Republican or Democratic) will affect the amount of money spent on the arts.
6. States attempting to boost their commercial appeal will use the arts as a commodity; thus, they will appeal for more arts funding.
7. States with higher levels of education and higher income levels will provide more funding for the arts.

### 1.4. Theory<sup>3</sup>

*Cultural policies reflect the fact that [humanity] today is faced with the choice between seeking a purblind and despairing escape in nihilism, or resolutely confronting the future.*  
-Augustin Girard

This study is based on the theory of cultural policy. More specifically, it applies the theory of cultural policy at the sub-national level. Cultural policy describes, in the aggregate, the

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<sup>1</sup> Richard I. Hofferbert and John K. Urice, "Small-Scale Policy: The Federal Stimulus versus Competing Explanations for State Funding of the Arts," *American Journal of Political Science*, Vol. 29, No. 2, May 1985, p. 321.

<sup>2</sup> Hypotheses are restated in testable form in Chapter 3.

<sup>3</sup> The reason why cultural theory was chosen will be discussed in Chapter 2, section 2: Why is there public funding for the arts?

values and principles which guide any social entity in cultural affairs. In other words, cultural policy is a public policy toward art and cultural activities.<sup>4</sup> Cultural policies are often made by governments, but also by many other institutions in the private sector, from corporations to community organizations. And it is sometimes made, explicitly, through a process defined by an agency charged with this responsibility (in the United States, the responsible party is the National Endowment for the Arts (NEA)). The conceptualization of cultural policy as a field of public policy inquiry is a relatively recent phenomenon, particularly in the United States where there has traditionally been a fear of uttering the phrase “cultural policy” with all of its *dirigiste* implications.<sup>5</sup>

Consider the “urban renewal” phenomenon. Urban redevelopment policies were intended to solve problems of decaying infrastructure, substandard living conditions, crime, and overcrowding<sup>6</sup>; but they had profound effects on the quality of cultural life in urban centers. These policies produced such unintended consequences as erasing the cultural lives of neighborhoods. However, these policies have the potential of rebuilding impoverished neighborhoods by upgrading substandard living conditions with the creation of new performing arts and meeting spaces – thus, creating new jobs – restoring landmarks, and reinstating a neighborhood’s cultural flavor. This kind of de facto cultural policy can be deduced from the actions taken by a state or an organization; but more often than not, a state.

Augustin Girard of the French Ministry of Culture put forward this definition of cultural policy in his book *Cultural Development: Experiences and Policies*, a seminal work in this field:

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<sup>4</sup> Definition created from ideas from: J. Mark Schuster, “Sub-National Cultural Policy – Where the Action is? Mapping State Cultural Policy in the United States,” The Cultural Policy Center (University of Chicago), January 28, 2002 and Paul DiMaggio, “What are Cultural Policy Studies: And Why Do We Need Them?” Princeton University, 1983.

<sup>5</sup> Schuster “Sub-National Cultural Policy,” p. 4.

<sup>6</sup> William G. Grigsby and Thomas C. Corl, “Declining Neighborhoods: Problem or Opportunity?” *Annals of the American Academy of Political and Social Science*, Vol. 465 (Housing America), January 1983, p. 86-97.

Cultural policies can be discerned in a trade union, a party, an educational movement, an institution, an enterprise, a town or a government. But regardless of the agent concerned, a policy implies the existence of ultimate purposes (long-term), objectives (medium-term and measurable) and means (men [*sic*], money and legislation), combined in an explicitly coherent system.<sup>7</sup>

In the United States, in theory, cultural policy explicitly occurs through actions taken by the National Endowment for the Arts. However, many policies with profound cultural impact are made by decisions-makers who have hardly given cultural considerations a thought. Today, most policymakers have not made the paradigm shift that would bring culture fully into their consciousness. Moreover, the measures taken to implement policy are quite varied; grants to artists and institutions are common approaches, as are public service employment programs, building and maintaining cultural facilities, and encouraging and financing historic preservation. Thus, cultural policy occurs often ad hoc or unintentionally.

In response, SAAs have taken over creating and enforcing cultural policies, making them more explicit than in the past. Cultural policy had diffused its way down into the states, and has become more a sub-national policy than a national policy. Direct support for the arts at the state level is now a more important source of direct government aid to the arts than is direct support at the federal level. Moreover, the financial importance of these state budgets is augmented by an increase in the federal funds passed through these agencies.<sup>8</sup> Cultural programs and projects are also being adopted to further a wide variety of societal aims such as economic development (as stated above) and intervention with youths at risk; aims that are more likely to be pursued at the state level because of the closer relationship to the constituencies that are most likely to be affected; thus, the importance of studying this policy at the state-level.

### 1.5. Terms and Definitions

For this study, culture is defined as the totality of socially transmitted behavior patterns, arts, beliefs, institutions, and all other products of human work and thought. The arts are

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<sup>7</sup> Augustin Girard, *Cultural Development: Experiences and Policies*, 2nd edition, Paris, 1983, p. 171-172.

<sup>8</sup> Schuster, "Sub-National Cultural Policy," p. 5.

defined as a broad subdivision of culture, composed of many expressive disciplines including: visual arts, performing arts, language arts, and physical arts. Many artistic disciplines involve aspects of the various arts, so the definitions of these terms overlap to some degree. Again, cultural policy is defined as the values and principles which guide any social entity in cultural affairs.

To ensure clear understanding of the terms in the study, ambiguous terms have been defined below:

- Those values and principles which guide any social entity in cultural affairs are represented by the independent variables in this study: commercial appeal, income, education level, level of participation in arts activities, agency age, agency size, legislative professionalism, party control, federal aid (NEA grants). These variables will be measured at the state level.
- The social entity that cultural policy refers to in this study is the SAAs in all 50 states.
- Cultural affairs are defined as the activities created and/or sponsored by those SAAs through state expenditures, policy decision and grants.
- Commercial appeal is defined by the types of programs each state's arts agency offers that can increase their constituents access to the arts – programs such as, arts education programs, cultural development programs, and visual arts programs – and by each state's attempt at using the arts a commodity (i.e. if a state using the arts as tool for development, economic and/or cultural).

#### 1.6. Overview

As mentioned earlier, the purpose of this study is to determine which political system and socio-economic factors account for variance in spending among the state. In Chapter 2, the pertinent literature will be reviewed. In Chapter 3 the design of the study and the

methodology will be described. In Chapter 4, the quantitative results of the study will be analyzed and interpreted. In Chapter 5, the results of the six case studies will be presented. And Chapter 6 will encompass all summaries and conclusions.

## CHAPTER 2

### REVIEW OF THE LITERATURE

#### 2.1 Background

Changes in public attitudes are essential for any society if it hopes to prosper in today's complex world, and over the years, Americans have changed their attitudes regarding a range of matters from how to dress, what to eat, what to drive, and how to react to global concerns. However, only a precious few concepts have remained stable in a relative sense. The arts, and the role they play in society, are one of those concepts. The arts have been, and always will be, at the forefront of a changing society. Katherine Anne Porter's analysis illustrates this point most succinctly:

The arts live continuously . . . they outlive governments and creeds and societies, even the very civilizations that produced them. They cannot be destroyed altogether because they represent the substance of faith and the only reality. They are what we find again when the ruins are cleared away.<sup>9</sup>

Our present system of arts funding is centered on the classical thought that "the arts keep our souls nourished; but they keep dancers, painters, shoe salesmen, carpenters, and electricians nourished as well."<sup>10</sup> But why is there public funding for the arts at all?

#### 2.2 Why is There Public Funding for the Arts?

Various reasons have been put forward, by economists and by others, but there are basically three arguments: Liberal -- the individual rights-based philosophy;<sup>11</sup> Utilitarian or wealth-maximizing, which is the traditional approach for economists to question public policy; Communitarian, which has come to mean many things, but which is generally taken as a political philosophy which sees the individual as someone inextricably linked to the community

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<sup>9</sup> Katherine Anne Porter, *Flowing Judas and Other Stories*, New York: Random House, Inc., 1940, introduction.

<sup>10</sup> Kitty Carisle Hart, "Changing Public Attitudes Toward Funding of the Arts," *Annals of the American Academy of Political and Social Science*, Vol. 471, January 1984, p. 46.

<sup>11</sup> Based off of the ideas presented by John Rawls, *A Theory of Justice*, Cambridge MA: Harvard University Press, 1971.

in which he or she lives and in which he or she has developed his or her very character.<sup>12</sup> It can even be the case that the different rationales can be grouped together. The American Assembly summarized why public funding for the arts is a good thing:<sup>13</sup>

- The arts help to define what it is to be an American.
- The arts contribute to quality of life and economic growth.
- The arts help to form an educated and aware citizenry.
- The arts enhance individual life.

But to answer the question of why there is public funding for the arts, the implications of the argument must be traced, and the explanation begins with the liberal argument.

#### *2.2.1 Liberalism<sup>14</sup> and Public Funding of the Arts*

The central text of modern liberalism is John Rawls' *A Theory of Justice*. In this modern American sense, liberalism consists of the "maximum personal liberty that is consistent with all individualism having the same liberty, equality of opportunity and equality before the law, very broad public consent of any collective policies, and a government that is neutral with respect to conceptions of what constitutes the good life."<sup>15</sup>

Within this framework, Rawls arrives at a very limited role for the state regarding public support of the arts. Since he believes in inter-generational equity, he claims that each generation has a duty to preserve general knowledge and culture as part of its bequest to the next generation. This contributes not only to inter-generational equity, but also to the

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<sup>12</sup> A. MacIntyre, *After Virtue*, South Bend, IN: University of Notre Dame Press, 1984; M. Sandel, *Liberalism and the Limits of Justice*, Cambridge, MA: Cambridge University Press, 1982; C. Taylor, *Philosophical Arguments*, Cambridge, MA: Harvard University Press, 1995.

<sup>13</sup> American Assembly, *The Arts and the Public Purpose*, The Ninety-Second American Assembly, New York: Columbia University, 1997.

<sup>14</sup> The type of liberalism referred to here is "classical liberalism." Classical liberalism is a doctrine stressing individual freedom and limited government. This view assumes that people recognize the rights of others and some uncontracted obligations toward others. This type of liberalism is not synonymous with "welfare liberalism," which is what most would associate with the term "liberal" and is the dominant political philosophy in the United States. Welfare liberalism tends to favor paternalistic actions by government to protect people.

<sup>15</sup> Idea of Rawls' modern liberalism explained by Michael Rushton, "Public Funding of Controversial Art," *Journal of Cultural Economics*, Vol. 24, 2000, p. 268.

enhancement of opportunities and freedom in future generations.<sup>16</sup> This is made especially important by the fear that there are aspects of culture which, once lost, cannot be retrieved, but there is no duty to expand the culture, and it is not acceptable that the state would take on the role of trying to perfect its citizens “to develop human persons of a certain style and aesthetic grace.”<sup>17</sup> If individuals wish to pursue culture collectively, they must find the resources themselves; “the social resources necessary to support associations dedicated to advancing the arts and sciences and culture generally are to be won as a fair return for services rendered, or from such voluntary contributions as citizens wish to make.”<sup>18</sup>

Fellow liberal Ronald Dworkin, however, thinks justification for public funding of the arts can be found within this liberal framework. His position is founded on the need “to find some justification for a generous level of state support.”<sup>19</sup> Like Rawls, Dworkin sees the importance of providing future generations with a rich culture. But unlike Rawls, Dworkin thinks that culture will only remain rich if there is a structure in place that provides for innovation:

We should identify the structural aspects of our general culture as themselves worthy of attention. We should try to define a rich cultural structure, one that multiplies distinct possibilities or opportunities of value, and counts ourselves trustees for protecting the richness of our culture for those who will live their lives in it after us.<sup>20</sup>

But what about those people whose taxes subsidize culture, especially high culture, who do not enjoy it and do not want to pay for it? Dworkin argues that they benefit from the public spending anyway, since there will be a “trickle-down” effect, where low-end culture is enriched by drawing on sources from high-end culture. But Dworkin’s argument is not overtly convincing. Black, in his essay, “Revisionist Liberalism and the Decline of Culture,” claims that if one adopts the precepts of liberalism as Rawls and Dworkin set them out, only Rawls’ conclusion on public funding of the arts is coherent. He suggest that at the root of Dworkin’s

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<sup>16</sup> Rushton, p. 268. See also: A. Gutmann, “What’s the Use of Going to School?” In A. Sen and B. Williams, eds., *Utilitarianism and Beyond*, Cambridge: Cambridge University Press, 1982.

<sup>17</sup> John Rawls, *A Theory of Justice*, Cambridge, MA: Harvard University Press, 1971, p. 328.

<sup>18</sup> *Ibid*, p. 329.

<sup>19</sup> Ronald Dworkin, “Can a Liberal State Support Art?” In *A Matter of Principle*, Cambridge, MA: Harvard University Press, 1985.

<sup>20</sup> *Ibid*, p. 229.



problem is that in our actual, real-world, liberal democratic societies we do, in fact, have broadly shared notions of what things make life good, but liberals want to minimize their theory's reliance on a shared culture.<sup>21</sup> So Dworkin is in a bind; he wants liberal theory to justify what is a non-liberal conclusion.

Moreover, to summarize, although Dworkin wishes to find reasons for public funding of art, and of high culture and innovative art in particular, within a liberal philosophy, liberalism leaves little room for such activity by the state.<sup>22</sup> Therefore, liberal theory was not chosen to map out the argument of this study.

### *2.2.2 The Utilitarian Argument*

As previously mentioned, the utilitarian or wealth-maximizing reason for publicly funding the arts is the traditional approach for economists to question public policy. The economic method begins with the preferences of individuals. Within this framework there are three possible rationales for state intervention.<sup>23</sup>

- The outcome of markets is judged inequitable.
- The outcome of markets is inefficient.
- Individuals are acting governed by a set of preferences which do not reflect their "true" or "higher" preferences.

By most criteria, the arts comprise a significant area of economic activity. In 1990, consumers spent \$5 billion on admissions to theater, opera, galleries, and other nonprofit arts events, \$4.1 billion on movie admissions, and \$17.6 billion on books.<sup>24</sup> According to the NEA, from 1993 to 1998, real spending on performing arts events grew by 16 percent, or \$1.2 billion, over this six-year time frame. Between 1997 and 1998, real performing arts expenditures grew six percent -- a gain of \$500 million. Spending on admissions to the movies and sports events also increased between 1993 and 1998. Over the six-year time-frame, real expenditures for

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<sup>21</sup> S. Black, "Revisionist Liberalism and the Decline of Culture," *Ethics*, Vol. 102, 1992.

<sup>22</sup> Rushton, p. 270.

<sup>23</sup> Rushton, p. 270.

<sup>24</sup> David Throsby, "The Production and Consumption of the Arts: A View of Cultural Economics," *Journal of Economic Literature*, Vol. 32, March 1994, p. 1.

both motion pictures and spectator sports grew by \$900 million -- representing a gain of 16 percent for motion pictures and 14 percent for spectator sports. Between 1997 and 1998, consumers increased their spending on movie admissions and spectator sports by \$300 million and \$100 million, respectively. [See Table 2.1]

Table 2.1 Admission Receipts for Performing Arts Events, Motion Pictures, and Spectator Sports: 1993-1998<sup>25</sup>

	1998 \$ Billions	1997 \$ Billions	1996 \$ Billions	1995 \$ Billions	1994 \$ Billions	1993 \$ Billions
<b>Admission Receipts to Specified Entertainment</b>	\$22.6	\$21.6	\$20.7	\$20.2	\$19.8	\$19.7
<b>Performing Arts</b>	\$8.9	\$8.4	\$8.0	\$8.0	\$7.8	\$7.7
<b>Motion Pictures</b>	\$6.5	\$6.2	\$5.8	\$5.8	\$5.7	\$5.6
<b>Spectator Sports</b>	\$7.2	\$6.9	\$6.9	\$6.4	\$6.3	\$6.3

Yet, despite the fact that production and consumption of art have been elements of human activity for longer than most of the phenomena that have engaged the attention of contemporary economists, it is only relatively recently that serious work has begun in the area known as “cultural economics.”

Major economists of the past have largely ignored this field, but there have been some that have pursued a scholarly interest in the economic benefits of the arts. Adam Smith wrote serious essays on music, painting, dancing, and poetry. John Ruskin was a leading nineteenth century critic of art and architecture. It is also well known that Keynes was an active and passionate devotee of painting, the theatre, and ballet. In 1959, John Kenneth Galbraith tackled the confrontation between economics and art, when he looked at the economic situation of the artist and at the potential for good design to promote exports of American manufactures.<sup>26</sup>

However, if contemporary cultural economics has a point of origin, it would lie in the pages of the book by William J. Baumol and William Bowen, *Performing Arts – The Economic*

<sup>25</sup> Table based on a table from National Endowment for the Arts, Research Division Note #75, March 2000.

<sup>26</sup> John Kenneth Galbraith, Chapter 3 in *The Liberal Hour*, London: Harnish Hamilton, 1960.

*Dilemma*, published in 1966. For the first time a major branch of the arts was subject to systematic theoretical and empirical scrutiny.<sup>27</sup> For economists who cared to read it at the time, it showed the extent to which their discipline could illuminate a new and challenging area of interest using the familiar tools of economic inquiry.

So what differentiates the economic approach from the liberal? Generally:<sup>28</sup>

- On the question of equality, the liberal approach places more stress on the “equality of opportunity” as an important function of the state. Unequal access to culture leads to unequal opportunities for the more rewarding stations in society.
- Second, liberals require a broad consensus on what would be funding by general taxation, while economists are less concerned with this. Economists would use taxation and subsidy even if there were not broad agreement, if it were the case that total wealth would be increased.
- Lastly, liberals will have an aversion to employing anything like the merit good concept; that the state should be neutral with regard to conceptions of what constitutes the good life is at the very heart of liberalism.

This theory plays a part in cultural theory, and is directly related to the cases studies presented in Chapter 5 of this paper.

### 2.2.3 Communitarianism

Cultural theory, however, fits more into the communitarian argument for publicly funding the arts. Communitarians believe “a democratic society needs some commonly recognized definition of the good life.”<sup>29</sup> And while communitarians place a high value on individual liberty, it is seen as an achievement of a healthy democracy, not an article of faith.

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<sup>27</sup> William J. Baumol and William Bowen, *Performing Arts – The Economic Dilemma*, Cambridge, MA: The MIT Press. 1966.

<sup>28</sup> Rushton, p. 271.

<sup>29</sup> C. Taylor, *Philosophical Arguments*, Cambridge MA: Harvard University Press, 1995.

In such a philosophy, the role of the state with respect to the arts has less do with satisfying individual preferences, and more to do with shaping society and the individuals who will inhabit it. The Progressive reformers of the turn-of-the-century United States understood this idea. They saw in public art, architecture, and city planning ways to elevate the moral and civil character of its citizens.<sup>30</sup> This represents a different sort of merit good that economists would not normally consider. “Without resorting to the notion of an ‘organic community’, common values may be taken to reflect the outcome of a historical process of interaction among individuals, leading to the formation of common values or preferences which are transmitted thereafter.”<sup>31</sup>

In this world, the state “recognizes those ‘common values’ as ones worth preserving and will pursue policies that maintain them.”<sup>32</sup> Therefore, the communitarian approach explains why this study uses cultural theory to shape the direction of the research.

Now that the reasons for public funding for arts have been outlined and a theory for studying the reasons has been picked, the next logic question is: From what wellspring do the funds come? They come from our American tradition of pluralistic funding for the arts; support for the arts flowing from a variety of sources. It means funding from private patrons and other concerned individuals; it means funding from the federal, state, county, and local governments; it means funding derived from foundations, corporations, and businesses.

### 2.3 A Pluralistic Partnership

Arts funding comes from three general sources: individuals, the federal government, and the states.

#### *2.3.1 Individuals*

Art could not exist without individuals, both those who create it and those who purchase, collect, or merely enjoy it. Indeed, from the beginning of the Republic until the Great

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<sup>30</sup> M. Sandel, *Democracy's Discontent*, Cambridge, MA: Harvard University Press, 1996.

<sup>31</sup> R.A. Musgrave, “Merit Goods,” In J. Eatwell, M. Milgate and P. Newman, eds., *The New Palgrave: A Dictionary of Economics*, London: Macmillan, 1987.

<sup>32</sup> Rushton, p. 272.

Depression, funding of the arts in America was the sacrosanct domain of the privileged few. Some of this tradition remains, to be sure, but gone are the days of the reign of the private patron.<sup>33</sup> Benefactors such as Andrew Carnegie, J. Pierpont Morgan, and Mrs. August Belmont, to name a few, saw to it personally that their favorite arts organizations kept their heads above water. The preeminent position of the private patron has been greatly diminished over the years. In today's system of pluralistic support for the arts, the individual contributor has become a partner in the process, rather than the only source.

### *2.3.2 Federal Government*

One of those partners is the federal government. Federal support for the arts began with President Franklin Roosevelt's efforts to deal with the Great Depression. A side effect of his New Deal was the concomitant entry by the federal government into the arts funding process. Roosevelt's administration left its mark upon the arts and public funding of them, the likes of which have never been seen before or since his presidency. Out of his public jobs programs flowed a generation of artists whose imprimatur would be stamped upon all those artists who followed. However, following World War II, the nation turned its energies to the education and employment of its returning heroes. Funding of the arts was not high on the American agenda of recovery. Additionally, the McCarthy hearings painted many artists, writers, actors, and actresses as being unsympathetic to the American goals of besting our adversaries in the Cold War.

Some 30 years after the Depression, the federal government re-centered the arts funding process. In 1965, as part of President Lyndon B. Johnson's Great Society, the National Foundation for the Arts and the Humanities were established, as were other federal agencies (including the National Endowment for the Arts (NEA)) and departments. The NEA and others began efforts to provide assistance to arts organizations and institutions. In the 1980s, the Reagan administration attempted to halve the NEA, but decided to retreat to the status quo following bipartisan opposition to the proposed cuts in Congress. Indeed during 1981, slightly

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<sup>33</sup> Ibid, p. 47.

more than \$314 million for the arts came from the federal government, about half of that from the NEA alone.<sup>34</sup> Even today, the federal government remains a full-fledged partner in the pluralistic system of funding the arts in America, and government programs exist for essentially three reasons:<sup>35</sup>

- To facilitate overall excellence in artistic creation and performance.
- To increase public access to the arts.
- To nurture art forms that tend not to be funded by private sources.

But finding a rationale and guiding principles for government support of the arts is one of the major concerns of cultural theory. Consideration of these matters can conveniently be divided into positive and normative aspects, and will be discussed in Section 2.4 Public Policy toward the Arts.

### *2.3.3 The States*

The third partner in the pluralistic support for the arts is the states. In 1899, Utah created the Utah Art Institute, today's Utah Arts Council. It was the first state-centered arts council in the nation. Five years before the NEA was created, Governor Nelson A. Rockefeller of New York created an emergency ad hoc commission on the arts. Since then, every state has created an arts agency. During the 1983 fiscal year, the 50 states and six jurisdictions – American Samoa, the District of Columbia, Guam, the Northern Marianas, Puerto Rico, and the Virgin Islands – appropriated over \$125 million to their arts agencies.<sup>36</sup> Today, SAAs stand alongside the federal government and private citizens as meaningful partners in the American system of pluralistic support for the arts.

## 2.4 Public Policy Toward the Arts

As previously mentioned there are positive and normative aspects to explaining the rationale supporting public policy toward the arts. Since this study does take on an economic

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<sup>34</sup> Ibid, p. 48.

<sup>35</sup> Kenneth Goody, "Arts Funding: Growth and Change between 1963 and 1983," *Annals of the American Academy of Political and Social Science*, Vol. 471, January 1984, p. 153.

<sup>36</sup> Ibid, p.49

view of funding for the arts, economic definitions of positive and normative will be used to divide the following discussion. A positive statement is a statement about *what is* and contains no indication of approval or disapproval. A normative statement expresses a judgment about whether a situation is desirable or undesirable; it expresses judgment about *what ought to be*.

#### 2.4.1 Positive Aspects

Governments in all democratic countries assist the arts in some way or another, using a variety of instruments including: subsidies to companies and individuals, direct provision of artistic goods and services through state-owned enterprises, and legislation affecting the economic rights of artists.<sup>37</sup> In the United States, there is a small extent of direct provision. Looking back at 1987 at the example of direct public expenditure on arts and museums for eight countries in Table 2.2, the numbers show exactly how much government support the arts in the United States really has.

Table 2.2 Public Expenditure on Arts and Museums, Various Countries, 1987<sup>38</sup>

	Public expenditure on arts as proportion of		Public expenditure on arts per head		
	All public expenditure (%)	GDP (%)	Central govt. (\$ per head)	Regional/local govt. (\$ per head)	Total (\$ per head)
United States	0.05	0.02	1.7	1.6	3.3
Canada	0.34	0.18	12.1	16.2	28.3
United Kingdom	0.41	0.14	7.4	8/6	16.0
France	0.77	0.22	7.2	27.8	35.0
Netherlands	0.45	0.23	16.3	17.2	33.5
Sweden	0.42	0.24	29.2	16.0	45.2
Australia	0.39	0.11	6.0	13.1	19.1

The relatively low level of expenditures in the United States is explained in part by the small extent of state ownership of arts facilities in America compared with the European

<sup>37</sup> David Throsby, "The Production and Consumption of the Arts: A View of Cultural Economics," *Journal of Economic Literature*, Vol. 32, No. 1, March 1994, p. 20.

<sup>38</sup> *Ibid*, p. 21.

countries. Further, the U.S. places by far the greatest reliance on voluntary support to the arts through charitable giving.<sup>39</sup>

The basic issue here is the question of why governments, whether federal, state or local, have intervened in the market to the extent indicated in Table 2.1. What has been the principal motivation behind these significant levels of government expenditures? A major consideration influencing legislators has undoubtedly been a sense of the appropriateness of a government role in supporting the cultural life of the community. An additional explanation of government subsidies to the arts is that they represent the outcome of rent-seeking behavior by individuals and enterprises in the arts industry. Beyond these positive aspects, there are normative aspects that explain the rationale for public policy toward the arts.

#### *2.4.2 Normative Aspects*

In his study, "The Production and Consumption of the Arts," David Throsby asks if there is "an economic rationale in normative terms for spending tax revenue in support of the arts, regardless of what governments actually do?"<sup>40</sup> He examines that question initially in the context of a standard competitive model wherein resource allocation is guided by the free and independent choices of sovereign consumers. But he moves beyond standard efficiency considerations and raises the possibility that the arts might be deemed a merit good.<sup>41</sup> At first glance, the arts would seem to fit the "merit want" description rather closely: "society apparently sees the arts as 'meritorious,' yet people do not demand them in private markets to the extent that such a view would suggest, providing a presumptive case for corrective intervention."<sup>42</sup> But a closer examination suggests that the merit good argument can actually be explained as generalized externalities or social goods. Therefore, the arts can be seen as a potentially leading sector in urban economic development and redevelopment. The scope of research should be expanded to include an examination of arts policies at the state level.

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<sup>39</sup> *Ibid.*, p. 21.

<sup>40</sup> *Ibid.*, p. 21.

<sup>41</sup> This idea was first raised in Richard Musgrave's 1959 book, *The Theory of Public Finance*.

<sup>42</sup> Throsby, p. 23.



## 2.5 Development of Federal-State Arts Policy over Time

A characteristic feature of public policy in the United States is its heavy reliance on third parties to implement federal government programs. This feature is rooted in the strong resentment of “big government” and the assumption of a crowding-out of private initiative by an ever-growing state apparatus.<sup>43</sup> Such norms have led to “a shift from direct to indirect or ‘third-party’ government, from a situation in which the federal government ran its own programs to one which it increasingly relies on a wide variety of ‘third parties’ – states, cities, special districts, banks, hospitals, manufacturers and others – to carry out its purposes.”<sup>44</sup>

### *2.5.1 History and Policy Development of Third-Party Approach to Cultural Policy in the United States compared to Europe*

In the second half of the 1900s – relatively late compared to Europe – upper class elites began to establish and support arts institutions in American cities.<sup>45</sup> At the same time, popular cultural activities were also fairly common; in particular, European immigrant groups imported their cultural traditions, such as singing clubs and contest traditions, where were widespread during the 19th century and persisted for a long time.<sup>46</sup> However, these cultural activities were not connected to any ideological “camps,” nor did they line up with any particular political movement or party. On one hand, this was due to the heterogeneity of the American population. On the other hand, the highly individualized political system of the United States did not provide avenues for the development of neo-corporatist arrangements based on strong intermediary institutions.<sup>47</sup>

Until the 1950s, funding of the arts remained almost exclusively the domain of private patrons. However, at that time a major change took place. The Ford Foundation, soon followed by other private foundations, commenced a comprehensive program that helped establish the

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<sup>43</sup> M. Olasky, *The Tragedy of American Compassion*, Washington, D.C.: Regnery Publishing, 1992

<sup>44</sup> L.M. Salamon, *Partners in Public Service: Government-Nonprofit Relations in the Modern Welfare State*, Baltimore: Johns Hopkins University Press, 1995.

<sup>45</sup> Paul DiMaggio, “Nonprofit Organizations in the Production and Distribution of Culture,” In W.W. Powell, ed., *The Nonprofit-Sector: A Research Handbook*, New Haven: Yale University Press, 1987.

<sup>46</sup> A. Plotinsky, “Music as Philanthropy: Making Music and Building Community in Nineteenth-Century America,” *Nonprofit and Voluntary Sector Quarterly*, Vol. 23. No. 4, 1994.

<sup>47</sup> Annette Zimmer and Stefan Toepler, “The Subsidized Muse: Government and the Arts in Western Europe and the United States,” *Journal of Cultural Economics*, Vol. 23, 1999, p. 42.

arts as a legitimate recipient of public funds and a relevant policy issue.<sup>48</sup> The most important rationale underlying the engagement of the Ford Foundation was a growing recognition that the arts could not be sustained by private sector income alone due to the economic characteristics of the services they produce.<sup>49</sup> These developments coincided with the “Great Society” and the establishment of the National Endowment for the Arts (NEA) in 1965.

Prior to the mid-1960s, public support for the arts was largely limited to indirect subsidies via tax-exemption for arts organizations and comparatively generous deductions for benefactors in a system of “private policy making.” Among the reasons for the traditionally low involvement of government are the lack of a feudal-aristocratic heritage of cultural institutions, puritanical beliefs which regarded the arts as unnecessary luxury, and a strong republican tradition of limited government.<sup>50</sup> Since arts patronage is widely perceived as a private rather than a public responsibility, cultural venues are usually either commercial or nonprofit. In sharp contrast to France and Sweden, where the production of high culture is almost exclusively in the hands of public entities, nonprofit organizations dominate this field of cultural activities in the U.S.<sup>51</sup> Although the economic problems endemic to high cultural institutions provided the main rationale for creating the NEA, the most important aspect of the NEA’s funding is what is referred to as *imprimatur*; “public grants are perceived as a recognition of quality, and therefore facilitate the grantee organization’s fundraising from private foundations, corporations, and individuals.”<sup>52</sup> Therefore, from an institutionalist point of view, fostering various forms of “third-party government” provides the major rationale underlying NEA’s funding activities. Case in point are the block grants which are traditionally designated to the SAAs serving as a policy tool

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<sup>48</sup> Paul DiMaggio, “Support for the Arts from Independent Foundations,” in P.J. DiMaggio, ed., *Nonprofit Enterprise in the Arts: Studies in Mission and Constraint*, New York: Oxford University Press, 1986; M.C. Cummings, “Government and the Arts: An Overview,” in S. Benedict, ed., *Public Money and the Muse*, New York: W.W. Norton, 1991.

<sup>49</sup> Baumol Bowen, 1966.

<sup>50</sup> Zimmer and Toepler, p. 43.

<sup>51</sup> D. Netzer, “Arts and Culture,” In C.T. Clotfelter, ed., *Who Benefits from the Nonprofit Sector?* Chicago: University of Chicago Press, 1992; Paul DiMaggio, “Nonprofit Organizations in the Production and Distribution of Culture,” In W.W. Powell, ed., *The Nonprofit-Sector: A Research Handbook*, New Haven: Yale University Press, 1987.

<sup>52</sup> Zimmer and Toepler, p. 43.

to decentralize the production and consumption of the arts and culture in the U.S. NEA's block grants amount to the largest share of the Endowment's allocations.<sup>53</sup>

### *2.5.2 The National Endowment for the Arts and the Growth of State Arts Agencies: Block Grants*

Since the 1965 founding of the NEA, SAAs have had an unusual relationship with this largest federal source of arts support. Reacting to concern for possible problems of an overly centralized program, Congress mandated a specific fiscal partnership between the Endowment and the states, which required that each state, through a designated state arts agency, receive a block grant, allotted in equal amounts to the states.<sup>54</sup> In addition to block grants, SAAs can apply for grants in a number of other categories. These administrative grants provide funds for state development within the state agencies, or for coordination with local arts agencies. Such grants are awarded competitively among applying state agencies. They can also apply for grants in many of the program areas, and in doing so, compete for funds with arts presenters and producers.<sup>55</sup>

That being said, it is useful to review the history of the "state arts agency movement."<sup>56</sup> Prior to 1967, there were only 22 state legislatures that appropriated any money for SAAs. Except for New York, where support was substantial, the appropriations were generally significant for their novelty. While each state received a block grant of \$50,000 in 1967, the total of appropriations by the states, less New York, was only \$505,000. By 1974, the aggregate state appropriations were \$33,135,085, or less than 20 percent of the total state and federal direct appropriations for the arts. By 1980, however, state legislatures made a total of more than \$96,000 available to their arts agencies. This was approximately 38 percent of the

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<sup>53</sup> M.J. Wyszomirski and K.V. Mulcahy, "The Organization of Public Support for the Arts," In K.V. Mulcahy and M.J. Wyszomirski, eds., *America's Commitment to Culture: Government and the Arts*, Boulder: Westview Press, 1995.

<sup>54</sup> Richard I. Hofferbert and John K. Urice, "Small-Scale Policy: The Federal Stimulus versus Competing Explanation for State Funding of the Arts," *American Journal of Political Science*, vol. 29, no. 2, May 1985, p. 310.

<sup>55</sup> *Ibid.*, p. 310.

<sup>56</sup> *Ibid.*, p. 311.

total state and NEA arts allocations.<sup>57</sup> This brief history shows the clear effect of a federal stimulus for initiating a novel function, at least up to a modest level of programmatic activity. Indeed, not only were state functions directly stimulated, but a professional community evolved, giving additional policy identity, if not autonomy, to arts funding at the state and local level.<sup>58</sup>

### 2.5.3 1963-1983: A Period of Growth and Change

So far, the life of arts funding has experienced two major periods of growth. These growth periods occurred between 1963 and 1983. Between 1963 and 1983, not only was there a tremendous growth in the amount of money given to the arts by foundations, corporations, and government, but a substantial shift in the mix of these funds as well. According to a Rockefeller Panel Report on the Future of Theater, Dance and Music in America:

Many social and political forces have combined, at this moment of history . . . [and] provide an unparalleled opportunity for the arts and the nation . . . Wisely applied, all these factors can lead to an environment more conducive to distinguished performance and to a higher level of artistic accomplishment . . . one thing is immediately clear: The potential for successful development of the performing arts is tremendous.<sup>59</sup>

Perhaps the clearest indicator of how the arts have become a central part of American life can be seen in the vast increase in money spent for artistic purposes nationwide. Money given to the arts by local, state, and federal government, foundations, and corporations has increased by more than 2000 percent, from approximately \$40 million in 1963 to approximately \$940 million in 1982. Even if inflation is considered, the increase is nearly 800 percent.<sup>60</sup> Total direct state and federal support has increased since 1963 from \$1 million to \$260 million in 1983.<sup>61</sup>

This increase in arts funding not only strengthens preexisting institutions but enables many new organizations to be established. The growth in the number of arts organizations,

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<sup>57</sup> Dick Netzer, *The subsidized muse: Public support for the arts in the United States*. Cambridge: Cambridge University Press, 1978.

<sup>58</sup> John K. Urice, "Using research to determine, challenge, or validate public arts policy," *Journal of Arts Management and Law*, Vol. 13, Spring 1983, p. 200.

<sup>59</sup> *The Performing Arts: Problems and Prospects*. A Rockefeller Panel Report on the Future of Theater, Dance, and Music in America, New York: McGraw-Hill, 1965, p. 8.

<sup>60</sup> Kenneth Goody, "Arts Funding: Growth and Change Between 1963 and 1983," *Annals of the American Academy of Political and Social Science*, vol. 471, January 1984, p. 145.

<sup>61</sup> *Ibid*, p. 153.

however, has been too great for the increasing pool of money to reasonably support. Many of the problems that plagued the arts universe 20 years ago are still pressing: low pay and unemployment for creative and interpretive artists, the ever present reality of crisis financing and the lack of effective central sources of information and dialogue.

The federal government has been a great supporter, but some of the biggest growth and change has occurred at the state and local level. From 1963 to 1983, and even to today, appropriations by state governments to the arts have increased rapidly. In 1963, only New York, North Carolina, and California had developed programs of arts funding. In 1974, spurred by the existence of the NEA, mandated by legislation to make block grants to the states, and by a general awakening of interest by state legislators and a realization of the economic impact of the arts on local communities, each state had an arts council.<sup>62</sup> Funding increased from \$2.7 million in 1966 to \$125 million in 1983. In 1998, it rose to \$305 million and in 2000, it hit \$393.7 million. Today, states currently invest \$362.7 million – about \$1.21 per capita -- and each year, SAAs fund approximately 18,000 organizations, schools, and artists in more than 5,300 communities across the United States.<sup>63</sup>

Although there are no national aggregate data for local government arts support, funds given by cities and towns may have increased at a rate similar to that of states. It can be estimated that there are over 2000 local arts councils, most of which receive municipal funds and make grants to support a variety of local organizations. A 1982 study of 24 large city arts agencies estimates that they spent approximately \$80 million in 1981.<sup>64</sup> While this figure may not be a reliable indicator of total local giving, the study does highlight the nature of much city support: 60 percent went to operate city-owned cultural facilities, usually museums. This local support emphasizes the importance – and obscurity – of indirect governmental funds and services for the arts.

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<sup>62</sup> Ibid, p. 147.

<sup>63</sup> National Assembly of State Arts Agencies, "State Arts Funding Grows in Fiscal Year 2007," National Assembly of State Arts Agency, February 7, 2007.

<sup>64</sup> David Cwi, *City Arts Support: Status and Issues*, Baltimore Cultural Policy Institute, 1982.

#### *2.5.4 Growth of State Arts Agencies*

During this time, state agencies enjoyed non-incremental, rapid growth. By 1974, all 50 states had made some direct appropriations for the arts. Now, state agencies have grown in power, sophistication, political savvy, and financial clout. And, while the financial and programmatic relationship with the NEA has been fine-tuned, and in many ways adjusted to meet new circumstances, the affiliation remains essentially unchanged from 1967. Financially, the state agencies have depended on two sources: the NEA and their state legislatures. With the former, the alliance was a fact of law; with the latter, circumstances varied widely from state to state and year to year.<sup>65</sup>

Moreover, both state and local arts agencies showed strong patterns of growth, especially during the 1980s. This holds true even for the 1990s, despite the recession-induced declines in Congressional appropriations for SAAs and in the budgets of local arts agencies.<sup>66</sup> Against the growth of both public and private third-party funders in the field, the cuts in the late 1990s seem less threatening. On the other hand, the increased availability of funding sources over the past three decades has also spurred a concomitant growth of nonprofit arts organizations, and led to the development of cultural policy at the state level.

#### *2.5.5 Cultural Policy at the State Level*

In sum, American cultural policy that has trickled down to the state level is distinguished by:<sup>67</sup>

- A dominance of the private nonprofit sector both in the delivery and financing of arts and culture, with government only playing a supporting role.
- A decentralized and dispersed net of private and public funding, in which the federal government has performed a stimulating function, which,

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<sup>65</sup> Hofferbert and Urice, p. 311.

<sup>66</sup> Institute for Community Development and the Arts, *Building America's Communities II*, Washington, DC: Americans for the Arts, 1997.

<sup>67</sup> Zimmer and Toepler, p. 44

however, still leaves the need for a stronger market-orientation even in the nonprofit sector, and

- The lack of a clear and unambiguous overall agenda for the cultural policy process beyond the initial market failure justification.

### 2.6 The Arts and Government: Public Policy Questions

Some of the discussions of the arts and government in the United States have been centered on politicization of the arts. The discussion generally involves the NEA's largess, appointments, and grant-making procedures. The NEA represents the national government's direct involvement in the support of the arts. Legislation, passed decades earlier, had provided a subsidy for the arts in an indirect way by providing tax breaks for donors' contributions and tax allowances for the operation of nonprofit cultural organizations.<sup>68</sup> In this way, the government indirectly supported the arts with the questions of who, how, what, and when to support resting with the donor. This has changed with the government's direct involvement in the promotion and encouragement of the arts, and now, those questions rest with the NEA. Likewise, a complex of sociopolitical conditions facilitates or retards modest innovations in American state policies.<sup>69</sup> This means that these questions also rest with the states. The shift in involvement to the states can be indexed by considering the growth of public support at the state and local level.

State art agencies, sparked by blocked grants from the NEA, have grown to be important elements in the spectrum of public support for the arts. The states' appropriations for the arts, 2.7 million dollars in 1967, had risen to 61.5 million dollars in 1976, a rate of growth matched only by the NEA.<sup>70</sup> However, with state budgets suffering, most SAAs have experienced cuts in funding, especially in 2004. Of the 42 SAAs reporting a budget decrease

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<sup>68</sup> C. Richard Swaim, "The Arts and Government: Public Policy Questions," *Journal of Aesthetic Education*, Vol. 12, No. 4, October 1978, p. 43.

<sup>69</sup> Jack L Walker, "The diffusion of innovation among the American states," *American Political Science Review*, Vol. 63, September 1969.

<sup>70</sup> U.S. Congress, House, *Department of Interior and Related Agencies Appropriations for 1976, Hearings*, before a subcommittee of the Committee on Appropriations, House of Representatives, 94th Congress, 1st sess., 1975, p. 580-81.

for 2004, 10 had reductions of more than 15 percent.<sup>71</sup> Unfortunately, those cuts came after a rather bleak fiscal year in 2003. According to the National Assembly of State Arts Agencies (NASAA), California and Massachusetts (two states with the most arts agencies) accounted for \$44 million in losses. Overall, state arts funding plunged from \$410 million (2002) to about \$350 million (2003).<sup>72</sup> But despite attempts by some state legislators to dissolve completely SAAs as a cost-saving measure, currently 50 state and six jurisdictional government arts agencies are still operating. And, in fiscal year 2007, Congressional appropriations to SAAs increased. The NASAA's latest *Legislative Appropriations Annual Survey* reports that appropriations to SAAs currently stand at \$362.7 million or \$1.21 per capita. Between fiscal years 2006 and 2007, SAAs gained \$32 million in state funds, an increase of nearly 10 percent.<sup>73</sup>

Nevertheless, the policy change, beginning in the 1970, demonstrates that the funding priorities at the agency flow from the political process. The groups which are able to extract monies from the Treasury are those constituencies which are able to make their influence felt in Washington. The cumulative effect of the government's direct support for the arts, the strategies necessary for the agency to increase their appropriations and other fall-out impacts mean that the arts are now politicized.<sup>74</sup> The politicization of the arts means that arts policy will now be decided the same way agricultural policy or any other policy is decided.

Entrance into the political process is required for a couple of reasons:<sup>75</sup>

- The arts are competing with other policy areas for public dollars, and
- The art forms are competing among themselves for shares of the cultural dollars.

And now that the arts are politicized and appealing to elected officials for support, there is a new criterion with which to judge the "worthiness" of the arts. Art, that most abstract

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<sup>71</sup> "Update on State Arts Funding," College Art Association, November 2003.

<sup>72</sup> National Assembly of State Arts Agencies, "Local State Arts Agencies."

<sup>73</sup> National Assembly of State Arts Agencies, "State Arts Funding Grows in Fiscal Year 2007," National Assembly of State Arts Agencies, February 7, 2007.

<sup>74</sup> Swaim, p. 45.

<sup>75</sup> *Ibid*, p. 45.



phenomenon and perhaps the most subjective of human endeavors, is now being “objectively valued.”<sup>76</sup> Various economic and numerical criteria are being developed to measure the tangible value of art, and in attempting to decide the worthiness of art, the focus shifts to that which is measurable.

But the direction funding is taking raises an important question: Can the arts survive in the political marketplace? Some researchers are confident that they can, and they base their opinion on what research is out there to date, that proves as much. However, the key question becomes what kind of art will survive and prosper? According to Richard Swaim, art as represented by the art forms that can make their influence felt in the political process and can produce data demonstrating their “worthiness” will survive.<sup>77</sup> The arts have followed Swaim’s predictions have experienced some great periods of growth and change, and a few studies have focused on the determinants of funding sources.

### 2.7 Previous Models of Funding Sources

Models of state arts appropriations tend to emphasize the willingness and capacity of states in determining state arts appropriations, with limited recognition of the effect of alternative funding sources on state contributions.<sup>78</sup>

Schuster focuses on variations in state arts appropriations per capita, including three primary variables: attendance rates, the number of resident artists, and the number of nonprofit arts organizations. While explaining 78 percent of the variation in arts appropriations,<sup>79</sup> there is no consideration given to the influence of alternative funding sources on state arts appropriations.

Netzer investigates changes in the willingness and capacity of states to finance public services. In this model, state arts appropriations are treated as a function of personal income,

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<sup>76</sup> Ibid, p. 45.

<sup>77</sup> Ibid, p. 47.

<sup>78</sup> Patricia Nold Hughes and William A. Luksetich, “The Relationship Among Funding Sources for Art and History Museums,” *Nonprofit Management and Leadership*, Vol. 10, No. 1, Fall 1999, p. 23.

<sup>79</sup> J. Schuster, “Determinants and Correlates of Arts Support by States,” In D. Shaw et al., eds., *Cultural Economics '88: An American Perspective*, Akron, Ohio: Association for Cultural Economics, 1989.

tax effort, and education. Tax effort proved to be consistently positive and significant; income and education yielded less consistent results.<sup>80</sup>

Abrams, Bracht, and Prinz include nine major factors in their study of state levels of support for the arts. Included in these factors are federal support, city support and private contributions. This study attempts to capture the interdependence of funding sources of the arts,<sup>81</sup> but it considers only one dimension of this relationship. "Although federal, local and private sources influence state contributions, it must also be recognized that each funding source influences, and is influenced by, all other funding sources."<sup>82</sup>

Steinberg explicitly considers the simultaneous nature of funding and the effect of government spending on donations. He demonstrates that single-equation estimates that measure the effect of one category of funding on donations, all else equal, are biased.<sup>83</sup> In this reduced form of the model, all adjustments in state, local and earned income are represented by changes in federal support only.

Hofferbert and Urice use path analysis to explain differences in state arts spending, including the effect of federal aid on state contributions. Three major factors are found to influence state arts spending are social investment policy norms, legislative professionalism, and federal aid.<sup>84</sup>

The authors find that NEA grants provide a positive stimulus to SAAs. But their study is outdated, and deserves to be update and modified to reflect the current situation of public arts funding. The model in this paper does just that.

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<sup>80</sup> D. Netzer, "Cultural Policy in an Era of Budgetary Stringency and Fiscal Decentralization: The U.S. Experience," *Cultural Economics*, 1992.

<sup>81</sup> D. Abrams, F. Bracht and M. Prinz, "Determinants of State Government Funding of the Arts in the United States," Paper presented at the 9th International Conference on Cultural Economics, Association of Cultural Economics International, Boston, May 1996.

<sup>82</sup> Hughes and Luksetich, p. 23.

<sup>83</sup> R. Steinberg, "Does Government Spending Crowd Out Donations? Interpreting the Evidence," *Annals of Public and Cooperative Economics*, Vol. 62, No. 4, 1991.

<sup>84</sup> Hofferbert and Urice, p. 312.

CHAPTER 3  
METHODOLOGY

3.1. Purpose

Comparative state policy research is typically on public expenditures and this study fits within this tradition. Its purpose, however, is to determine whether environmental and political system factors explain the differences in levels of state funding for the arts, specifically changes in state-level funding (from 1985-2007). This study supplements the conventional cross-state approach with case studies (derived from secondary evidence) of six states. These case studies identify salient actors involved in the arts policymaking process and provide more substantive explanations for the ways in which arts policies are formulated and adopted in these states.

3.2. Framework for the Models Used

The cross-state and case study approaches in this study have their own individual frameworks. In the case of the cross-state quantitative study, the framework to be used is the Political Systems model. For the case studies, the Policy Communities will be used. The hypotheses drawn from each of the frameworks will be detailed in Section 3.5.

*3.2.1. The Political Systems Model*

The Political Systems Model considers inputs such as environmental factors that affect policymaking, demands on the political system the political system itself (inputs), and the outputs (expenditures) of the political system in terms of decision and actions.<sup>85</sup> Basically, the model states that political systems can be analyzed in terms of their structures and functions. Structurally, political systems may be defined in terms of inputs, conversion, output, and

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<sup>85</sup> Thomas Dye, *Understanding Public Policy*, NJ: Prentice Hall, 1972; David Easton, *A Framework for Political Analysis*, Chicago: University of Chicago Press, 1979.

feedback operating in the socio-economic and political cultural environments.<sup>86</sup> Functionally, political systems may be defined as:<sup>87</sup>

- Authoritatively allocating values.
- Determining “who gets what, when, and how.”
- The steering mechanism which controls the ship of state.
- Having a monopoly on the legitimate use of force.

Therefore, there is a continuous relationship among environmental conditions, the political system, and public policy.<sup>88</sup>

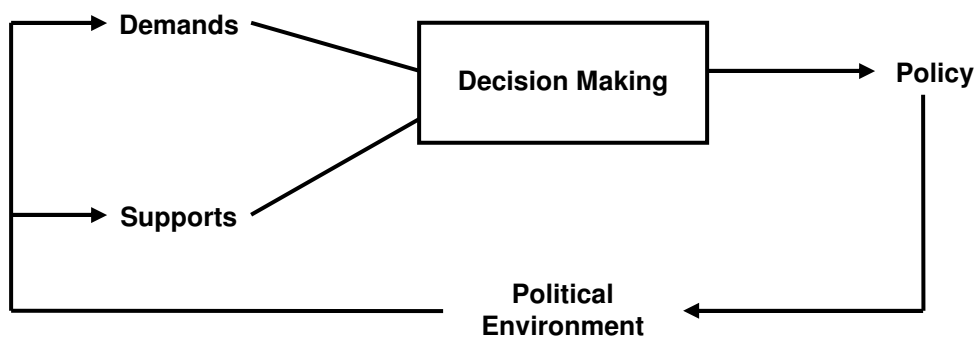


Figure 3.1 Easton's Division of Political Systems Model

### 3.2.2. The Policy Communities Model

The Policy Communities model is an updated version of the Iron Triads model. In the Iron Triads model, there are three sets of actors: interest groups, executive department bureaucrats, and legislative committees; these actors hold power over separate and discrete policy areas. For example, power over state arts policies is in the hands of the state arts agency, the arts committees in the state legislature, and interest groups in the area of arts

<sup>86</sup> Dye, 1972; Easton, 1979.

<sup>87</sup> Ideas taken from: Easton, 1979; Harold D. Lasswell, *Politics: Who Gets What, When, How*, NY: Whittlesey House, 1936; Richard Kraut, ed., *Aristotle: Political Philosophy*, NY: Oxford University Press, 2002.

<sup>88</sup> Concept from David Easton, *The Political System: An Inquiry into the State of Political Science*, NY: Alfred A. Knopf, 1953.

funding. Triads promote expansion in their policy areas with the actors interacting personally and frequently and even changing positions over time. However, even though the actors change, policy changes are often small and go unnoticed. That is, the expenditures and power of the triad increases incrementally, and over time these increments add up to more major changes. But if the triad fails, then actors outside the triad will take power. In other words, if the micro-system (triad) fails, then the macro-system of neopluralism<sup>89</sup> may displace the triad for a period of time.

The triad model and the relevant actors' roles in policymaking are broadened to include more actors in the Policy Communities model. Advanced by John Kingdon, the Policy Communities model states that policy communities are composed of specialists in a given policy area. In any policy area, specialists are scattered both through and outside of government and all share the same concern for one area of policy problems.<sup>90</sup> In the arts policy area, specialists may be found in state arts agencies, arts advocacy groups, other related cultural interests groups, certain business interest groups, local governments, educators such as fine arts faculty or public school arts teachers, and state legislative committees.

Kingdon states that:

The community of specialists hums along on its own, independent of such political events as changes of administration and pressure from legislators' constituencies. These specialists are affected by and react to the political events, to be sure. But the forces that drive the political stream and the forces that drive the policy stream are quite different: each has a life of its own, independent of the other. [And] from one policy to another, the relevant communities vary in degree of fragmentation. Some communities are tightly knit...some are diverse and fragmented.<sup>91</sup>

In other words, the policy stream is separate from the political and problems stream.

Further, Kingdon describes differences in the degree of fragmentation inside two policy

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<sup>89</sup> Neopluralism, or preferred position/neoelitism, is defined by the presence of multiple, competitive groups. All groups use multiple resources, but money is key to the purchase of other resources. Martin J. Smith, "Pluralism, Reformed Pluralism and Neopluralism: the Role of Pressure Groups in Policy-Making," *Political Studies*, Vol. 38, No. 2, June 1990, pp. 302-322.

<sup>90</sup> John W. Kingdon, *Agendas, Alternatives, and Public Policies*, Boston: Little, Brown and Company, 1984, p. 123.

<sup>91</sup> *Ibid*, p. 124.

communities: health policy and transportation. The health community is considered tightly knit, even though it does have diverse elements (different scientific researchers, specialists, insurance advocates, and budget makers) because most health specialists deal with problems related to making people healthy and paying for their medical expenses. There is also a fair amount of interaction among the diverse elements.<sup>92</sup> The transportation community is considered fragmented because it is divided into the different modes such as railroads, highways, urban mass transit, and aviation.

The technologies involved in the modes are different from one another, the industries and interest groups tend not to cut across modes and the jurisdictions of both the administrative agencies and the [C]ongressional committees are defined by mode. Thus there are communities of specialists in rail, highways, aviation, urban transit and waterways, but very few people are concerned with issues that involve two or more of these modes.<sup>93</sup>

The fragmentation has three consequences: policy fragmentation, lack of a common outlook, and instability. With policy fragmentation, “the left hand knows not what the right hand is doing, with the result that the left hand sometimes does something that profoundly affects the right hand, without [anyone] ever seeing the implications.”<sup>94</sup> The second consequence stems from the idea a “more tightly knit community generates common outlooks, orientations, and ways of thinking;” they create a *lingua franca*.<sup>95</sup> The third consequence is that fragmentation begets instability. This is most noticeable when considering the stability of agendas. Kingdon believes that “agenda stability is due to what [one] might call ‘structural anchors to the agenda’.”<sup>96</sup> Areas with greater fragmentation and fewer agreed-upon paradigms are more susceptible to crises because it is they are simply less structured. This leaves the agenda free to shift from one time to another in a more volatile fashion than the more tightly knit

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<sup>92</sup> Ibid, p. 124.

<sup>93</sup> Ibid, p. 124.

<sup>94</sup> Ibid, p. 125.

<sup>95</sup> *Lingua franca* is a language created in a tightly knit community that only the members within the community understand. Ibid, pg. 126.

<sup>96</sup> Ibid, p. 27.

organizations. Therefore, “the fragmentation of a policy system affects the stability of the agenda within [a] system.”<sup>97</sup>

To clarify, the Policy Communities model simply states that:<sup>98</sup>

1. Instead of a major interest group being affected (as in the Iron Triads model), there are multiple interest groups involved.
2. Thus, there is conflict among groups in the implementation stage, policies are delayed, and there is more compromise and slower or smaller change.
3. Beside the three types of actors immediately involved in policy triads, there are connections to a broader policy community of experts: think tanks, university researchers, consultants, journalists and others.
4. Experts seek solutions to problems even before these problems concern government. They attempt to build an expert consensus or coalition around the solution before the problem gains official attention.

### 3.3. Application of Political Systems Model to Study Design

This study of the 50 states is based on the Political Systems model, a model adapted to state arts policymaking by Hofferbert and Urice in their 1985 study of differences in arts spending among the states.<sup>99</sup> This model incorporates the effects of federal funding on states’ arts funding, thus, the authors warn that,

Inferences based on state-to-state variations in funding for a federally stimulated program must be made with caution...[Moreover,] with relatively autonomous entities, such as states in education or localities in police policies, we are more nearly identifying actual decision practices within the jurisdictions themselves. Most federal grant-in-aid programs involve a mix of such factors – distribution criteria employed at the center and decision practices within sub-national jurisdiction.<sup>100</sup>

This process is illustrated in a simple form in Figure 3.2, which proves a general model to guide this study’s analysis of state arts funding.

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<sup>97</sup> Ibid, p. 27.

<sup>98</sup> From: Kingdon, *Agendas, Alternatives, and Public Policies* and from notes from Dr. Jill Clark (UTA).

<sup>99</sup> Hofferbert and Urice, p. 312.

<sup>100</sup> Ibid, p. 312.

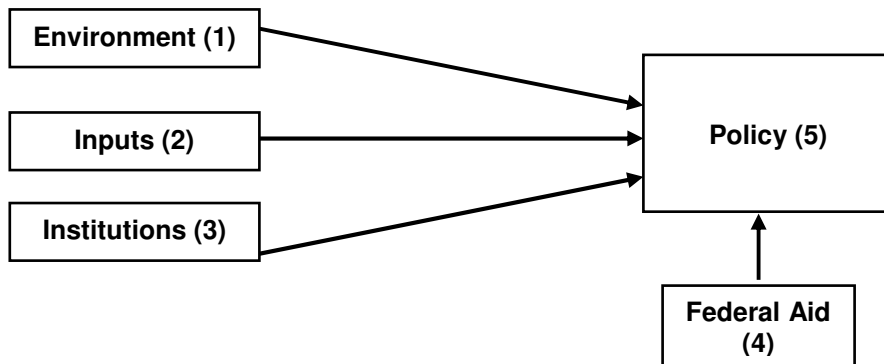


Figure 3.2 Explanations for State Arts Funding

The model follows the Political Systems model by portraying the relationships among (1) environmental conditions (commercial appeal, income, and educational level), (2) inputs (level of participation in arts activities), (3) institutions (agency age, agency size, legislative professionalism, and party control), (4) federal aid, and (5) policy (state expenditures on the arts). Hofferbert and Urice used a similar model, but this study expands their hypotheses and updates the data used for analysis.

#### 3.4. Statement of the Dependent Variable to be Tested

The dependent variable for this analysis is the amount of state expenditures from 1985-2007. It is important to bear in the mind the period of analysis. It follows where Hofferbert and Urice's study leaves off and it follows a period of change in economic thinking. After a cut to the NEA's budget in 1982, 1985 marks a period when the NEA's budget began rising and increased as the years continued.

#### 3.5. Testable Hypotheses of Variables in the Cross-State Quantitative Study

As the historical review strongly suggests, support of the arts was placed on the states' agendas principally through federal action. The NEA has been the stimulus to get all states to institutionalize funding for the arts with the block grant program. A large body of prior work finds clear evidence of such a stimulus. In addition to block grants, SAAs may apply for grants in a number of other categories. These grants provide funds for state development within the state



agencies, or for coordination with local arts agencies. Such grants are awarded competitively among applying state agencies. States may apply for grants in many of the program areas; and in doing so, compete for funds with arts presenters and producers. So, the initial hypothesis of this study is:

- **H<sub>1</sub>: The more federal arts aid given to states, the higher a state's expenditure.**

The implication of this hypothesis for the decision-making process is not that NEA is likely to "favor the rich," but rather that the socio-politically more complex states are most likely to have a well-developed bureaucracy and allied private network speaking for the arts at the state level.<sup>101</sup> This state level community will qualify for more federal funds and have the capacity to seek more competitive grants.

- **H<sub>2</sub>: The greater the level of participation in various arts activities, the greater the federal funding.**

According to recent research, state arts agencies' expenditures range from weakly to moderately correlated in a positive direction with participation in arts activities. The correlation is highest for participation in jazz concerts, classical music concerts and non-musical plays.<sup>102</sup>

Ceteris paribus, if supply increases, a product should be produced in higher quantities and at a lower price. So, funding for arts organizations produced at higher levels will increase the participation in arts activities and would decrease the price to attend those events. And the more participation in arts activities would support the adoption of increased state arts funding policies.

Further, as part of the political system context, the relevance of the state arts agency (SAA) must be examined. A relatively new function, with a relatively new bureaucracy, is likely to be administratively unstable. Cross-national research has shown the independent effects of

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<sup>101</sup> Ibid, p. 315.

<sup>102</sup> J. Mark Schuster, *The Geography of Participation in the Arts and Culture*, NEA Research Division Report #41, Santa Ana, CA: Seven Locks Press, 2000.

program age on policy growth.<sup>103</sup> The more stable the state's administrative structure within the arts agency, the higher the level of state funding. To test stability, this study looks at the age of the agency. Moreover, observers of the arts know that a relatively small percentage of the public provide most of the inspiration and management. "A willingness of the electorate to allow itself to be taxed in support of the arts is probably, at least in part, a function of how many people within that electorate have had a basic, direct, personal exposure to the arts in a positively reinforcing situation."<sup>104</sup> The third hypothesis is as follows:

- **H<sub>3</sub>: The older the SAA and the larger the size of the SAA, the higher the state funding for the arts.**

The expectation is that agency age has a statistically significant influence; agencies that are older have a greater edge in receiving funding. According to Hofferbert and Urice, agencies established earlier to seem to have a modestly greater edge in receiving funding (in 1985), and longevity might be more consequential in total were it not for its negative impact on NEA grants. Perhaps, NEA administrators assume that those state operations, which have been in business longer, are in a better position to look after their own interests. Lastly, the expectation is that the larger the agency, the more funding it receives.

According to Hofferbert and Urice, "states which were socioeconomically more complex or "developed" at the time the NEA began its work were likely to have had in place the institutional infrastructure which would facilitate easy entry into a rather esoteric new federal program."<sup>105</sup> Additionally, "socioeconomic conditions have been shown to influence institutional features, such as the support structure and professionalism of state legislatures. However, such institutional attributes have also been shown to have independent as well as intervening effects on policy outputs."<sup>106</sup> This study suggests that:

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<sup>103</sup> Harold Wilensky, *The welfare state and equality*, Berkeley: University of California Press, 1975.

<sup>104</sup> *Ibid*, p. 313.

<sup>105</sup> *Ibid*, p. 314.

<sup>106</sup> John Grumm, "The effects of legislative structure on legislative performance," in Richard I. Hofferbert and Ira Sharkansky, eds., *State and urban politics*, Boston: Little-Brown, p. 298-322.

- **H<sub>4</sub>: States higher in legislative professionalism will have higher funding for the arts.**

Along with Hypothesis 4, legislative professionalism is affected by the political party in power. Political party also affects the amount of state funding that is appropriated. Generally, Republicans tend to favor private support of the arts – e.g. private financing – rather than government programs. However, Democrats tend to have a stronger preference for government programs. Further, the arts community has a history of support from Democrats – e.g. New Deal programs. Thus:

- **H<sub>5</sub>: The political party in power (Republican or Democratic) will affect the amount of money spent on the arts.**

Arts institutions are people-intensive and energy-intensive, and with their essential expenses increasing at a faster rate than inflation<sup>107</sup>, coupled with the fact that the arts are not considered a necessity by some, one could assume that arts programs might be cut in favor of health care or other more “relevant” social programs. However, the arts have been found to have a beneficial impact on the economy and have been found to increase social capital and community cohesion; states have been using the arts as a commodity in an attempt to boost their commercial appeal.<sup>108</sup> Therefore:

- **H<sub>7</sub>: States attempting to boost their commercial appeal will use the arts as a commodity; thus, they will appeal for more arts funding.**

In the case of the arts, a greater degree of social contextual specificity can be delved into than is usually the case in comparative state policy analyses. A part of the socioeconomic context, the relevance of the “arts constituency” must be examined. That being said, the last hypothesis states:

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<sup>107</sup> Patricia A. McFate, “Inflation and the Arts,” *Annals of the American Academy of Political and Social Science*, Vol. 456, July 1981, p. 71.

<sup>108</sup> “How the Arts Impact Communities,” Prepared by Joshua Guetzkow, for the *Taking the Measure of Culture* Conference, Princeton University, June 7-8, 2002.

- **H<sub>3</sub>: States with higher levels of education and higher income levels will provide more funding for the arts.**

This study expects that the higher levels of education achieved by a state's population will lead to more acceptance of arts funding policies. Also, since an individual's income is a strong predictor of his or her participation in the arts, the higher the income bracket, the higher the participation rate. And the more participation in a community, the more funding that state would receive.

### 3.6. Measurements for Independent Variables in the Cross-State Quantitative Study

To test the hypotheses presented in the previous section requires measures for the following variables:

1. Federal Stimulus
    - A. Federal grants to the states
  2. Political System
    - A. Legislative characteristics
      - Interparty competition
      - Legislative professionalism
  3. Agency characteristics
    - A. SAA age
    - B. SAA size
- Environmental Conditions
- A. Commercial appeal
  - B. Participation
  - C. Income levels
  - D. Education levels

To analyze the independent variables, each independent variable will be tested against the dependent by running a bivariate correlation, specifically Spearman's Rho. These tests will determine which variables are significant and confirm the stated hypotheses.

#### *3.6.1. Federal Stimulus*

Federal grants to the states will be measured by examining Congressional appropriations to SAAs over the period of 1985-2007. Data will be collected from the NEA and the National Assembly of State Arts Agencies (NASAA). Luckily, Congressional appropriations to state agencies are directly visible, not only in a bookkeeping sense, but also in the bureaucratic infrastructure of the NEA and their support of SAAs. The NEA has published the

*National Endowment for the Arts, 1965-2000: A Brief Chronology of Federal Support for the Arts* that provides a thumbnail history of the first 35 years of the federal government's support for the arts, and the NASAA releases an annual Congressional appropriations survey that provides a comprehensive review of state arts agency revenue sources and Congressional appropriations to each state arts agency, and has created the *State Arts Agency Public Funding Sourcebook*, which compiles all Congressional appropriations from 1970 to 2007.<sup>109</sup> The data will be divided into two time periods: 1985-1995 and 1996-2007. The data will be ranked on a scale from 1-50 (1 representing the state with the highest federal appropriation for the time period and 50 representing the state with the lowest federal appropriation for the time period). The data will then be tested against equivalent data for the dependent variable and tested for significance. The data will also be subjected to a trend analysis to further determine what a state has been experiencing in regards to Congressional appropriations for 1985-2007.

### 3.6.2. Political System

For this study, the political system is comprised of the interparty competition and legislative professionalism. To measure interparty competition for control of government the *folded Ranney index* will be used. The Ranney index has several different components:<sup>110</sup>

- *Proportion of success*: the percentage of votes won by the parties in gubernatorial elections and the percentage of seats won by the parties in each house of the legislature;
- *Duration of success*: the length of time the parties controlled the governorship and the length of time the parties controlled the legislature;
- *Frequency of divided control*: the proportion of time the governorship and the legislature have been divided between the two parties.

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<sup>109</sup> National Endowment for the Arts, *National Endowment for the Arts, 1965-2000: A Brief Chronology of Federal Support for the Arts* can be purchased on their website: [www.nea.gov](http://www.nea.gov). A summary is available for free. National Association of State Arts Agencies' "Legislative Appropriations Annual Survey" and *State Arts Agency Public Funding Sourcebook* can be ordered from their website: [www.nasaa-arts.org](http://www.nasaa-arts.org).

<sup>110</sup> Virginia Gray and Russell L. Hanson, *Politics in the American States*, Washington, D.C.: CQ Press, 2004, p. 87- 88.

Specific data from the years 1985-1988 could not be located, but a compilation of data from 1981-1988 was and will be included in these data sets.<sup>111</sup> The data sets continue with the years 1989-1994, which have been compiled by Rutgers University;<sup>112</sup> and Gray and Hanson compiled data for 1995-1999, 1999-2003, and 2003-2006 in various editions of *Politics in the American States*.<sup>113</sup> Data for 2007 has not been calculated yet.

To measure legislative professionalism, the Squire ranking will be used. Although a number of measures of legislative professionalism have been developed, Squire's technique of gauging state legislative professionalism relative to characteristics of the United States Congress is most appropriate for cross-time comparisons. Squire's index is based on comparisons to Congress for state legislative salary, staff, and session length, and is easily interpreted and replicated. These properties make Squire's index superior to other for assessing changes in professionalism in state legislatures.<sup>114</sup> Data for 1985-1995 will be gathered from Squire's 1997 article.<sup>115</sup> Data for 2000 has been compiled by Gray and Hanson in *Politics in the American States*; data for the other years will be collected from referencing other Squire articles, as well as the new edition of *Politics in the American States*.

As previously stated, two hypotheses for this study claim that, states higher in legislative professionalism will have higher funding for the arts, and the political party in power (Republican or Democratic) will affect the amount of state funding appropriated. To test these claims, the data will be compared using Spearman's Rho.

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<sup>111</sup> John F. Bibby, Cornelius P. Cotter, James L. Gibson, and Robert J. Huckshorn, "Parties in State Politics," in Virginia Gray, Herbert Jacob, and Robert Albritton, eds., *Politics in the American States*, 5th ed., Glenview, Ill: Scott, Foresman/Little, Brown, 1990, p. 92.

<sup>112</sup> Eagleton Institute of Politics, Rutgers, The State University of New Jersey, "Table 5: States Categorized According to Intensity of Interparty Competition, 1989-1994" in "Party Strength and Interparty Competition," <http://www.eagleton.rutgers.edu/News-Research/NewVoters/Party.html>.

<sup>113</sup> Virginia Gray and Russell L. Hanson, *Politics in the American States*, 7th ed., Washington, D.C.: CQ Press, 1999; Gray and Hanson, *Politics in the American States*, 8th ed., Washington, D.C.: CQ Press, 2004; Gray and Hanson, *Politics in the American States*, 9th ed., Washington, D.C.: CQ Press, 2008.

<sup>114</sup> James D. King, "Changes in Professionalism in U.S. State Legislatures," *Legislative Studies Quarterly*, Vol. 25, No. 2, May 2000. p. 327-343.

<sup>115</sup> Pevehill Squire, "Another Look at Legislative Professionalization and Divided Government in the States," *Legislative Studies Quarterly*, Vol. 22, No. 3, August 1997. p. 417-432. Data will also be gathered from Squire, "Legislative Professionalization and Membership Diversity in State Legislatures," *Legislative Studies Quarterly*, Vol. 17, No. 1, February 1992. p. 69-79.

### 3.6.3. Environmental Conditions

What are the net impacts of the environmental conditions? That is the question this study's analysis of the variables commercial appeal, participation, age and size of SAA, and education and income levels is attempting to answer.

Commercial appeal will be measured examining the effect SAAs have on economic development. The existence of SAAs, and the development of SAAs, is regarded as an economic development strategy for two reasons:<sup>116</sup>

1. They have been found to have a beneficial impact on the economy, and to
2. Increase social capital and community cohesion.

The arts attract visitors, residents, businesses, and investments. It could even been considered an "export industry to the extent that the arts brings in money from outside the local economy. This spending has been found to have a direct positive impact on a state's, and a city's, economy."<sup>117</sup> Moreover, the arts, more specifically, community arts – which involve the participation professional artists and community members in a collaborative creative process – build social capital and community cohesion. There is often a strong commitment to neglected and underrepresented groups in community arts programs. Therefore, commercial appeal will be determined by the types of programs SAAs offer, the creation, or redevelopment, of performing arts centers and other cultural institutions, and use of the arts in tourism promotion. This data will be collected from each individual state's arts agency's website.

To test the hypothesis that states attempting to boost their commercial appeal will use the arts as a commodity, the cultural development programs and visual arts programs data will be divided and coded separately as either a 1 or a 0. In each case, a 1 represented a state that offers cultural development programs/visual arts programs and a 0 represented a state that did not offer such programs. States will then be ranked, and compared to Congressional

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<sup>116</sup> "How the Arts Impact Communities," Prepared by Joshua Guetzkow, for the Taking the Measure of Culture Conference, Princeton University, June 7-8, 2002.

<sup>117</sup> Ibid.

appropriations and expenditures for only 2007, since the data represents the types of programs an SAA offers for 2007.

Participation will be measured by previously conducted surveys that questioned participation in the arts, specifically the “2002 Survey of Public Participation in the Arts.”<sup>118</sup> By participation, this study means, attending, visiting and reading about the arts; watching or listening to performing arts on TV, radio, recordings or the Internet; and personally performing or creating art. The time frame will be broken down into three periods: 1982, 1992, and 2002.<sup>119</sup>

From NEA and NASAA sources, the year of founding of each SAA, the current status of each SAA and the size of the agency will be recorded. To test the hypothesis that the older and larger the SAA, the higher the funding for the arts, the data will be split into two parts: agency age and agency size. Agency age will be determined by the year of establishment, and agency size will be determined by the number of in-house employees. Agency age will be ranked from 1-50 (1 represented the oldest SAA and 50 represented the youngest SAA). This data will then be compared to an average ranking of states based on Congressional appropriations and expenditures for 1985-2007. Agency size data will be derived from the most current available data, which is for the year 2007. Each SAA will be ranked from highest to lowest number of in-house employees (1 represented the most in-house employees and 50 represented the least in-house employees). This data will be tested against the state rank based on Congressional appropriations for 2007 and expenditure ranking for 2007. And, education and income levels will be recorded from data from the NEA, specifically the Survey of Public Participation in the Arts.<sup>120</sup>

### 3.7. Application of Policies Communities Model to Study Design

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<sup>118</sup> National Endowment for the Arts, “2002 Survey of Public Participation in the Arts,” NEA, July 2003.

<sup>119</sup> Those are the years of available data.

<sup>120</sup> National Endowment for the Arts, “2002 Survey of Public Participation in the Arts.”



The Policies Communities model previously detailed will be applied to case studies of six states. Those states are New York, Utah, Washington, Pennsylvania, California, and Texas. New York and Utah were chosen because they represent the impetus of state arts funding; they are also the foremost states meeting performance funding challenges and have been staunch supporters for the arts and arts funding.<sup>121</sup> In these states, performance funding has evolved as a consequence of a policy progression from student outcome assessment to performance reporting.<sup>122</sup> Washington and Pennsylvania were chosen because their largest cities (Seattle and Philadelphia, respectively) illustrate the shift to include the arts in economic development strategies. California was chosen because it is one of the largest states in the nation with one of the largest arts scenes. Texas was chosen its arts community is currently experiencing a renaissance, marked by the building of the Dallas Center for the Performing Arts (the second largest performing arts center in the nation) and because the author lives and works in Texas and has a direct relationship with the arts industry in the state. Data on all of these states will be secondary source data collected from each state's arts agency's website, as well as articles published on the activities of the states.

The case studies will focus on the inputs components of the model – the level of participation in arts activities. This component was chosen because it may also account for the inclusion of the arts in economic development (commercial appeal) and the maturity of an agency (agency age and size). The purpose of these six case studies is to show qualitatively what factors explain the role of the arts. To do that, the case studies will address four issues:

1. It will identify the salient actors, and will compare them across the six states. Are they different or similar in the states?
2. Is the communication in a state arts community fragmented or tightly knit?

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<sup>121</sup> Andrea M. Serban and Joseph C. Burke, "Meeting the Performance Funding Challenge: A Nine-State Comparative Analysis," *Public Productivity & Management Review*, vol. 22, no. 2, December 1998.

<sup>122</sup> *Ibid*, p. 158-163.

3. Is there evidence of connection to actors outside the immediate state advocacy actors? Are these actors the same or different among states?
4. Are those actors/state agencies generating solutions to problems that have not yet reached the agenda?

There are two patterns that are expected to emerge during the case studies. One pattern that may emerge is known as the “California Syndrome” – or the “California literature.”

According to Schuster:

Because the experience of the California Arts Council has been so unusual, particularly the period under Governor Jerry Brown during which the council was reorganized to be administered by artists with a strong streak of populist cultural policy and an attempt was made to replace the democratization of culture with cultural democracy as its fundamental principle, California has attracted an unusual amount of attention.<sup>123</sup>

This could be happening in other states as well. California is one of the largest states in our nation and has one of the largest, and believed to be healthiest, arts agency; other states could considerably want to follow in her footsteps. Additionally, the second pattern that may emerge is one where there is less extensive or enthusiastic support for the arts in states; in other words, the application of Kingdon’s Policy Community Model. The case studies may show whether or not the SAA is tightly knit or fragmented. Those factors, if the SAA works together, communicates effectively, and is true to its mission will result in the SAA receiving more state funding than its peers. Being tightly knit or fragmented may affect the amount of state art funding appropriations and will show which factors affect the level of funding. By choosing states that represent the creation of this movement and the application of arts funding policies, a picture of the policy process of public arts funding should be discovered. Where possible, environmental factors will be addressed in these case studies: economic development priority, level of participation, and state educational levels.

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<sup>123</sup> Schuster, “Sub-National Cultural Policy – Where the Action is?” p. 9.

## CHAPTER 4

### FINDINGS

#### 4.1. Analysis of the Federal Stimulus

The federal stimulus – Congressional appropriations to SAAs over the period of 1985-2007 – was measured by data collected from the NEA’s *National Endowment for the Arts, 1965-2000: A Brief Chronology of Federal Support for the Arts*, “National Endowment for the Arts Appropriations History,” and the NASAA’s *State Arts Agency Public Funding Sourcebook*.<sup>124</sup> First, it is important to track the amount of funding the NEA itself received.

Table 4.1 NEA Appropriations History, fiscal years 1985-2007<sup>125</sup>

<b>Fiscal Year</b>	<b>Total Amount</b>	<b>Fiscal Year</b>	<b>Total Amount</b>
1985	\$163,660,000	1997	\$99,494,000
1986	\$158,822,040	1998	\$98,000,000
1987	\$165,281,000	1999	\$97,966,000
1988	\$167,731,000	2000	\$97,627,600
1989	\$169,090,000	2001	\$104,769,000
1990	\$171,255,000	2002	\$115,234,000
1991	\$174,080,737	2003	\$115,731,000
1992	\$175,954,680	2004	\$120,970,000
1993	\$174,459,382	2005	\$121,263,614
1994	\$170,228,000	2006	\$124,406,355
1995	\$162,311,000	2007	\$124,406,355
1996	\$99,470,000		

As Table 4.1 shows the NEA has experienced one major cut in its budget during 1996; the effects of which trickled down into following four years. In 1995, with a backdrop of concern about a balance budget, artistic expression, and the grant-making process, a Republican-lead Congress debated the appropriate federal role for arts funding. Republicans tend to favor

<sup>124</sup> National Endowment for the Arts, *National Endowment for the Arts, 1965-2000: A Brief Chronology of Federal Support for the Arts*, National Endowment for the Arts, 2000; National Endowment for the Arts, “National Endowment for the Arts Appropriations History,” National Endowment for the Arts, 2008; National Assembly of State Arts Agency, *State Arts Agency Public Funding Sourcebook*, National Assembly of State Arts Agency, 2007.

<sup>125</sup> National Endowment for the Arts, “National Endowment for the Arts Appropriations History,” National Endowment for the Arts, 2008.

power being moved to the states, and after a year-long budget battle with the President, Congress voted to phase out funding for the NEA over a two-year period (1996-1998). The House of Representatives announced a plan to eliminate the NEA, and subsequently cut its budget by 39 percent, to \$99,470,000, in 1996; down from \$162.5 million in 1995. In response, the NEA reorganized itself and cut its staff by 47 percent, from 279 to 148. After a House vote to eliminate the NEA's funding, a House-Senate conference finalized the fiscal year 1998 budget at \$98 million. In 1999, the budget was once again set at \$98 million, and was further cut by \$34,000 in August.<sup>126</sup> For 2000, the NEA's budget dropped to \$97.6 million.

However in 2001, the NEA received a \$7,141,400 increase in its annual budget because of the launch of Challenge America, a national program designed to increase the availability of the arts in underserved communities throughout the country. In its budget request for 2001, the NEA earmarked 40 percent of the Challenge America funds for the state and regional arts agencies which incited support from Congress. At this time, Congress was again heavily Republican. In fact, that trend is repeated in 2003 when the House of Representatives voted to increase President George W. Bush's proposed \$117.48 million fiscal year 2004 allocation by \$10 million – those additional funds were to be directed toward the Challenge America initiative.<sup>127</sup> As the analysis of each state arts agency's budget will show, the Challenge American initiative had a positive influence on the amount of Congressional appropriations they received (for the most part), and influenced their expenditures.

#### *4.1.1 Analysis of State-by-State findings<sup>128</sup>*

To test the hypothesis that the more federal aid appropriated to a state, the higher a state's expenditure, each state's Congressional appropriations were given a ranking of 1-50 (1 being the state receiving the most Congressional appropriations and 50 being the state

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<sup>126</sup> National Endowment for the Arts, *National Endowment for the Arts, 1965-2000: A Brief Chronology of Federal Support for the Arts*, National Endowment for the Arts, 2000.

<sup>127</sup> Stephanie Cash and David Ebony, "Boost for the NEA?" *Art in America*, September 2003.

<sup>128</sup> The author would like to thank the National Assembly of State Arts Agencies for assisting in the analysis of the state-by-state findings. Their "Legislative Appropriations Annual Surv[ies]" provided useful information in understanding how to analyze the data.

receiving the least Congressional appropriations). The data was broken into two time periods: 1985-1995 and 1996-2007, and compared against the dependent variable, state's expenditures. The data was divided because 1996 represents a change in the appropriations climate; almost all 50 states experienced a decrease in the amount of Congressional appropriations due to a 40 percent cut to the NEA budget during the "Cultural Wars" of the 1990s.<sup>129</sup>

To test the hypothesis, a bivariate correlation – Spearman's Rho – was run for each time period. The results show that the correlation between state expenditures and Congressional appropriations, for both time periods, is statistically significant. There was a .891 correlation between the two variables for 1985-1995, and a .876 correlation between the two variables for 1996-2007 [see Tables 4.2 and 4.3]. The 2-tailed significance tests from both correlation runs show a probability of .000, indicating statistical significance. These findings are extremely significant, and, thus, offer strong support of the hypothesis: the higher the state's Congressional appropriation, the more a state will spend on the arts.

Table 4.2 Correlation Results of State Expenditures and Congressional Appropriations, 1985-1995

<b>Spearman's Rho (<math>\rho</math>)</b>			
	<b>State Expenditures</b>	<b>Congressional Appropriations</b>	<b>Significance (2-tailed)</b>
<b>State Expenditures</b>		.891**	.000
<b>Congressional Appropriations</b>	.891**		.000

\*\*Correlation is significant at the 0.01 level (2-tailed).

Table 4.3 Correlation Results of State Expenditures and Congressional Appropriations, 1996-2007

<b>Spearman's Rho (<math>\rho</math>)</b>			
	<b>State Expenditures</b>	<b>Congressional Appropriations</b>	<b>Significance (2-tailed)</b>
<b>State Expenditures</b>		.876**	.000
<b>Congressional Appropriations</b>	.876**		.000

\*\*Correlation is significant at the 0.01 level (2-tailed).

<sup>129</sup> For a more detailed breakdown of the legislative appropriations of all 50 states see Appendix A. To see the trend analysis of each state's legislative appropriations see Appendix B.

Further, a qualitative look at the data shows that Congressional appropriations retained a fairly steady share of total SAA revenue, ranging from 88.7 percent in 2001 (a year before a recession) to 79.7 percent in fiscal year 2004.<sup>130</sup> Overall, aggregate Congressional appropriations have decreased by \$10.7 million since 1999. Fiscal year 1999 was a part of an upward trend in appropriations that peaked in fiscal year 2001 – which coincided with the U.S. economy’s dot-com fever. Once the thrill subsided, state fiscal conditions deteriorated and SAA appropriations declined steadily between fiscal year 2002 and 2004. In fact, appropriation decreases were largest in magnitude both during the economic recessions in fiscal year 1991 and 2002 and in the two years that followed (since there is typically a period of lag time before recessions fully affect state budgets).<sup>131</sup>

However, as all the figures show, the states’ fiscal conditions were favorable in fiscal year 2007, although budgets were slightly less robust than in fiscal year 2006. Fiscal year 2007 marks the third consecutive year of gains for the arts following the downfall of the dot-com era. Thirty-six SAAs show appropriations growth in 2007, while 13 SAAs show flat funding, and seven show declines. In response, state legislatures have increased arts funding by more than \$81 million during the last three years. The NASAA found that when lawmakers understand how the arts contribute to educational success, economic competitiveness and civic engagement, they invest in the arts with confidence.<sup>132</sup>

Overall, Congressional appropriations seem to stimulate state arts spending for both time periods. The statistical findings,  $\rho = .891$  and  $\rho = .876$ , and the qualitative findings confirm the hypothesis. Moreover, these findings follow the findings that Hofferbert and Urice found for 1976-1980. Hofferbert and Urice looked at federal stimulus by examining the per capita sum of grants from the NEA to SAAs from 1976-1980 because at the time it was impossible to construct, for each state, a total of the grants to individual recipient projects through the various

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<sup>130</sup> Percentages calculated by the National Assembly of State Arts Agencies.

<sup>131</sup> Burke Olivia Doherty, “Legislative Appropriations Annual Survey: Fiscal Year 2008,” National Assembly of State Arts Agencies, 2008, p. 5.

<sup>132</sup> Jonathan Katz, “State Arts Funding Grows in Fiscal Year 2007,” National Assembly of State Arts Agencies, February 7, 2007.

NEA disciplinary programs (i.e. Congressional appropriations). Today, the NASAA provides that data in an easily accessible format and it provides a fresh way to examine the impact of the federal stimulus on state arts spending. Hofferbert and Urice found that NEA grants, for 1976-1980, do indeed seem to stimulate state arts spending, and this study found that for 1985-2007, Congressional appropriations seem to stimulate state arts spending.

## 4.2 Analysis of the Political System

### *4.2.1 Interparty Competition Analysis*

To measure interparty competition for control of government the folded Ranney index was used. The Ranney index has several different components, proportion of success, duration of success, and frequency of divided control.<sup>133</sup> It is important to note that the Ranney index does not indicate party control in the sense of Republican or Democrat; it suggests whether a state is dominated by a single party over time or whether state-level election results indicate a rotation in control of policy making institutions by Republicans or Democrats. Specific data from the years 1985-1988 could not be located, but a compilation of data from 1981-1988 was and will be included in these data sets.<sup>134</sup> The data sets continue with the years 1989-1994<sup>135</sup>, 1995-1999, 1999-2003, and 2003-2006<sup>136</sup> Data for 2007 has not been calculated yet. [See Appendix C for tables illustrating the Ranney Index scores].

Ranney used these three dimensions to calculate his index of interparty competition. The index is actually a measure of control of government, with a score of 0 indicating complete Republican control and a score of 1 indicating absolute Democratic control. At its midpoint (.5000), control of government is evenly split between the two parties, indicating a highly competitive environment. Ranney used this index to classify states by party control, using the

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<sup>133</sup> Virginia Gray and Russell L. Hanson, *Politics in the American States*, Washington, D.C.: CQ Press, 2004, p. 87.

<sup>134</sup> John F. Bibby, Cornelius P. Cotter, James L. Gibson, and Robert J. Huckshorn, "Parties in State Politics," in Virginia Gray, Herbert Jacob, and Robert Albritton, eds., *Politics in the American States*, 5th ed., Glenview, Ill: Scott, Foresman/Little, Brown, 1990, p. 92.

<sup>135</sup> Eagleton Institute of Politics, "Table 5: States Categorized According to Intensity of Interparty Competition, 1989-1994" in "Party Strength and Interparty Competition."

<sup>136</sup> Gray and Hanson, *Politics in the American States*, 7th ed.; Gray and Hanson, *Politics in the American States*, 8th ed.; Gray and Hanson, *Politics in the American States*, 9th ed.

following categories and definitions: .8500 or higher: one-party Democratic; 6500 to .8499: modified one-party Democratic; 3500 to .6499: two-party; 1500 to .3499: modified one-party Republican; 0000 to .1499: one-party Republican.

#### 4.2.1.1 Testing Interparty Competition Hypothesis

To test the hypothesis that the political party in power will affect the amount of funding appropriated, the Ranney Index data was compared against the dependent variable. Again, the data was divided and aggregated in the aforementioned time periods: 1985-1995 and 1996-2007, and the Ranney Index data was ranked 1-50 (1 being the state with the highest Ranney Index score and 50 being the state with the lowest Ranney Index score). Missing values were taken into account for Nebraska for the years 1995-1999. Spearman's Rho correlation was run and the findings show that the correlation between state expenditures and interparty competition for both time periods are statistically significant. There was a .294 correlation between the two variables for 1985-1995 and a .312 correlation between the two variables for 1996-2007 [see Tables 4.4 and 4.5]. The 2-tailed significance tests show a probability of .038 and .028, respectively, indicating statistical significance. These results offer strong support of the hypothesis that states that the political party in power will affect the amount of money spent on the arts. Thus, where parties are more competitive, funding is higher. When a state is dominated by a single party, funding is lower.

Table 4.4 Correlation Results of State Expenditures and Interparty Competition, 1985-1995

<b>Spearman's Rho (<math>\rho</math>)</b>			
	<b>State Expenditures</b>	<b>Interparty Competition</b>	<b>Significance (2-tailed)</b>
<b>State Expenditures</b>		.294**	.038
<b>Interparty Competition</b>	.294**		.038

\*\*Correlation is significant at the 0.05 level (2-tailed).



Table 4.5 Correlation Results of State Expenditures and Interparty Competition, 1996-2007

<b>Spearman's Rho (<math>\rho</math>)</b>			
	<b>State Expenditures</b>	<b>Interparty Competition</b>	<b>Significance (2-tailed)</b>
<b>State Expenditures</b>		.312**	.028
<b>Interparty Competition</b>	.312**		.028

\*\*Correlation is significant at the 0.05 level (2-tailed).

This variable was not examined by Hofferbert and Urice, thus, the use of this variable updates their study. Hofferbert and Urice only looked at legislative professionalism (which will be analyzed in the following section).

#### 4.2.1.2 Caveats of the Ranney Index

Even though the Ranney Index is useful, it is important to realize its limitations. First, the Ranney Index is based exclusively on state offices and does not reflect the strength of the parties at other levels. Second, the Index gives more weight to some state offices than others, and does not include other state-wide offices, such as lieutenant governor. Third, this measure is "a snapshot of an object moving in time and hence does not always capture change that may be occurring when the measurement is taken."<sup>137</sup> Also, the significant gains made by Republicans in U.S. House and Senate elections in the South in the late 1990s are not reflected in the Ranney index.

#### 4.2.2 Legislative Professionalism Analysis

To measure legislative professionalism, the Squire ranking was used. Squire's index is based on comparisons to Congress for state legislative salary, staff, and session length. In other words, it details the institutional capacity of the legislature in terms of time, research resources, and full-time legislators. Squire's index is easily interpreted and replicated. These properties make Squire's index superior to other for assessing changes in professionalism in state legislatures.<sup>138</sup> Data for 1985-1995 will be gathered from Squire's 1997 article.<sup>139</sup> Data for

<sup>137</sup> Ranney 1976, p. 60-61.

<sup>138</sup> James D. King, "Changes in Professionalism in U.S. State Legislatures," *Legislative Studies Quarterly*, Vol. 25, No. 2, May 2000. pp. 327-343.

2000 and 2003 has been compiled by Gray and Hanson in *Politics in the American States*.

[Tables outlining Squire's ranking can be found in Appendix D.]

#### 4.2.2.1 Testing Legislative Professionalism Hypothesis

To test the hypothesis that states higher in legislative professionalism will have higher funding for the arts, and thus, higher expenditures, the Squire ranking data was compared against the dependent variable. Again, the data was divided into the aforementioned two time periods: 1985-1995 and 1996-2007, and the Squire ranking data was ranked 1-50 (1 being the state with the highest Squire ranking and 50 being the state with the lowest Squire ranking). Again, Spearman's Rho correlation was run and the findings show that the correlation between state expenditures and legislative professionalism for both time periods are statistically significant. There was a .727 correlation between the two variables for 1985-1995, and a .640 correlation between the two variables for 1996-2007 [see Tables 4.6 and 4.7]. The positive directionality of these findings offer strong support of the hypothesis that states with higher legislative professionalism will receive more funding for the arts and spend more on the arts. Further, when the data is compared to Congressional appropriations for the time periods there is a .696 correlation between legislative professionalism and Congressional appropriations [see Table 4.8]. Additionally, the 2-tailed significance tests show a probability of .000, indicating statistical significance. Again, the positive directionality presented offers strong support for the hypothesis.

Table 4.6 Correlation Results of State Expenditures and Legislative Professionalism, 1985-1995

<b>Spearman's Rho (<math>\rho</math>)</b>			
	<b>State Expenditures</b>	<b>Legislative Professionalism</b>	<b>Significance (2-tailed)</b>
<b>State Expenditures</b>		.727**	.000
<b>Legislative Professionalism</b>	.727**		.000
**Correlation is significant at the 0.01 level (2-tailed).			

<sup>139</sup> Peverill Squire, "Another Look at Legislative Professionalization and Divided Government in the States," *Legislative Studies Quarterly*, Vol. 22, No. 3, August 1997; "Legislative Professionalization and Membership Diversity in State Legislatures," *Legislative Studies Quarterly*, Vol. 17, No. 1, February 1992. pp. 69-79.

Table 4.7 Correlation Results of State Expenditures and Legislative Professionalism, 1996-2007

<b>Spearman's Rho (<math>\rho</math>)</b>			
	<b>State Expenditures</b>	<b>Legislative Professionalism</b>	<b>Significance (2-tailed)</b>
<b>State Expenditures</b>		.640**	.000
<b>Legislative Professionalism</b>	.640**		.000

\*\*Correlation is significant at the 0.01 level (2-tailed).

Table 4.8 Correlation Results of State Expenditures, Legislative Professionalism, and Congressional Appropriations

<b>Spearman's Rho (<math>\rho</math>)</b>				
	<b>State Expenditures</b>	<b>Congressional Appropriations</b>	<b>Legislative Professionalism</b>	<b>Significance (2-tailed)</b>
<b>State Expenditures</b>		.876**	.640**	.000
<b>Congressional Appropriations</b>	.876**		.696**	.000
<b>Legislative Professionalism</b>	.640**	.696**		.000

\*\*Correlation is significant at the 0.01 level (2-tailed).

Moreover, these findings call Hofferbert and Urice's findings to question. From 1976-1980, they found a -.44 correlation between legislative professionalism and NEA grants. However, this study found that by using Congressional appropriations, a more reliable measure of the federal stimulus, a .698 correlation was found. This positive directionality removes the doubt of the relationship between Hofferbert and Urice's variables. Moreover, Hofferbert and Urice did not examine the relationship between legislative professionalism and state expenditures, whereas this study does. Again, the positive directionality presented by those variables, updates Hofferbert and Urice's findings.

### 4.3 Analysis of the Environmental Conditions

#### *4.3.1 Analysis of Commercial Appeal*

Commercial appeal was measured by examining the effect SAAs have on economic development. The data compiled consists of the types of programs SAAs offer, the creation, or redevelopment, of performing arts centers and other cultural institutions, and the use of the arts in tourism promotion. There are a multitude of different programs offered by each state's

agency, but to simplify the data, programs were grouped according to the area of the arts served by the program, grant programs, and cultural development programs [see Appendix E]. The data was organized by whether or not a SAA offers the types of programs.

The data show that all 50 states have grant programs available for their constituents to increase their access to the arts, 49 states have instituted arts education programs, 40 states have instituted cultural development programs, and 32 states have visual arts programs. The latter two programs directly related to the measurement of commercial appeal. Cultural development in the states is marked by the building, or restoration, of arts centers and tourism. Tourism is America's largest service export, one of America's largest employers, and is the third-largest American retail sales industry. Cultural tourism is based on the variety of places, traditions, art forms, celebrations, and experiences that reflect the diversity and character of the United States. Travelers who engage in cultural tourism activities visit: art galleries, theatres, and museums; historic sites, communities, and landmarks; cultural events, festivals, and fairs; ethnic communities and neighborhoods; architectural and archeological treasures.

According to the 2003 report from the Travel Industry Association of America, more than 118 million American adults (81 percent) who traveled in 2002 included at least one cultural, arts, history, or heritage activity in their plans. These travelers spent more on shopping, entertainment, and dining than all other types of tourists. They stayed longer, were more likely to pay for lodging, and came back more often than any other type of tourist, and compared to all U.S. travelers, cultural tourists spend more -- \$631 versus \$457.<sup>140</sup>

Commercial appeal is also affected by the visual arts programs that have been instituted in 32 states. These states have created Public Arts programs that attempt to place art in public places by requiring that public art be a part of a project – like construction of a new building. Another form of Public Arts programs that has taken hold recently is what is known as the Percent for Art Program. With this program a fee, usually some percentage of the project's

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<sup>140</sup> "30 Million U.S. Travelers Lengthen Their Trips Because of Culture," Travel Industry Association of America TravelScope Survey, 2003.

cost, is placed on large scale development projects in order to fund and install public art. The details of such programs vary from area-to-area. States with such programs include: California, New York, Pennsylvania, Texas, Utah, and Washington (the states included in the case studies).

#### 4.3.1.1 Testing Commercial Appeal Hypothesis

To test the hypothesis that states attempting to boost their commercial appeal will use the arts as a commodity, the cultural development programs and visual arts programs data were divided and coded separately as either a 1 or a 0. In each case, a 1 represented a state that offers cultural development programs/visual arts programs and a 0 represented a state that did not offer such programs. States were then ranked, and compared to Congressional appropriations and expenditures for only 2007. After running Spearman's Rho, the findings show that there is a .810 correlation between expenditures and commercial appeal, and the 2-tailed significance test shows a probability of .000 indicating statistical significance. This is a statistically significant relationship confirming the hypothesis that states attempting to boost their commercial appeal will use the arts as a commodity; therefore, spending more to promote cultural tourism and their respective visual arts programs.

Table 4.9 Correlation between Expenditures and Commercial Appeal

<b>Spearman's Rho (<math>\rho</math>)</b>			
	<b>State Expenditures</b>	<b>Commercial Appeal</b>	<b>Significance (2-tailed)</b>
<b>State Expenditures</b>		.810**	.000
<b>Commercial Appeal</b>	.810**		.000
**Correlation is significant at the 0.01 level (2-tailed).			

Moreover, nearly all 50 states have used either cultural development programs or visual arts programs to boost their commercial appeal. In fact, the 32 states that have Public Arts programs have appealed for more arts funding in the last decade. Thus, states attempting to boost their commercial appeal will use the arts as a commodity. Further, the arts have been confirmed to have an economic benefit. The arts attract visitors, residents, businesses, and

investments.<sup>141</sup> Moreover, the arts are said to be an “export” industry to the extent that they bring more money from outside the local economy. This spending has a direct positive impact on a state’s economy. Indirectly, this spending has what is called a “multiplier effect” to the extent that those dollars re-circulate in the local economy as a result of spending on local goods and services by arts-related events and businesses. Further, the arts increase social capital and community cohesion.<sup>142</sup> Community arts programs are said to build social capital by boosting individuals’ ability and motivation to be civically engaged, as well as building organizational capacity for effective action. This will be described in more detail in the following section.

Furthermore, this variable adds to Hofferbert and Urice’s earlier study. They were not interested in the features of the socioeconomic environment and their effect, but that is a fundamental flaw to their study. The individual features of the socioeconomic environment, including commercial appeal, are extremely valuable when examining the current state of public arts funding. As this study has found, SAAs offer many programs that are centered on the idea of commercial appeal (i.e. cultural development programs and visual arts programs), and cultural tourism is experience a renaissance now. Nearly 118 million American adults who traveled in 2002 included at least one cultural, arts, history, or heritage activity in their plans. Reframing arts funding as economic development appears to be a major factor in increasing state spending levels.

#### *4.3.2. Analysis of Participation*

Participation – attending, visiting, and reading about the arts; watching or listening to performing arts on TV, radio, recordings, or the Internet; and personally performing or creating art – was measured by previously conducted surveys that questioned participation in the arts,

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<sup>141</sup> “How the Arts Impact Communities,” Prepared by Joshua Guetzkow, for the Taking the Measure of Culture Conference, Princeton University, June 7-8, 2002.

<sup>142</sup> Ibid.

specifically the “2002 Survey of Public Participation in the Art” (SPPA).<sup>143</sup> The time frame included was broken down into three periods: 1982, 1992, and 2002.<sup>144</sup>

As Table 4.10 shows, the actual number of participants increased from 76 million (1992) to about 81 million (2002). Overall, the rates of attendance for most arts activities have remained relatively constant since 1982; there were no significant differences between the percentages of adults attending in 1992 compared to 2002. However, festival and fair attendance fell to 33 percent in 2002, seven percentage points below 1992 (a statistically significant decline). Visits to historic sites also dropped significantly from 34 percent in 1992 to 32 percent in 2002. In 2002, 56 percent of respondents indicated that they had read a book, about the same as in 1992; however, the percentage of respondents reading literature decreased by eight percentage points from 1992 to 2002. This is a statistically significant drop.

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<sup>143</sup> “2002 Survey of Public Participation in the Arts,” National Endowment for the Arts, Note #81, July 2003.

<sup>144</sup> Those are the years of available data.

Table 4.10 U.S. Adults Attending, Visiting, and/or Reading the Arts: 1982, 1992, and 2002<sup>145</sup>

	Percent of Adults Attending/Visiting/Reading			Millions of Adults Attending/Visiting/Reading		
	1982	1992	2002	1982	1992	2002
<b>Performing Arts</b>						
<i>Music</i>						
Jazz*	9.6	10.6	10.8	15.7	19.7	22.2
Classical Music*	13.0	12.5	11.6	21.3	23.2	23.8
Opera*	3.0	3.3	3.2	4.5	6.1	6.6
<i>Plays</i>						
Musicals*	18.6	17.4	17.1	30.5	32.3	35.1
Non-Musicals*	11.9	13.5	12.3	19.5	25.1	25.2
<i>Dance</i>						
Ballet*	4.2	4.7	3.9	6.9	8.7	8.0
Other Dance**		7.1	6.3		13.2	12.1
<b>Visual Arts</b>						
<i>Art exhibitions</i>						
Museums/Galleries*	22.1	26.7	26.5	36.2	49.6	54.3
Fairs/Festivals	39.0	40.7	33.4	63.9	75.6	68.4
<b>Historic Sites</b>						
Parks/Monuments/ Historic buildings/Neighborhoods	37.0	34.5	31.6	60.6	64.1	64.7
<b>Literature</b>						
Plays/Poetry/Novels/ Short stories	56.9	54.0	46.3	93.3	100.3	95.3
<b>Any Benchmark Activity</b>	39.0	41.0	39.4	66.5	76.2	81.2
*Denotes "benchmark" activity						
**Refers to dance other than ballet, including modern, folk, and tap.						

As Table 4.11 shows, participation in every type of viewing and listening showed statistically significant declines. Jazz, classical music, opera, musicals, plays, dance (including ballet), and visual arts each experienced at least a five percentage point decline in respondents' viewing of these arts forms from 1992 to 2002.

<sup>145</sup> 2002 Survey of Public Participation in the Arts.



Table 4.11 U.S. Adults Who Watched or Listened to Performing Arts: 1982, 1992, and 2002<sup>146</sup>

	Percent of Adults Who Watched/Listened to Performing Arts			Millions of Adults Who Watched/Listened to Performing Arts		
	1982	1992	2002	1982	1992	2002
<b>Performing Arts</b>						
<i>Music</i>						
<b>Jazz</b>						
TV/VCR/DVD	18.0	22.0	16.4	29.6	40.9	33.5
Radio	18.0	28.0	23.5	30.4	52.0	48.0
Audio recordings	20.0	21.0	17.2	32.4	39.0	35.2
<b>Classical Music</b>						
TV/VCR/DVD	25.0	26.0	18.1	40.8	48.3	37.0
Radio	20.0	31.0	23.9	36.0	57.6	48.9
Audio recordings	22.0	24.0	19.3	35.6	44.6	39.5
<b>Opera</b>						
TV/VCR/DVD	12.0	12.0	5.8	20.9	22.3	11.9
Radio	7.0	9.0	5.7	11.2	16.7	11.7
Audio recordings	8.0	7.0	5.5	12.5	13.0	11.3
Internet, exploring opera			1.3			2.7
<b>Internet, exploring all types of music</b>			13.1			27.0
<i>Plays</i>						
<b>Musicals</b>						
TV/VCR/DVD	21.0	17.0	11.7	29.8	31.6	24.0
Radio	4.0	4.0	2.4	8.3	7.4	4.9
Audio recordings	8.5	6.0	4.3	13.0	11.1	8.8
<b>Non-Musicals</b>						
TV/VCR/DVD	26.0	18.0	9.4	36.5	33.4	19.2
Radio	4.0	3.0	2.1	6.4	5.4	4.3
<b>Internet, exploring all types of theatre</b>			4.1			8.4
<i>Dance</i>						
TV/VCR/DVD		20.0	12.6		37.2	25.7
<b>Internet, exploring all types of dance</b>			2.0			4.1
<b>Visual Arts</b>						
TV/VCR/DVD	23.0	34.0	25.0	43.3	63.2	51.0
<b>Internet, exploring visual arts</b>			5.9			12.1
<b>Literature</b>						
Listen to poetry or novels			12.4			25.5
<b>Internet, explore lit.</b>			9.2			19.0

<sup>146</sup> 2002 Survey of Public Participation in the Arts.

Regarding personal participation in the arts, the SPPA found that singing in a choir, chorale, or other vocal group remained the most popular form of personal performance in 2002. With 9.8 million adults participating, it had more than double the number of participants than any other type of personal performance except dance. Table 4.12 shows only the rates of personal performance and creation of art in 1992 and 2002, and measured in millions of adult participants, only photography, ballet, composing music and writing literature increased in activity from 1992 to 2002. The percentage of adults who said that they had performed classical music in the past twelve months dropped by one-half from 2002, from four to two percent, and adults who performed dance other than ballet dropped from eight percent to four percent. Both of these declines are significant.

Table 4.12 U.S. Adults Performing or Creating Art At Least Once: 1992 and 2002

	Percent of Adults Personally Performing or Creating		Millions of Adults Personally Performing or Creating	
	1992	2002	1992	2002
<b>Performing Arts</b>				
<i>Music</i>				
Jazz	1.7	1.3	3.2	2.7
Classical Music	4.2	1.8	7.8	3.7
Opera	1.1	0.7	2.0	1.4
Choir/Chorale	6.3	4.8	11.7	9.8
Composing Music	2.1	2.3	3.9	4.7
<i>Plays</i>				
Musicals	3.8	2.4	7.1	4.9
Non-Musicals	1.6	1.4	3.0	2.9
<i>Dance</i>				
Ballet	0.2	0.3	0.4	0.6
Other Dance*	8.1	4.2	15.0	8.6
<b>Visual Arts</b>				
<i>Creating Art</i>				
Painting/Drawing	9.6	8.6	17.8	17.6
Pottery/Jewelry	8.4	6.9	15.6	14.1
Weaving/Sewing	24.8	16.0	46.1	32.7
Photography	11.6	11.5	21.6	23.5
Own Original Art	22.1	19.3	41.1	39.5
<b>Literature</b>				
<i>Plays/Poetry/Novels/Short Stories</i>	7.4	7.0	13.7	14.4

\*Refers to dance other than ballet, including modern, folk, and tap.

As the data shows, over time, public participation in the arts has experienced both growth and decline. But following September 11, 2001 (when one would assume a dramatic decrease in public participation in the arts to occur), Americans still continued to attend arts events. Nearly one-third of adults reported going to at least one jazz, classical music, opera, musical, play, or ballet performance. About one-quarter of adults said they visited an art museum or gallery. Combined, 39 percent of adults, or 81 million people, attended these events; that is five million more than 1992. Counting all of the art forms and types of participation in the arts examined by the SPPA, 76 percent of adults, or 157 million people, made the arts part of their lives in 2002.<sup>147</sup>

#### 4.3.2.1 Testing Participation Hypothesis

Additionally, to confirm the above findings, participation for 1992 and 2002 were tested against available legislative appropriation and expenditure data for both years. Again, Spearman's Rho was run and the findings show that the correlation between participation, Congressional appropriations, and expenditures is statistically significant. For 1992,  $\rho = -.700$  for participation and Congressional appropriations and  $\rho = -.700$  for participation and expenditures. Additionally, the 2-tailed significance test showed a probability of .016 (correlation is significant at the 0.05 level), indicating statistical significance [see Table 4.13]. There is an obvious relationship between the three variables, but the negative directionality offsets the impact of participation on Congressional appropriations and the dependent variable, state expenditures. But participation is important, even if the effect is indirect. For 2002, there was  $-.693$  correlation between the three variables, and the 2-tailed significance test showed a probability of .018 (correlation is significant at the 0.05 level), indicating statistical significance [see Table 4.14]. Again, the relationship between the three variables is indirect, but nevertheless, important.

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<sup>147</sup> "2002 Survey of Public Participation in the Arts," National Endowment for the Arts, Note #81, July 2003, p. 1.

Table 4.13 Correlation Results for Participation, Congressional Appropriations, and Expenditures, 1992

Spearman's Rho ( $\rho$ )				
	Participation	Congressional Appropriations	State Expenditures	Significance (2-tailed)
Participation	1.000	-.700*	-.700*	.016
Congressional Appropriations	-.700*	1.000	1.000**	.016
State Expenditures	-.700*	1.000**	1.000	.016

\*Correlation is significant at the 0.05 level (2-tailed).  
 \*\*Correlation is significant at the 0.01 level (2-tailed).

Table 4.14 Correlation Results for Participation, Congressional Appropriations, and Expenditures, 2002

Spearman's Rho ( $\rho$ )				
	Participation	Congressional Appropriations	State Expenditures	Significance (2-tailed)
Participation	1.000	-.693*	-.693*	.018
Congressional Appropriations	-.693*	1.000	1.000**	.018
State Expenditures	-.693*	1.000**	1.000	.018

\*Correlation is significant at the 0.05 level (2-tailed).  
 \*\*Correlation is significant at the 0.01 level (2-tailed).

Even though participation does not provide a direct effect, as shown above, the findings show modest support in confirming the hypothesis that the greater level of participation in various arts activities, the greater the federal funding. Moreover, funding for arts organizations produced at higher levels will increase the participation in arts activities, and the more participation in arts activities would support the adoption of increased state arts funding policies. According to J. Mark Schuster, SAAs' expenditures range from weakly to moderately correlated in a positive direction with participation in arts activities. The correlation is highest for participation in jazz concerts, classical music concerts and non-musical plays.<sup>148</sup> Further he found that the more participation in arts activities within a state, lead the state to appeal for more federal funding, and to increase their own arts funding policies. And even though the

<sup>148</sup> J. Mark Schuster, *The Geography of Participation in the Arts and Culture*, NEA Research Division Report #41, Santa Ana, CA: Seven Locks Press, 2000.

findings only show modest support, it is still important to document them here because they add to Hofferbert and Urice's study. Participation is one of the socioeconomic factors that they left out of their study. It is important to show the effect that participation can have.

#### *4.3.3 Analysis of State Arts Agency Age and Size*

For a SAA to ensure that it receives funding, the organization should be stable and relevant. A relatively new organization, with a relatively new bureaucracy, is likely to be administratively unstable. Cross-national research has shown the independent effects of program age on policy growth.<sup>149</sup> The more stable the state administrative structures within the arts agency, the higher the level of state funding. To test stability, this study looks at the age of the agency. The agency's age is illustrated by the year of founding of each SAA. The hypothesis is that the older the SAA, the higher the state funding for the arts. Table 4.15 displays the number of SAA founded from 1899 to 2005. After the establishment of the NEA in 1965, a rise in state's establishing agencies occurred. The largest increase can be seen in 1967 [for a complete breakdown of each state's establishment date see Appendix F].

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<sup>149</sup> Harold Wilensky, *The welfare state and equality*, Berkeley: University of California Press, 1975.

Table 4.15 Year and Number of State Arts Agencies Established

<b>Date Established</b>	<b>Number of Agencies</b>	<b>Date Established</b>	<b>Number of Agencies</b>
1899	1	1981	
1903	1	1982	
1960	1	1983	
1961	1	1984	
1962		1985	
1963	1	1986	
1964	2	1987	
1965	10	1988	
1966	9	1989	1
1967	14	1990	
1968	2	1991	1
1969		1992	
1970		1993	
1971	1	1994	
1972		1995	
1973	1	1996	
1973	1	1997	
1974	1	1998	
1975		1999	
1976	1	2000	
1977	1	2001	
1978		2002	
1979		2003	1
1980			

Moreover, another determinate of the stability and relevance of a SAA is the size of the agency. The number of in-house employees employed by each state's agency determined the size of an agency [see Figure 4.1].

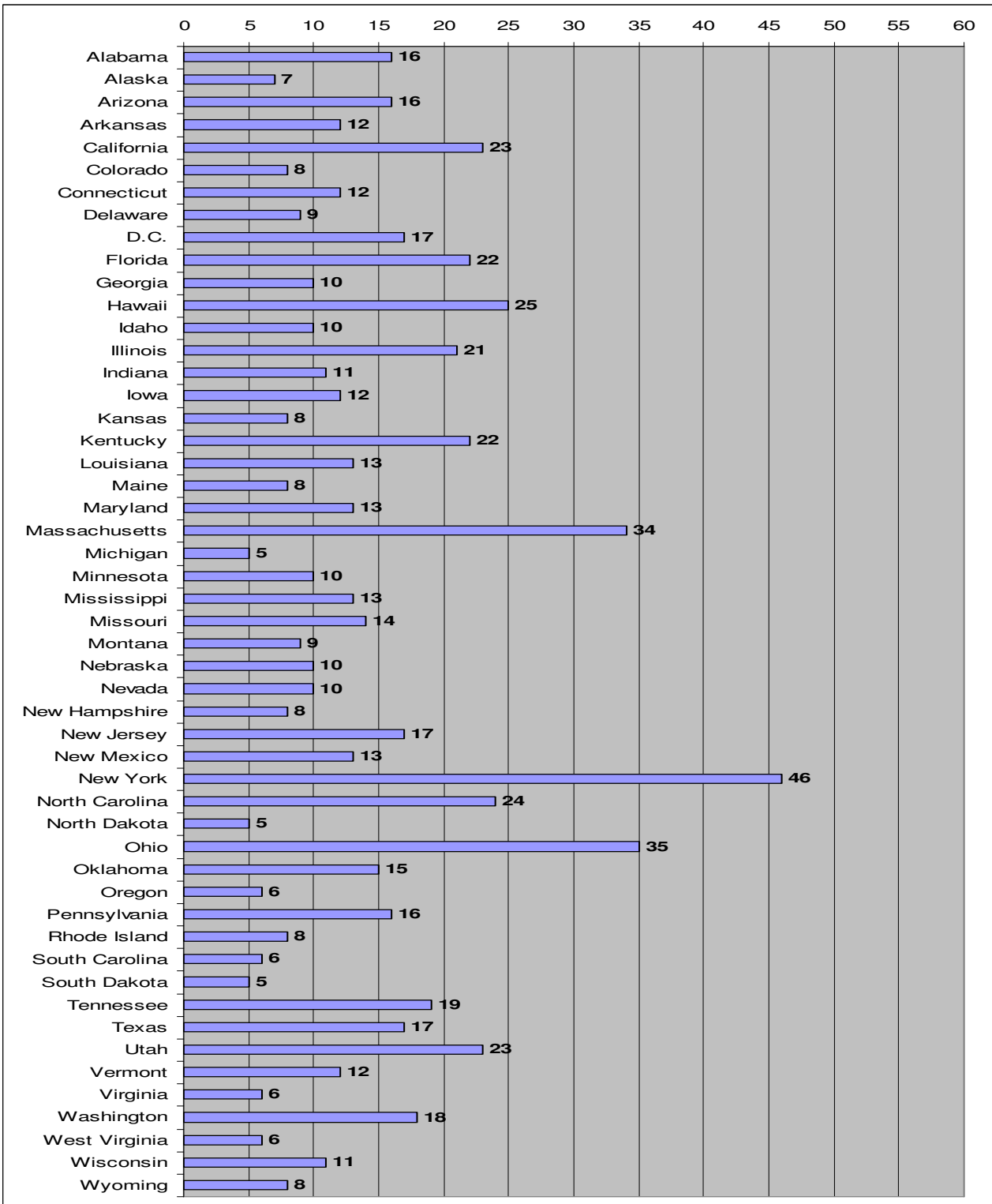


Figure 4.1 Number of In-House Employees in Each State Arts Agency, 2007

#### 4.3.3.1 Testing Agency Age and Size Hypothesis

To test the hypothesis that the older and larger the SAA, the higher the funding for the arts, the data was split into two parts: agency age and agency size. Agency age was determined by the year of establishment, and agency size was determined by the number of in-house employees. Agency age was ranked from 1-50 (1 represented the oldest SAA and 50 represented the youngest SAA). This data was then compared to an average ranking of states based on Congressional appropriations and expenditures for 1985-2007.

Table 4.16 Correlation Results between Agency Age, Congressional Appropriations, and Expenditures

Spearman's Rho ( $\rho$ )				
	Agency Age	Average Congressional Appropriations	Average State Expenditures	Significance (2-tailed)
Agency Age	1.000	.237	.208	
Average Congressional Appropriations	.237	1.000	.899**	
Average State Expenditures	.208	.899**	1.000	
**Correlation is significant at the 0.01 level (2-tailed).				

After running Spearman's Rho, the findings show that there is no statistically significant correlation between agency age and Congressional appropriations. This means that the age of the state arts agency has no effect on the amount of funding an agency receives, or on how much an agency spending on the arts. Therefore, the first part of the hypothesis is not confirmed.

Agency size is based on in-house employees and the data was derived from the most current available data, which was for the year 2007. Each SAA was ranked from highest to lowest number of in-house employees (1 represented the most in-house employees and 50 represented the least in-house employees). This data was tested against the state rank based on Congressional appropriations for 2007 and expenditure ranking for 2007 [see Table 4.17].



Table 4.17 Correlation Results between Agency Size, Congressional Appropriations, and Expenditures for 2007

Spearman's Rho ( $\rho$ )				
	Agency Size	Average Congressional Appropriations	Average State Expenditures	Significance (2-tailed)
Agency Size	1.000	.623**	.619**	.000
Average Congressional Appropriations	.623**	1.000	.810**	.000
Average State Expenditures	.619**	.810**	1.000	.000

\*\*Correlation is significant at the 0.01 level (2-tailed).

After running Spearman's Rho, the findings show that there is a significant relationship between agency size and both Congressional appropriations and expenditures. Comparing the agencies with the most employees to the amount of Congressional appropriations they receive show that the larger the size of the SAA, the higher the funding for the arts; thus, confirming the second part of the hypothesis. This finding follows what Hofferbert and Urice found. They found that agencies established earlier do seem to have a modestly greater edge in getting state funding. This study confirms that finding, and updates it for 1985-2007. They also found that longevity might be more consequential in total were it not for its negative impact on NEA grants. However, this study found that longevity has a positive impact on Congressional appropriations, thus, disproving Hofferbert and Urice's older findings, and updating them from 1985-2007.

Overall, this study found that there is no relationship between agency age and Congressional appropriations and expenditures, but there is a relationship between agency size and Congressional appropriations and expenditures.

#### 4.3.4 Analysis of Education and Income Levels

Finally, this study expects that higher levels of education and higher income levels within a state lead to more funding for the arts. To test this hypothesis, it is best to compare education

and income levels with participation in the arts. Data was collected from the SPPA 2002.<sup>150</sup>

Education was divided into six categories: grade school; some high school; high school graduate; some college; college graduate; graduate school. Income was divided into seven categories: under \$10,000; \$10,001-\$19,999; \$20,000-\$29,999; \$30,000-\$39,999; \$40,000-\$49,999; \$50,000-\$74,999; \$75,000 or more. The data is illustrated in Appendix G.

To test if education and participation have a significant relationship, the levels of education were ranked and compared against the average rank of participation in arts activities. The results of Spearman's Rho correlation test show that there is not a significant relationship between education levels and participation in arts activities [see Table 4.18].

Table 4.18 Correlation Results between Education and Participation

<b>Spearman's Rho (<math>\rho</math>)</b>			
	<b>Education Level</b>	<b>Arts Activity</b>	<b>Significance (2-tailed)</b>
<b>Education Level</b>	1.000	.086	n/a
<b>Arts Activity</b>	.086	1.000	n/a

Moreover, when education levels are tested against participation in arts activities, Congressional appropriations, and expenditures there is no statistically significant relationship present. Table 4.19 shows that the correlation coefficient for education and Congressional appropriations and expenditures is .393 and the 2-tailed significance test results as .441, much greater than the significance level of 0.05.

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<sup>150</sup> Bonnie Nichols, "Demographic Characteristics of Arts Attendance, 2002," National Endowment for the Arts, July 2003.

Table 4.19 Correlation Results between Education, Participation, Congressional Appropriations, and Expenditures

<b>Spearman's Rho (<math>\rho</math>)</b>					
	<b>Education Level</b>	<b>Participation</b>	<b>Congressional Appropriations</b>	<b>State Expenditures</b>	<b>Significance (2-tailed)</b>
<b>Education Level</b>	1.000	.000	.393	.393	.441
<b>Participation</b>	.000	1.000	-.693*	-.693*	.018
<b>Congressional Appropriations</b>	.393	-.693*	1.000	1.000**	
<b>State Expenditures</b>	.393	-.693*	1.000**	1.000	
*Correlation is significant at the 0.05 level (2-tailed).					
**Correlation is significant at the 0.01 level (2-tailed).					

To test income levels and their impact, income was compared against participation rates in arts activities. The results of Spearman's Rho show that there is not a significant relationship between education levels and participation in arts activities [see Table 4.19], even though among those with incomes of \$75,000 or more, however, the attendance rate was 44.6 percent, more than 18 percentage points higher than the overall average. A similar pattern is found in park attendance; those in the highest income category of \$75,000 and more had an attendance rate of 50.9 percent, which is more than 19 points higher than the average rate of 31.6 for all adults [see Appendix G].

Table 4.20 Correlation Results between Income and Participation

<b>Spearman's Rho (<math>\rho</math>)</b>			
	<b>Income Level</b>	<b>Arts Activity</b>	<b>Significance (2-tailed)</b>
<b>Income Level</b>	1.000	-.536	.215
<b>Arts Activity</b>	-.536	1.000	.215

Moreover, when income levels are tested against participation in arts activities, Congressional appropriations, and expenditures there is no statistically significant relationship present. Table 4.21 shows that the correlation coefficient for income and Congressional appropriations and expenditures is -.750, and the 2-tailed significance test results as .052, slightly greater than the acceptable 0.05 level.

Table 4.21 Correlation Results between Income, Participation, Congressional Appropriations, and Expenditures

Spearman's Rho ( $\rho$ )					
	Income Level	Participation	Congressional Appropriations	State Expenditures	Significance (2-tailed)
Income Level	1.000	.000	-.750	.750	.052
Participation	.000	1.000	-.693*	-.693*	.018
Congressional Appropriations	-.750	-.693*	1.000	1.000**	
State Expenditures	-.750	-.693*	1.000**	1.000	
*Correlation is significant at the 0.05 level (2-tailed).					
**Correlation is significant at the 0.01 level (2-tailed).					

However, when the data is looked qualitatively, in regards to education, attendance rates were higher for those with college and graduate school education. Reading literature was also the most popular activity measured by the SPPA. These findings are contradictory and could benefit from further examination. For the purpose of this study, though, the statistically significance findings are essentially and do not confirm the hypothesis.

#### 4.4 Additions to Current Literature

The study was undertaken to update the 1985 article by Hofferbert and Urice that set out to examine alternative explanations for interstate variance in funding for the arts. To test their hypotheses they measured the following variables: State socioeconomic development; State arts constituency; Legislative professionalism; Agency Age; Turnover of administrative personnel; Policy Norms; Federal grants to the state; State arts funding. They chose their variables because they were concerned about the net impact of socioeconomic environment in setting the boundaries for policy variance and the conditions under which alternative explanatory forces may operate. This is important in understand how arts policy is formulated and implemented. However, the state of public arts funding has changed, yet, this study has not been update to include the changes in presidents and party leadership in Congress and inside states. This study does just that. Many of the same variables were used, such as legislative professionalism, agency age, and state socioeconomic development (called

commercial appeal). But the other variables are new and were included because they have become important factors in explaining arts policy in the latter part of the 1980's through today. The additional variables are: Commercial appeal; Participation; Agency size; Education level; Income level. Moreover, this study updates Hofferbert and Urice's main variable, NEA grants to the states. Today, data illustrating the amount of Congressional appropriations each states receives is available, and is a better indicator of the federal stimulus Hofferbert and Urice were trying to test.

Testing of the new variables showed interesting additions to Hofferbert and Urice's study. Even though participation was found to not have a direct effect, the findings show modest support in confirming the hypothesis that the greater level of participation in various arts activities, the greater the federal funding. Moreover, funding for arts organizations produced at higher levels will increase the participation in arts activities, and the more participation in arts activities would support the adoption of increased state arts funding policies. Therefore, it is important to include participation as a variable, which Hofferbert and Urice did not.

The analysis of education and income levels showed that the two variables do not increase spending, which is interesting because one would assume that the higher a person's education and income, they more they would participation in the arts and want the arts in their community; thus, appeal to their state legislature for more funding, and leading a state to appeal for more Congressional appropriations and, thus, spending more on the arts. However, the opposite is true. But what accounts for these findings? Many possibilities are raised. Is it the Challenge America initiative for underserved communities that increased spending in states with the least arts infrastructure? Is the state appropriations process for the arts process a policy monopoly dominated by arts community activists, state bureaucrats, and legislatures so that characteristics of the general population are irrelevant? Is it that every state has a sufficient level of highly educated citizens who encourage the arts? Is it the Congressional appropriations driving state action that makes contextual factors at the state level unimportant in terms of

expenditure levels? The fact that so many questions are raised from these findings warrants further examination; but is for another time and another study.

However, the most interesting finding that adds the most to Hofferbert and Urice's study and to those from the relevant literature is the commercial appeal variable. Nearly all 50 states have used either cultural development programs or visual arts programs to boost their commercial appeal. In fact, the 32 states that have Public Arts programs have appealed for more arts funding in the last decade. Thus, states attempting to boost their commercial appeal will use the arts as a commodity. Further, the arts have been confirmed to have an economic benefit. The arts attract visitors, residents, businesses, and investments. Moreover, the arts are said to be an "export" industry to the extent that they bring more money from outside the local economy. This spending has a direct positive impact on a state's economy.

Furthermore, this variable adds to Hofferbert and Urice's earlier study. They were not interested in the features of the socioeconomic environment and their effect, but that is a fundamental flaw to their study. The individual features of the socioeconomic environment, including commercial appeal, are extremely valuable when examining the current state of public arts funding. As this study has found, SAAs offer many programs that are centered on the idea of commercial appeal (i.e. cultural development programs and visual arts programs), and cultural tourism is experience a renaissance now. Reframing arts funding as economic development appears to be a major factor in increasing state spending levels.

## CHAPTER 5

### CASE STUDIES

In this chapter, the Policies Communities model is applied to case studies in six states: New York, Utah, Washington, Pennsylvania, California, and Texas. New York and Utah were chosen because they represent the impetus of state arts funding; they are the foremost states meeting performance funding challenges and have been continuing supporters for the arts and arts funding.<sup>151</sup> In these states, performance funding has evolved as a consequence of a policy progression from student outcome assessment to performance reporting.<sup>152</sup> Washington and Pennsylvania were chosen because their largest cities (Seattle and Philadelphia, respectively) illustrate the shift to include the arts in economic development strategies. California was chosen because it is one of the largest states in the nation with one of the largest arts scenes. Texas was chosen because the state is experiencing a renaissance in its arts community, and because Dallas is currently building the nation's second largest performing arts center. Additionally, Texas was chosen because the author lives and works in the state and has a direct relationship with the state's arts industry. Data on all of these states is secondary source data collected from each state's arts agency's website, as well as articles published on the activities of the states.

The case studies focus on the background and history of each state's arts agency, including the organizational structure, equity plan (when available), and programs offered. These variables are a part of the inputs component of the Policies Communities model, and were chosen because they can help explain for the inclusion of the arts in economic development strategies (commercial appeal). The purpose of these six case studies is to show

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<sup>151</sup> Andrea M. Serban and Joseph C. Burke, "Meeting the Performance Funding Challenge: A Nine-State Comparative Analysis," *Public Productivity & Management Review*, Vol. 22, No. 2, December 1998.

<sup>152</sup> *Ibid*, p. 158-163.

qualitatively what factors explain the role of the arts. To do that, the case studies will address four issues:

1. It will identify the salient actors, and will compare them across the six states. Are they different or similar in the states?
2. Is the communication in a state arts community fragmented or tightly knit?
3. Is there evidence of connection to actors outside the immediate state advocacy actors? Are these actors the same or different among states?
4. Are those actors/state agencies generating solutions to problems that have not yet reached the agenda?

There are two patterns that are expected to emerge during the case studies. One pattern that may emerge is known as the “California Syndrome” – or the “California literature.” In California, the Arts Council was reorganized to be administered by artists with a strong streak of populist cultural policy.<sup>153</sup> This could be happening in other states as well. California is one of the largest states in our nation and has one of the largest, and believed to be healthiest, arts agency; other states might want to follow in her footsteps. Additionally, the second pattern that may emerge is one where there is less extensive or enthusiastic support for the arts in states; in other words, the application of Kingdon’s Policy Community Model. The case studies may show whether or not the SAA is tightly knit or fragmented. Those factors, if the SAA works together, communicates effectively, and is true to its mission will result in the SAA receiving more state funding than its peers. Being tightly knit or fragmented may affect the amount of state art funding appropriations and will show which factors affect the level of funding. By choosing states that represent the creation of this movement and the application of arts funding policies, a picture of the policy process of public arts funding should be discovered. Where possible, environmental factors will be addressed in these case studies: economic development priority, level of participation, and state educational levels.

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<sup>153</sup> J. Mark Schuster, “Sub-National Cultural Policy – Where the Action is? Mapping State Cultural Policy in the United States,” The Cultural Policy Center (University of Chicago), January 28, 2002. pp.9.



Additionally, the case study data presented is not comparably across all states. These states were chosen because they represent the impetus of state arts funding, their largest cities illustrate the shift to include the arts in economic development strategies, and because they are experience a renaissance in their respective arts communities. And even though the data is not comparably across all states, it does provide a glimpse as to what other states will similar organizational structures and arts programs could be experiencing.

### 5.1 Case Study: New York

The New York State Council on the Arts (NYSCA) is dedicated to preserving and expanding the rich and diverse cultural resources that are and will become the heritage of New York's citizens. Its mission is to support "artistic excellence and the creative freedom of artists without censure, the right of all New Yorkers to access and experience the power of the arts and culture, and the vital contribution the arts make to the quality of life in New York communities."<sup>154</sup>

#### *5.1.1 Organizational Structure of the New York State Council on the Arts*

Since its inception in 1960, NYSCA has attempted to achieve its mission through many activities including its core grant-making activities and by convening field leaders, providing information and advisory support, and working with partners on special initiatives to achieve mutual goals. To fully achieve its mission, the NYSCA has council members who monitor the agency's activities. The NYSCA's Council is comprised of up to 20 individuals who are appointed by the Governor and approved by the State Senate. Council members are appointed to five-year terms. The Council's activities are determined by legislation that defines the agency's structure and overall policies. Additionally, the Council has 46 in-house staff members, who see to the day-to-day activities of the agency.

#### *5.1.2 Equity Plan of the New York State Council on the Arts*

NYSCA's annual appropriation for grants (local assistance) and operations (state purposes) is received from the Governor and the Legislature each fiscal year. In addition to

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<sup>154</sup> New York State Council on the Arts, "Mission," New York State Council on the Arts.

state funds, NYSCA also receives annual support from the NEA. To ensure geographic distribution of funds, the Council is required to provide a minimum of 40 cents per person for each county in the state, based on the latest census figures. The Council is also required to award at least 50 percent of its local assistance funds to eligible arts organizations.

#### *5.1.3 Programs Offered by the New York State Council on the Arts*

To support its mission, NYSCA has established numerous grants and programs for city and regional arts organizations, arts educators, and artists. These programs receive funding requests in a specific arts discipline or field. The grants and programs are in the fields of: Architecture, planning, and design; Capital projects; Arts in education; Dance, music, and theatre; Electronic media and film; Folk arts; Individual artists; Literature, museum, and presenting; Special arts services; State and local partnerships; Visual arts – public arts.

#### *5.1.4 The Role of Cultural Arts in the New York Economy from 1990-2006*

When one thinks of the arts, one thinks of New York, specifically New York City – considered a Mecca for artists of all kinds. Over the last several decades, New York City has become a critical force in promoting the value of the arts. It is considered a highly visible monument to American cultural values. In 2006, one out of every 4 jobs (25.8 percent) was located in New York City; this marks an increase from 1990 levels, when one of every five jobs (20.4 percent) was located in New York City.<sup>155</sup> Moreover, in 2006, the distribution of jobs in the creative arts industries in the state of New York, and the city of New York, mirrored somewhat what was recorded for the nation as a whole. One out of every two creative-industry jobs (50.7 percent) were associated with periodical publishers, motion picture and video production, or television broadcasting, with almost half of the jobs (23.0 percent) in periodical publishing. In 1990, these three industries accounted for 56.6 percent of all creative industry jobs. The decline in employment from 1990 to 2006 does not necessarily relate to a decline in overall employment. According to the Bureau of Labor Statistics, although the employment share held

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<sup>155</sup> Michael L. Dolfman, Richard J. Holden, and Solidelle Fortier, "The economic impact of the creative arts industries: New York and Los Angeles," *Monthly Labor Review*, October 2007, p. 23.

by periodical publishers declined from 25.0 percent to 23.0 percent, actual employment in the industry increase by 3.7 percent.<sup>156</sup> Similarly, in motion picture and video production, the 1990 employment share of 17.0 percent decline to 15.3 percent, whereas actual employment in the industry increased slightly, 1.5 percent.<sup>157</sup>

The effect of the creative industries on the economy of the state of New York is staggering when examined from 1990 to 2006. During the first quarter of 2006, the New York private-sector economy generated approximately \$65.4 billion in private-sector wages. Creative industries accounted for 5.4 percent of these wages and 6.7 percent of private employment.<sup>158</sup> In 1990, total private-sector wages generated amounted to \$20.4 billion, or 4.0 percent of all private-sector wages earned in the country. The creative arts industries accounted for 8.0 percent of all New York private-sector wages and 5.8 percent of private employment. During this 17 year time span, total private wages in New York more than tripled. And even though the proportion of private wages fell, the share of private employment rose. But to fully examine the effect of the creative economy on the state of New York, the Survey Research Institute at Cornell University has been conducting the Empire State Poll.

#### *5.1.5 The Creative Economy in New York: Results from the Empire State Poll*

The Empire State Poll is conducted yearly by the Survey Research Institute at Cornell University.<sup>159</sup> The poll covers a battery of core questions regarding the workplace, community, governmental, economic, media measures, and other special topical areas. According to the demographic findings, downstate populations have higher educational attainment levels; over 48 percent of downstate adults have a bachelor's degree or more compared to 43.8 percent of upstate adults. Downstate households earn higher earnings than do upstate households. In upstate households, the share of those in the income brackets below \$100,000 is larger than

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<sup>156</sup> Ibid, p. 28.

<sup>157</sup> Ibid, p. 28.

<sup>158</sup> Ibid, p. 31.

<sup>159</sup> "The Creative Economy in New York State: Results from the Empire State Poll," Cornell University, 2004.

that in downstate households. For the \$100,001+ income bracket, downstate is 4.7 percent greater than upstate.

#### 5.1.5.1 Findings Regarding the Value of Cultural Activities.

The Empire State Poll results reveal the following about the education levels, income levels, and participation of New York State residents in cultural activities:<sup>160</sup>

- In both regions, the higher the education level, the more the respondent rated cultural activities as important. In upstate, many residents with less than a bachelor's degree (52.9 percent) rated importance of cultural activities as unimportant, compared to 38.9 percent of residents with a bachelor's degree or more who rated cultural activities as important.
- In downstate, all educational levels valued cultural activities.
- Upstate residents with incomes below \$100,000 did not value cultural events as highly as those respondents with high incomes. For example, 48 percent of those respondents who earned \$35,000 to \$100,000 rated cultural activities as unimportant, compared to 29.7 percent who valued cultural activities. Those in the highest income bracket (over \$100,000) rated the importance of cultural events the highest - 45.7 percent.
- In contrast, for downstate residents with incomes below \$35,000, 57.6 percent rated cultural events as important, compared to 29.4 percent that did not. Nearly 55 percent of those in the highest income group rated cultural activities very highly as well.
- In both downstate and upstate regions, the three top creative activities are the performing arts, music, and arts/visual arts. However, there were variations in preferences based on demographic characteristics. For example, gender: females, those who are married or partnered, and to

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<sup>160</sup> Ibid.

those with educational levels with a bachelor's degree and above, represent the largest population to frequent cultural activities.

- Educational levels pointed to slightly different cultural preferences, particularly for upstate residents. Those with less than a Bachelor's degree, compared to those with a Bachelor's degree or more, favored community sponsored events (72 percent versus 27 percent), family-oriented events (68 percent versus 32 percent), and crafts and antiques (61 percent versus 39 percent).

These findings contradict the findings described in Chapter 4, Section 4.3.4 – there is not a significant relationship between education and arts participation and between income and arts participation consistently. But they do support the findings regarding participation. New York has one of the healthiest budgets of all SAAs, so it can be said that the greater the participation the greater the amount of funding a state will appeal for.

#### *5.1.6 The Creative Economy and Economic Development in New York*

Further, the idea that the arts and culture are valuable to local and state economies is not new, especially in New York. But recognition is now coming from economic developers as well as from the arts community. For example, the National Governor's Council published a report citing the following ways in which the arts contribute to economic development:<sup>161</sup>

- They use the skills of local crafts people and artists of all kinds to generate economic activity through tourism, crafts, and cultural attractions. These resources are particularly important in regions with lagging economies.
- They may serve as a centerpiece for downtown redevelopment and renewal.

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<sup>161</sup> National Governors Association for Best Practices, "The Role of the Arts in Economic Development," National Governors Association for Best Practices, 2001.

- They create vibrant public spaces, improve the quality of life, expand the business and revenue base, and contribute to a positive regional and community image.
- They contribute to a region’s “innovative habitat.”

Thus, what is being recognized is that creative economy initiatives have both short-term benefits and long-term consequences for a region’s economic development capacity and human capital.<sup>162</sup> New York’s cities and towns already have a significant complement of knowledge-orientated workers and employers, but economic development policy needs to consider how to best utilize this existing resource in order to build a creative economy base.<sup>163</sup>

#### 5.1.6.1 The Creative Economy at the Regional Level in New York

The smaller cities and towns in New York face particular challenges in building a creative economy. They do not have large cultural institutions that support creative economy activities. There is little coordination at this broader regional level, since cultural activities are generally local. However, at the regional level “non-metropolitan creative economies can develop a critical mass that attracts visitors and retains younger creative workers.”<sup>164</sup> And, small and medium-size communities are hampered by under-developed leadership and volunteer capacities. But despite these challenges, many small cities and towns do have a significant resource that they can draw upon – a local college, university, or health care institution. New York has one of the highest densities of higher educational institutions in the United States, and many health care treatment and research institutions.

One of the most promising examples of combining the assets of college and community exists among the Village of Hamilton, the Town of Hamilton, and Colgate University. The three partners created a Partnership for Community Development and a Community Development

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<sup>162</sup> National Governors Association, “The Impact of Arts Education on Workforce Preparation,” National Governors Association for Best Practice, 2002.

<sup>163</sup> Susan Christopherson, “Creative Economy Strategies for Small and Medium Size Cities: Options for New York State,” Cornell University, July 20, 2004.

<sup>164</sup> *Ibid*, p. 6.

Corporation (PDC).<sup>165</sup> The PDC is working to create a new “Downtown Hamilton,” restoring storefronts and renovating buildings. Colgate re-located its campus bookstore in Hamilton to bring campus customers and street life into the downtown. The PDC has also developed a year-round festival series supporting the development of a strategic plan to guide future community development projects.

Another strategy many New York communities could utilize is one that identifies under-utilized resources to provide venues for creative activities.<sup>166</sup> Many New York cities and towns have under-utilized resources, such as local libraries and churches, which can be used as venues for performances and other creative activities. Results from a survey of New Yorkers through “The Empire State Poll” indicate that public venues, including volunteer fire houses, libraries, schools, and churches are primary sites for community cultural life.<sup>167</sup>

Or New Yorkers could advantage of creating community events; which they have already begun to do. Community events celebrate local identity while entertaining and education locals and visitors. A few of these events include: The New York State Rhythm and Blues Festival in Syracuse; The Christmas Arts and Crafts Festival in Corning; The Corn Festival in Avon; The Mount Morris Italian Festival; The Central New York Maple Festival in Marathon; The Finger Lakes Grassroots Festival; and the Light in Winter Festival. Take for example the Light in Winter Festival. It was initiated in January 2004 as a two day, one evening festival celebrating art, music, and science. In its first year, there were approximately 5,000 attendees from seven counties.<sup>168</sup> These “small” events can have a large geographic reach, spreading the idea of arts and community development. Moreover, these events receive support from local arts organizations and the NYSCA.

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<sup>165</sup> Ibid, p. 8.

<sup>166</sup> Ibid, p. 10.

<sup>167</sup> Susan Christopherson and S. Loker, “New Yorkers and the Creative Economy: Initial Results from the Empire State Survey,” Department of City and Regional Planning, Cornell University, 2004.

<sup>168</sup> Christopherson, 2004, p. 15.

### *5.1.7 Application to the Policy Communities Model*

When the relationship between the arts and the New York economy is applied to the Policy Communities model, New York fulfills all the requirements. The relationship between the arts and the economy not only affects the NYSCA, but all the regions in the state. And those regions have been influenced by the programming offered by NYSCA and have started to develop their own arts festivals, and in some cases own arts organizations. They have started to think outside the box and have created innovated community relationships to spur community development. And these community activities are sponsored by the NYSCA. This represents a positive relationship between the NYSCA and local and regional arts organizations and arts events. The positive relationship illustrates the tightly-knit communication structure between the NYSCA and other organizations. The actors seem to understand that, in order to act confidently, all actors involved (including the Legislature) need to know that they have a diverse constituency behind proposals for change. This supports Kingdon's theory that tightly-knit group consensus produces positive results. This idea of a little fragmentation is supported by the fact that the governing board is appointed by the governor. It is likely then those appointed have an interest in the arts community, and thus, increases the strength of the state bureaucracy and increases the relationship between actors. Moreover, this idea of tightly-knit communications is supported by an idea presented by Hofferbert and Urice. They thought that older agencies might have better connections to Washington, and professionalization of the legislature might be a hint to a general sophistication of state government, and, consequently, stronger links to federal agencies. Their findings offered no grounds on which to accept this reasoning, but this study does. There was a significant relationship between legislative professionalism, Congressional appropriations, and state expenditures, and even though the analysis of agency age showed no statistically significant correlation between agency age and Congressional appropriations, agency size was found to be significant. Comparing the agencies with the most employees to the amount of Congressional appropriations they receive show that the larger the size of the SAA, the higher the funding for the arts. The NYSCA has



the most in-house employees and is ranked high in legislative professionalism. These factors support the idea of a tightly-knit communication structure in New York, as does the fact that programs and events hosted by the NYSCA are extremely successful and profitable.

## 5.2 Case Study: Utah

### *5.2.1 Organizational Structure of the Utah Arts Council<sup>169</sup>*

Established in 1899 by the third Utah Legislature three years after Utah received statehood, the Utah Arts Council (UAC) is the primary agency in Utah through which state and national funds combine to stimulate and encourage the arts in the state. The UAC distributes funds appropriated directly for the arts by both the Utah State Legislature and the NEA. It acts as a state coordinator and advisor, having an awareness of various programs that might be underway at any given time around the state. The UAC assists with professional development where needed and provides direct matching grants to more than 200 nonprofit organizations across the state.

The Board of Directors of the UAC is a policy-making board comprised of 13 members, each appointed to a four-year term by the Governor. Nine seats are dedicated to representatives of the following disciplines: architecture, dance, folk arts, media, music, theatre, sculpture, literature, and visual arts; four seats are appointed from the community at large. The Board of Directors meets bimonthly. In addition, the UAC has 23 in-house employees.

Additionally, it is important to note the influence of the Church of Jesus Christ of Latter Day Saints (LDS or the Mormon Church). Utah is the only state included in these case studies where religion has been an active player in arts policy. LDS is the fourth largest Christian denomination in the U.S. and the Church is headquartered in Salt Lake City, Utah. Much does not happen politically in the state without the assistance of the Church, and the Church has a long history in supporting the arts.

Further, the culture has created substantial business opportunities for independent LDS media. The largest of these communities are LDS cinema, LDS fiction, LDS websites, and LDS

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<sup>169</sup> Information compiled from the Utah Arts Council's webpage, <http://arts.utah.gov/>

graphical art like photography and paintings. The Church owns a chain of bookstores, Deseret Books, which provide an avenue for much of these media to be sold. This culture also resides outside of heavily Mormon populations and many LDS bookstores exist near temples where members commonly visit. Some of the titles that have become popular outside the Mormon community are *The Work and the Glory* novels and *The Other Side of Heaven* movie.

#### *5.2.2 Programs offered by the Utah Arts Council*

The UAC conducts programs, directed by Council staff, which provides more than 500 outreach services (including financial assistance) to schools, local arts councils and organizations, community centers, performing groups, and individual artists. Some of the specific programs the UAC offer include: Artists Services; Arts Education Program; Community Partnership; Design Arts Program; Folk Arts Program; Grants Program; Literary Arts Program; Public Art Program; Traveling Exhibits Program; Visual Arts Program. Overall, the UAC serves as a catalyst for arts programming throughout the state by assisting arts organizations, groups, and individuals in bringing the arts to the people of Utah.

#### *5.2.3 The Role of Cultural Arts in the Utah Economy – A Comprehensive View<sup>170</sup>*

The UAC strives to serve all the people of the state of Utah as it fosters creativity, promotes excellence, and encourages diversity in the arts. To meet this challenge, the UAC has created a variety of programs that have been extremely successful over the past few years.

##### *5.2.3.1 Snapshot of 2005*

In 2005, the UAC's Artist Services program processed 108 Artist Grants and awarded a total of \$42,428 to 28 artists. The Arts Education (AE) program offered regional workshops to 40 Utah school districts through partnerships with the Utah State Office of Education (USOE), Utah PTA, Utah Arts Education Association, Utah Dance Education Organization, Utah Music Educators Association, Utah Theatre Association, Art Access/VSA arts of Utah, and seven artistic partner organizations. The Community State Partnership (CSP) program – which

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<sup>170</sup> Information compiled from Utah Arts Council's Annual Reports for 2005 and 2006, and the Utah Arts Council's Snapshot 2007.

provides professional development and technical assistance to arts and cultural organization through training workshops and board retreats – held more than 20 workshops. Also, in 2005, the 47th annual Utah Original Writing Competition received 311 manuscripts from 222 Utah writers, and awarded nearly \$9,000 in awards to 17 winners. The Traveling Exhibits Program (TEP) showed 20 exhibits in 47 installations at institutions throughout the state, including schools, community centers, libraries, colleges, and museums. The Visual Arts (VA) program awarded two \$5,000 fellowships to two Utah artists, but two statewide annual competitions and exhibitions fell in 2005, resulting in awards of only \$500 going to painters, sculptors, mixed-media, and paper artists. Overall, though, the UAC awarded \$1,109,916 in grants to 208 nonprofit organizations in 53 communities.

#### 5.2.3.2 Snapshot of 2006

In the spring of 2006, the UAC initiated a long-range planning process and statewide Listening Tour to gather input and ideas from the public. The plan was incorporated in a proposal to the NEA for an increase in UAC's Congressional appropriations for the three-year funding cycle beginning in 2006.<sup>171</sup> Also in 2006, the Legislature passed several initiatives affecting the UAC. A statute alteration changed the name of the Division of Fine Arts to the Division of Arts and Museums, and moved the Office of Museum Services from the Division of Housing and Community Development. In addition, SB85 allocated \$9,700 to plan for and define the scope of an inventory and digitization of state-owned art. The Arts Council also secured \$100,000 for the preservation of the aging works in the State Art Collection. The Legislature allocated \$95,555 in a one-time grant funding (which the Arts Council used in 2007 to initiate "Creative Communities," to create and support innovative connections between culture, art, community building, civic engagement, community planning, and use of public space for the enhancement of community arts projects and infrastructure.

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<sup>171</sup> The UAC received the increase they asked for in 2006. Their legislative appropriations totaled \$2,705,400.00, compared to \$2,564,700. That is an increase of \$140,700.

In 2006, 89 artists submitted applications for Artists Grants. The UAC awarded a total of \$16,600 to 13 artists; this is a decrease from 2005, but the UAC decided to offer small grants of up to \$500 for emerging artists and larger grants up to \$2,000 to established artists which stretched their Artists Grant money out. The Council also decided to include “ArtOps,” a publication of opportunities for artists in all disciplines, in the division’s quarterly newsletter “Ovations,” which was mailed to over 4,100 direct recipients.

The AE Program partnered with USOE to offer regional workshops to all of the State’s 40 school districts and a statewide arts education conference for 500 teachers, administrators, and teaching artists. AE also offered professional development opportunities to K-12 teachers and administrators, in conjunction with their partners from 2005. AE awarded 20 residency grants, 31 arts education project grants to schools and community-based organizations, Teacher Initiative Program (TIP) grants to 12 teachers, and seven ArtsPartners grants to artistic companies and arts education initiatives. Educators, parents, artists, arts administrators, and nonprofit administrators in 29 counties participated in conferences and workshops. Also in 2006, the UAC administrated the inaugural “Poetry Out Loud” National Recitation Competition in Utah, with \$8,000 from the NEA. About 70 students competed with prize money totaling \$300, and \$700 going to schools for the purchase of poetry books. In 2006, INFINITY Initiative projects – which provide classroom teachers with professional development in arts learning – involved 22 professional artistic performances and exhibitions for 650 teachers. Overall, AE Program expenditures of \$258,316 served 155,900 children and adults throughout Utah.

The Community Partnership Program (CPP) provided professional development and technical assistance to arts and cultural organizations through training workshops and board retreats. In 2006, CPP held 11 workshops and expended \$134,619 through its outreach. The Change Leader program, an advanced leadership development series in its third year, provided over 1,160 hours of training to 38 participants statewide. CPP also administered the Utah Performing Arts Tour, which offers nonprofit organizations the finest performing artists for a concert and community outreach at a subsidized cost, and greatly improves accessibility to the

arts in small communities. In 2006, the Tour offered 14,643 students free educational outreach and concert performances in 26 Utah communities.

The Design Arts (DA) Program coordinated the fourth annual exhibition featuring designers in Utah and expended \$20,165 in combined state and NEA funding on exhibitions, community talks/seminars, and outreach. The Folk Arts (FA) Program six Apprenticeship Grants and six Ethnic Arts Grants to representatives of 12 different ethnic and community groups, and purchased 19 pieces of folk art for the State Art Collection. FA also secured \$8,865.36 in matching funds and product sales to help support these and other folk arts projects that served 3,500 traditional artists and 150,000 audience members. In 2006, the Literature Program's annual original writing competition received 311 entries and awarded prizes totaling \$8,500 to 16 writers; this was a decrease from 2005, but not a substantial one.

Overall, the Literature Program distributed \$44,486 throughout the state in competitive grants, awards, and other funding. The Public Art (PA) Program invested \$294,400 on artist commissions and \$7,750 on maintenance and conservation of Utah's public art collection. TEP provided 20 exhibits featuring works by 350 artists in 80 installations, up from 47 installations in 2005. These exhibits provided training opportunities to 3,803 teachers and introduced 51,538 students to Utah art and artists. More than 86,000 people viewed the works in public venues. TEP expended \$18,324 on educational materials and the travel and installation of exhibits statewide. The VA Program awarded \$10,000 fellowships to two Utah artists; an increase of \$5,000 in fellowships from 2005. Two statewide annual competitions and exhibitions were held resulting in 12 juror's awards of \$500 each, going to painters, sculptors, mixed-media, and paper artists; this stayed the same from 2005. The Visual Arts Program also held four visual arts professional development seminars, which did not occur in 2005.

In 2006, the UAC awarded \$1,113,745 in grants through a competitive grant application and review process to 227 nonprofit organizations in 57 communities statewide. This is an increase in all areas from 2005. The amount of grant awards increased by \$3,829, the number of nonprofit organizations receiving monies increased by 19 organizations, and four more

communities were helped in 2006. These grantee organizations reported more than 4.5 million attendees in 2006 and the Council grants amounted to 1.1 percent of total projected expenditures for grantee organizations. At the end of 2006, UAC's expenditures equaled \$3,449,872, but the Council's revenues also equaled \$3,449,872, and they found themselves in the black.

#### 5.2.3.3 Snapshot of 2007

In 2007, the UAC became a part of the Division of Arts and Museums (DAM), whose mission is to advance arts and culture. In August 2007, DAM proposed – and received approval – three projects to the Department of Community and Culture's IT Council, including a Constituent Relationship Management System (CRM), of which a Grants Management System (GMS) would be integrated into the CRM. This attempt at digitization would combine all of the State Art Collections into one system and make it available for public consumption through a Web interface, and a Statewide Cultural Events Calendaring and Marketing system called Artsopolis. The Artsopolis implementation will be a collaborative partnership between DAM, the Salt Lake Convention and Visitors Bureau, and the Salt Lake County Zoos and Parks Programs.

In 2007, 81 artists submitted applications for Artists Grants; a decrease from 2006. But the UAC awarded a total of \$25,396 to 19 artists, an increase from 2006 (\$16,000 to 13 artists) and still less than what it did in 2005 (\$42,428 to 28 artists). In addition to its usual workshops, AE collaborated with USOE and the Indian Education Program to offer a week-long cultural awareness week with eight Native American artists to 22 Utah school counselors who serve Native American students. AE awarded a total of 54 grants to schools and community organizations (up from 51 grants in 2006), and provided advocacy materials to 2,200 parents representing all 20 Utah PTA regions, and four classes at their annual conference. AE expenditures of \$73,238 served 160,959 children and adults throughout Utah. The UAC also formed a strategic partnership with Beverly Sorenson and Jim Sorenson, Jr., founders of *art works for kids!*, the USOE, the University of Utah, Brigham Young University, Utah State University, and University of Southern Utah's Colleges of Fine Arts and Education.

The CPP supported over 12 training workshops (one more than in 2006), in partnership with Utah Nonprofits Association and the Salt Lake Community College Community Writing Center. The Change Leader Program provided over 1,200 hours of training to 46 participants statewide; up 40 hours and 8 participants from 2006. CPP also administered a new granting program, the Creative Communities Initiative. This program provided \$97,000 in matching funds for nine Utah communities for projects that supported the creation of innovative connections between culture, art, community building, civic engagement, community planning and use of public space for the enhancement of both economic opportunities and citizen quality of life. Over \$260,000 was leveraged by the grantees from community partnerships as matching funds. Projects included the forming of cultural districts that enhanced local business opportunities for both artists and downtown businesses; renovation of local stages of community events; feasibility studies for mixed-use artist work space; and several community art projects that enhanced public spaces, pathways, and expressed community identity.

DA spent \$19,242 of combined state and Federal NEA funding on exhibitions, community projects, and outreach in 2007; that \$923 less than in 2006, which is not a significant decrease. The PA program spent \$426,564 on artist commissions and \$15,536 on maintenance and conservation of Utah's public art collection, a \$132,164 and \$7,786 increase, respectively. TEP expended \$15,593 on educational materials, travel, and installation of exhibits, a \$2,731 decrease from 2006. The VA program once again awarded \$10,000 fellowships to two Utah artists, and gave out six \$500 awards to winners of statewide competitions. It expended \$103,178 on its 2007 programming including jurors' awards, visual arts fellowships, seminars, and conservation.

Overall, in 2007, the UAC awarded \$1,062,889 in grants through a competitive grant application (a decrease of \$50,856 from 2006) and review process to 228 nonprofit organizations in 58 communities statewide (an increase from both 2006 and 2005). Grantee organizations report more than four million attendees annually. Arts Council grants amounted to 1.6 percent of total project expenditures for grantee organizations.

These programs over the last three years have been successful, and the UAC has been able to create new programs to expand their efforts of connecting the arts to community development. Take for example the Creative Communities Initiative that provides grant money to Utah communities for projects that support the creation of innovation connections between culture, art, community building, civic engagement, community planning and use of public space for the enhancement of both economic opportunities and citizen quality of life. The majority of the economic activity spurred by the arts comes from the private sector, but requires help from local governments, particularly cities. In the case, the cities of Moab and Salt Lake City.

#### *5.2.4 The City of Moab and the Creative Communities Initiative*

In 2006, the Moab Arts Council (MAC) received a \$10,000 Creative Communities Initiative grant from the UAC to develop and strengthen the links between the arts, culture, and economic development in Moab. To accomplish this goal, they combined forces with the City of Grand County to create and approve the Economic Vitality Five-Year Action Plan. Their mission: To seek opportunities to build a strong community through a broad-based, sustainable and environmentally sensitive economy; to serve as a catalyst for increased business retention, expansion, and attraction, and to help create quality job growth.<sup>172</sup>

Currently, the MAC has implemented such programs and the Moab Art Walk, the Moab Artists Studio Tour, MAC Community Arts RoundTable Conference, and Doors of Perception – its first fundraising art-making project to achieve its goals and objectives. But the most successful enterprise the MAC supports is the Moab Music Festival.

The Moab Music Festival was found in 1992, and since its inception, the Festival has been known for its distinctive programming, combining classical chamber music with traditional folk music, jazz, Latin music, and the compositions of living composers. Over the course of the Festival's history, close to 170 professional, world-class musicians have performed in Moab; many returning year after year. It was recognized for its excellence by the UAC in 2002 and received their Governor's Award in the Arts, in 2003, it received the ASCAP First Prize for

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<sup>172</sup> "Creative Communities Initiative," Moab Arts Council.



“Adventurous Programming,” and in 2007, and the Festival was awarded the Utah Governor’s Mansion Artist Award.<sup>173</sup>

The Festival engages the Moab community, its children and youth, through the Education Outreach and Artists-in-Residence programs. Each September, the Education Outreach Program provides interactive assemblies which reach every child enrolled in the Grand County School District, including students at the Community School. The Artist-in-Residence Program began in 2002-2003, thanks to the generosity of the S.J. and Jessie E. Quinney Foundation. The Festival is governed by a Board of Trustees and managed by a small professional staff, supported by enthusiastic community volunteers. It is funded through ticket revenues and contributions from individuals, foundations, local businesses and grants from local, State and Federal agencies.

#### *5.2.5 Salt Lake City: Utah’s Arts and Culture*<sup>174</sup>

Probably the biggest reason why Utah has such a successful relationship between the arts and the economy is the fact that the City of Salt Lake is home to many festivals and celebrations. Each January, Park City becomes the world’s Mecca for independent cinema during Robert Redford’s Sundance Film Festival. The Festival attracts 50,000 visitors annually—and screens more than 125 dramatic and documentary feature length films and over 70 short films, selected from more than 5,000 submissions. With annual attendance north of 80,000 the Utah Arts Festival, is Salt Lake City’s largest arts bash, and celebrates the visual, literary and performing arts, crafts, demonstrations, and children’s art projects. Salt Lake’s multi-cultural legacy includes events like the popular Greek Festival, the Japanese Obon Festival, Snowbird Ski and Summer Resort’s Oktoberfest, and more. Even before it was awarded a Tony, visitors to the Utah Shakespearean Festival in Cedar City knew they were attending one of the premier Shakespeare festivals; now celebrating its 46th season, the festival’s runs from the end of June to the end of October staging 10 plays in three theaters.

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<sup>173</sup> “Festival Overview,” Moab Music Festival.

<sup>174</sup> “Arts & Culture,” Life in the Valley Magazine, 2007.

The Downtown Art and Craft Market showcases the handicrafts and visual arts of more than 60 vendors each Saturday morning throughout the summer months. Each May more than 500 artisans from 40 ethnic groups in the Salt Lake Valley share their heritage at Living Traditions: A Celebration of Salt Lake's Folk & Ethnic Arts on the grounds of the City & County Building. This free three-day festival features continuing performances, crafts demonstrations and sales, and 20 ethnic food booths selling cuisine from their culture. The West's oldest continually-running arts festival is the high-altitude Park City Kimball Arts Festival, held the first weekend in August. The Festival is particularly strong on visual arts attracting 200 artists from across the West and more than 100,000 attendees.

Moreover, since the 1920s, Utah has been home to more than 700 films and TV shows. Filmmakers keep discovering Utah because of the scenic beauty, physical diversity, expansive landscapes, and impossible geography. Utah has been the backdrop for hundreds of films, shows and commercials. In 2006 the film industry in Utah contributed nearly \$144 million in the state's economy through film related activities. Utah is also considered one of the most respected reservoirs of experienced human talent and production capacity in-between the coasts.

#### *5.2.6 The Rise of Cultural Centers and Tourism*

The two city examples given above have not only been beneficial to their respective cities' economies, and to the state's economy, but they have also given rise to the building of various cultural centers in Utah. Utah is known for its emphasis on the family; so it is no wonder that Utah supports forward-thinking cultural learning centers. Discovery Gateway, for example, is a hands-on riff on the traditional children's museum experience. The Clark Planetarium brings far-our science close to home. The Leonardo, set to open in 2009, will fuse art, culture, and science in exciting new ways. The up-and-coming Living Planet Aquarium is in its second developmental location in the south end of Salt Lake valley.

That being said, more visitors are coming to Utah than ever before! In 2006, Utah attracted 19.3 million visitors compared to 18 million in 2005. Tourism is one of Utah's largest

industries. Traveler spending rose an estimated 7.7 percent in 2006 to \$5.87 billion in the Utah economy, generating \$467 million in state and local tax revenues, or about \$550 per Utah housing unit, and increase of 11.3 percent compared to 2005.<sup>175</sup> The rise in tourism has been traced back when the Governor's Office of Economic Development's Utah Office of Tourism launched its new "Life Elevated" brand in April of 2006.<sup>176</sup> The current administration is committed to enhancing Utah's national and international image and promoting the state as year-round destination. Utah lawmakers have appropriated \$11 million for the next fiscal year for out-of-state advertising; the same level of funding the tourism office has received for the past couple of years to brand Utah following the success of the 2002 Olympic Winter Games. And as the state's culture scene continues to thrive, people will be drawn from all over the globe.

#### *5.2.7 Application to the Policy Communities Model*

When the relationship between the arts and the Utah economy is applied to the Policy Communities model, the findings show that Utah fulfills all the requirements. In regards to the first part (instead of a major interest group being affected, there are multiple interest groups involved), the relationship between the arts and the economy not only affects the UAC, but various local arts organizations and the citizens in each of those cities. If the UAC had not created the Creative Communities Initiative would the cities of Moab and Grand County be able to supply arts education to its citizens? Would Salt Lake City be a sought after destination for the film industry? The continued success and profitability of the Moab Music Festival and Sundance Film Festival support the idea of Kingdon's theory that tightly-knit group consensus produces positive results. This idea of a little fragmentation is supported by the fact that the Utah Legislature delegates a good deal of responsibility to bureaucrats – the UAC Board of Directors – since it meets twice a month. Also, since the board is appointed by the governor, it is likely that those appointed have an interest in the arts community, and thus, increases the strength of the state bureaucracy and increases the relationship between actors. Further, this

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<sup>175</sup> Heather Beers, "Artistic Landscape: Utah's Diverse Cultural Canvas," Governor's Office of Economic Development, Utah Business, 2008.

<sup>176</sup> Ibid.

idea is supported by the fact Utah employees a great deal of in-house employees and is ranked highly in legislative professionalism, thus, confirming the results of this study. Moreover, there has been a link to a broader policy community of experts.

### 5.3 Case Study: Washington

#### *5.3.1 Organizational Structure of the Washington State Arts Commission*

Established in 1961, the Washington State Arts Commission (WSAC) collaborates with artists and arts organizations to conserve and develop critical artistic resources. WSAC strives to further policies that promote statewide arts awareness, develop sustainable arts resources for future generations, and deepen investments in Washington's dynamic cultural legacy. The agency was established as a commission that has members appointed by the governor to conduct governmental duties pertaining to: making art accessible to the public, K-12 art education, and advocacy for support of the arts.

WSAC is led by its Executive Director, run by 17 in-house staff members, and governed by four legislators and 19 governor-appointed citizen commissioners. The commissioners guide the direction, set policy for the Commission, and advise the Governor and Legislators on the state of the arts in Washington. The Commission meets quarterly throughout the state, and meetings are open to the public. Commission meetings are also transcribed and proofed by WSAC staff, draft minutes are submitted to the Commission at the next meeting for ratification, and then posted online.

#### *5.3.2 Programs Offered by the Washington State Arts Commission*

WSAC offers operating and project grants to Washington's nonprofit arts organizations. These grants increase accessibility to the arts by helping to reduce the cost of producing or presenting artistic events for the general public. In 2006, WSAC assisted with more than 49,000 events, serving a combined audience of more than 8.9 million people. In 2007, funds budgeted from the State and the NEA totaled \$1.1 million. Some of the grants WSAC offer include: Project support funds; Organizational support funds; Institutional support grants; Arts participation initiative funds. Additionally, WSAC offers programs such as: Art in Public Places;

Arts in Education; Folk Arts and State Art Collection; Community Arts Development; 1 Percent for Art funds; Public Artists Roster.

### *5.3.3 Focus on Seattle*

Compared to New York City, Moab, and Salt Lake City, Seattle's cultural institutions are of more recent origins. Whereas some cities have seen their populations shrink (see Section 5.4), Seattle's has grown considerably in the past two decades, and its cultural offerings have expanded as well.<sup>177</sup> Many of the city's performing arts organizations were founded, or built permanent halls, around the time of the 1962 World's Fair. The city's cultural infrastructure was concentrated around the grounds of that fair and the Seattle Center, a city-owned recreational and cultural district whose most famous landmark is the Space Needle. The city's next cultural building boom took place in the 1990s, and its locus was the downtown area. Within a few years, the Seattle Art Museum had relocated from a park to the outskirts of the central business district, the Symphony had built itself a new concert hall occupying a full block across from the art museum, and a well-regarded regional theatre had renovated a former auditorium next door to the convention center.

The Seattle Symphony had been promised a site at Seattle Center and a large donation by the Kreielsheimer Foundation, a local arts funder. The foundation had purchased the site at Seattle Center a decade earlier, specifically to provide a new home for the Symphony, and had waited patiently for the symphony to raise the rest of the money needed to build the hall. But the mayor and several council-members pushed for the Symphony to build on a derelict downtown site. The Kreielsheimer trustee, the head of Seattle Center, and some of the Symphony's board had both emotional and practical objections to abandoning the Center in favor of downtown. Mayor Rice convened a task force to examine the site selection issue; the task force endorsed the downtown site, and the city promised to make up the difference between the costs of building at the Center and downtown. These factors persuaded the

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<sup>177</sup> Elizabeth Strom, "Cultural Policy as Development Policy: Evidence from the United States," Center for Metropolitan Studies, Rutgers University, June 2002, p. 16.

Symphony to accept the downtown site for what was to become Benaroya Hall, named for developer and Symphony patron Jack Benaroya. Although a considerable amount of public funds went into Benaroya Hall, and city council-members and other officials were active in shaping the building's design, this was clearly a Symphony project. The Seattle Symphony did most of the fundraising for the building, chose the architect, and is responsible for management and programming.

While the museum's decision to locate downtown was largely internal to the organization, city officials and, less publicly, downtown business interests were active in persuading the Symphony and the theatre to consider downtown sites.<sup>178</sup> Seattle's central business district is actually more vibrant than anything found in other cities.<sup>179</sup>

But even though Seattle's major arts organization, along with the arts commissions on the county and city levels, talk about the importance of the arts to the local economy, none of these groups has taken the lead in articulating a "cultural as development" argument.<sup>180</sup> To the extent that such an argument has been made, it has been most cogently expressed by the Corporate Council for the Arts (CCA). Following the lead of several other cities, in the 1960s Seattle's corporate leaders had formed a united arts fund, a program through which corporate donors pool their resources and rely on a professional staff to award operating support to local arts groups.<sup>181</sup> Whereas such projects had faltered in other places, in Seattle the CCA has emerged as the key player in the arts community. CCA does much more than distribute funds: it offers technical assistance, participates in advocacy campaigns, and helps promote arts groups. CCA's centrality in part stems from the leadership of its president, Peter Donnelly, a former director of the Seattle Repertory Theater, who commands an astonishing degree of respect from arts administrators and corporate executives alike.

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<sup>178</sup> Ibid, p. 17.

<sup>179</sup> Ibid, p. 17.

<sup>180</sup> Strom, "Converting Pork into Porcelain: Cultural Institutions and Downtown Development," *Urban Affairs Review*, 2002.

<sup>181</sup> Strom, "Cultural Policy as Development Policy," p. 19.

#### *5.3.4 Application to the Policy Communities Model*

Applying the specific example of Seattle to the Policy Communities gives an idea of the situation of Washington as a whole. In regards to the first part (instead of a major interest group being affected, there are multiple interest groups involved), the relationship between the arts, the economy, and cultural development obviously not only affects the WSAC, but the cities of Washington. If it were for the Public Arts program and the 1 Percent for Arts fund promoted by the WSAC, the cultural development of Seattle might never have occurred. The fact that it did, and the fact that the mayor played a part in promoting cultural development, confirms Kingdon's theory that tightly-knit group consensus produces positive results. Moreover, this idea of tightly-knit communications is supported by the fact that Washington employees a large number employees when compared to the state population and is ranked in the middle on the legislative professionalism scale. This idea of a little fragmentation is also supported by the fact that the Washington Legislature delegates a good deal of responsibility to bureaucrats – the WSAC Commission – since it meets quarterly, and its meetings are open to the public. Also, since the board is appointed by the governor, it is likely that those appointed have an interest in the arts community, and thus, increases the strength of the state bureaucracy and increases the relationship between actors. Further, there has been a link to a broader policy community of experts created by this relationship. The main source for the case study came not from the WSAC but from an university in New Jersey.

### 5.4 Case Study: Pennsylvania

#### *5.4.1 Organizational Structure of the Pennsylvania Council on the Arts*

On January 26, 1966, Governor William D. Scranton signed enabling legislation for the Pennsylvania Council on the Arts (PAC). Under the provisions of Act No. 538, the PAC is charged with the encouragement and development of the various arts in the Commonwealth. In 1973, the Council adopted its first list of goals, along with a formal application process and the establishment of advisory panels. In 1978, a reassessment focusing on the constituencies the PAC served resulted in the establishment of general support grants, local government grants,

and fellowships for individual creative artists. In 1979 and again in 1987, the PAC took its programs and policies to the citizens of Pennsylvania in a series of statewide hearings. By 2000, the reorganization of the PCA application process and structure was undertaken as a result of this planning process to make PCA support more accessible, to make the opportunities offered by the PCA clearer, and to make the application process simpler.

The PAC's mission is to foster the excellence, diversity, and vitality of the arts in Pennsylvania and to broaden the availability of the arts throughout the state. To complete that, the PCA is governed by a Council of 19 members – 15 private citizens and four members of the General Assembly. Citizen members are appointed by the Governor and confirmed by the Senate. The Council sets the mission and goals for the agency, evaluates the PCA's progress toward these goals, formulates policy, and makes final decisions on the use of funds. Citizen members serve without compensation. From these members, the Governor appoints the chairman and vice-chairman of the Council, who serve at his/her pleasure. Citizen members are appointed to three-year terms and hold office until their successors have been appointed and confirmed. No member is eligible for reappointment during the one-year period following the expiration of his/her second successive term.

Two of the legislative members are appointed from the House of Representatives by the Speaker, and two from the Senate by the President Pro Tempore. Legislative members are selected equally from the major political parties. For the purpose of Act 538, such members of the legislature constitute a joint interim legislative committee on the arts, the Council, and its appropriation. Additionally, the PAC employs 16 in-house employees.

#### *5.4.2 Equity Plan for the Pennsylvania Council on the Arts*

Funding for the PCA comes from the citizens of Pennsylvania through an annual state appropriation by the General Assembly. The PCA also receives funding from the National Endowment for the Arts, a federal agency. The PCA matches the federal award with state monies. The PA General Assembly provides us with two annual appropriations in the state's budget, included within the "General Fund." One appropriation is for administration of the



agency, and the other is for “grants-to-the-arts.” This second appropriation is used to fund our various grant programs and as a match to the NEA dollars.

On average, through direct and partnership program funding, the PCA awards approximately 1600 grants annually, ranging from \$100 to \$350,000 to artists, not-for-profit arts and cultural organizations, educational institutions, and divisions of government.

*5.4.3 Programs Offered by the Pennsylvania Council on the Arts*

Programs and grants that the PAC offers include: Arts in Education; Governor’s Awards for the Arts; Pennsylvania Performing Arts on Tour; Folk Arts Infrastructure.

*5.4.4 A Financial Look at the State of Pennsylvania*

The data in Table 5.1 was compiled by Americans for the Arts in their study, *Arts and Economic Prosperity III*.<sup>182</sup>

Table 5.1 The Arts and the Economy in the State of Pennsylvania, 2005

<b>Total Expenditures Made by Nonprofit Arts and Cultural Organizations and Their Audiences</b>				
<i>Organizational Operating Expenditures</i>	<i>Organizational Capital Expenditures</i>	<i>Total Organizational Expenditures</i>	<i>Audience Spending (Arts-Event Related)</i>	<i>Total Spending</i>
\$972,337,585	\$60,839,813	\$1,033,177,398	\$960,994,522	\$1,994,171,920
<b>Total Economic Impact of Expenditures by Nonprofit Arts and Cultural Organizations and Their Audiences</b>				
<i>Full-Time Equivalent Jobs</i>	<i>Resident Household Income</i>	<i>Local Government Revenue</i>	<i>State Government Revenue</i>	<i>Total Expenditures</i>
61,985	\$1,238,416,000	\$127,009,440	\$155,970,440	\$1,994,171,920
<b>Total Economic Impact of Expenditures by Nonprofit Arts and Cultural Organizations</b>				
<i>Full-Time Equivalent Jobs</i>	<i>Resident Household Income</i>	<i>Local Government Revenue</i>	<i>State Government Revenue</i>	<i>Total Expenditures</i>
36,004	\$783,769,000	\$50,165,440	\$56,717,440	\$1,033,177,398
<b>Direct Economic Impact of Expenditures by Nonprofit Arts and Cultural Organizations</b>				
<i>Full-Time Equivalent Jobs</i>	<i>Resident Household Income</i>	<i>Local Government Revenue</i>	<i>State Government Revenue</i>	<i>Total Expenditures</i>
25,656	\$546,246,000	\$34,059,000	\$37,555,000	\$1,033,177,398
<b>Organizational Expenditure Survey Participation</b>				
	<i>Total Organizational Expenditures</i>		<i>Total Local Organizational Expenditures</i>	
	\$1,033,177,398		\$598,188,371	

<sup>182</sup> Americans for the Arts, *Arts and Economic Prosperity III: National Report*, Americans for the Arts, 2007.

The state of Pennsylvania has a relative healthy cultural economy, and is considered by many to have well-established cultural communities. One of those communities is Philadelphia, which has been a leader in the state's movement toward increase cultural development.

#### *5.4.5 Focus on Philadelphia*

Even though Philadelphia has suffered from long-term population decline and job loss; it has a large and well-established cultural community. But the city had never been regarded as a cultural capital, and it lives in the shadow of New York to its north and Washington, DC to its south.<sup>183</sup> The city's cultural infrastructure includes the 125-year-old Philadelphia Museum of Art, and the world famous Philadelphia Orchestra, which long shared the 150-year-old Academy of Music with the lesser Pennsylvania Ballet and Philadelphia Opera. Since the 1970s, the city's cultural organizations have been organized into the Greater Philadelphia Cultural Alliance, an advocacy coalition that includes arts groups from Philadelphia and its suburbs.

The idea that promoting the arts could serve to promote economic development gained momentum with the election of Ed Rendell as mayor in 1991. Years earlier the Central Philadelphia Development Corporation, a business promotion group primarily representing real estate and banking interests, had commissioned a study that proposed creating an arts district along South Broad Street, the declining main artery of the business district.<sup>184</sup> At the same time, the Philadelphia Orchestra wanted to build a new concert hall along the avenue; trying to build broader support they touted the economic benefits it would bring to the area. Ed Randell was elected mayor largely on a platform pledging economic development and fiscal responsibility; he had not shown any particular interest in the city's cultural life. However, he quickly bought into the argument that cultural institutions could play a key role in reviving the

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<sup>183</sup>Strom, "Converting Pork into Porcelain: Cultural Institutions and Downtown Development," *Urban Affairs Review*, 2002.

<sup>184</sup> Elizabeth Strom, "Cultural Policy as Development Policy: Evidence from the United States," Center for Metropolitan Studies, Rutgers University, June 2002, p. 13.

central city, and adopted the Broad Street cultural district plan as one of the key parts of his revitalization efforts.<sup>185</sup>

Moreover, the arts were an especially appealing package for economic development in the early years of Rendell's mayoralty. Initially, much his energy went toward trying to restore the city's fiscal health after it came close to bankruptcy the year of his election,<sup>186</sup> but after realizing that he could not campaign for re-election purely on a balanced budget, Rendell saw the "promotion of the arts and other entertainment venues as a positive, upbeat corollary to the otherwise gloomy tone of his early years in office."<sup>187</sup> As a result of Rendell's lobbying, the governor committed \$60 million in economic development funds to South Broad Street arts projects, most notably the construction of a new concert hall for the Philadelphia Orchestra now known as the Kimmel Center for the Performing Arts.

The concert hall project – which had been stalled for a decade – was finally realized during the Rendell years. A site was assembled, an architect chosen, and public and private funds solicited; it opened its doors in 2001. Although the orchestra has been a major fundraiser and leader in building the Kimmel Center, it is an independent organization – officially called the Regional Performing Arts Center (RPAC) – along with three other organizations that played an important role in creating the culture/economic development nexus.<sup>188</sup>

- Rendell himself created the Avenue of the Arts, Inc., which was to shape the development of the Broad Street cultural district.<sup>189</sup>
- A board that included key members of the city's development and legal community.<sup>190</sup>
- A nonprofit organization to coordinate the several development projects on the avenue and promote the cultural district throughout the region.

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<sup>185</sup> *Ibid*, p. 13.

<sup>186</sup> Buzz Bissinger, *A Prayer for the City*, New York: Random House, 1997.

<sup>187</sup> Strom, "Cultural Policy as Development Policy," p. 14.

<sup>188</sup> *Ibid*, p. 14.

<sup>189</sup> Roger D. Simon and Brian Alnutt, "Philadelphia, 1982-2007: Toward the Postindustrial City," *Pennsylvania Magazine of History and Biography*, Vol. 131, No. 4, 2007.

<sup>190</sup> "History of Avenue of the Arts, Inc." Avenue of the Arts, Inc. <http://www.avenuethearts.org/history.php>

The Pennsylvania Convention Center opened in 1993. First proposed in the early 1980s, the Center had had difficulty mustering the political support it needed from the state,<sup>191</sup> and was completed years behind schedule and well over budget. Since it has opened, however, the Convention Center has been very active in promoting cultural initiatives in the city, believing that the availability of easily accessible, high quality cultural programming will help the Center market the city to trade meeting planners. The Center's executive director served on the boards of Avenue of the Arts and the Philadelphia Orchestra, and many of the city's cultural leaders were asked to serve on Convention Center task forces. Finally, the Greater Philadelphia Tourism and Marketing Corporation was founded in 1996. Funded, since 1999, by a one percent addition to the hotel-motel tax collected in the city, this organization markets the region to tourists. Much of its work concerns the promotion of cultural tourism. It contributed funds to the Kimmel Center, offers grants for cultural district marketing, and promotes packages around cultural events.

In addition, several existing institutions have increased their focus on culture as economic development. The Pew Charitable Trusts and the William Penn Foundation, whose extensive grants among Philadelphia arts institutions are all the more important given the dearth of public arts funding in the city, do not explicitly fund groups for their economic impact, but they have become increasingly interested in helping groups work collectively to develop audience and market their products.<sup>192</sup> Pew underwrote the study the led the city, state, and hospitality industry to support the creation of Greater Philadelphia Tourism and Marketing Corporation. Both foundations have funded the Cultural Alliance's joint marketing efforts, support studies on the economic impact of arts activities, and convened less formal working groups on cultural tourism.

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<sup>191</sup> Carolyn T. Adams, "The Philadelphia Experience," *The Annals of American Academy of Political Science*, Vol. 551, May 1997.

<sup>192</sup> Strom, "Cultural Policy as Development Policy," p. 15.

Secondly, the Delaware River Port Authority (DRPA) has become an important funder of cultural groups in Philadelphia and its suburbs.<sup>193</sup> Modeled after the Port Authority of New York and New Jersey, the DRPA is authorized through a bi-state (New Jersey and Pennsylvania) compact; it collects tolls on the several Delaware River bridges, using revenues to maintain the roads, subsidize a commuter rail line, and underwrite economic development projects in the region, most notably those along the Camden and Philadelphia waterfronts (Adams 1997). In 2000, the DRPA gave over \$5 million to the Cultural Alliance to re-grant to local cultural organization who can demonstrate that their projects generate economic activity, bring in tourists, and/or enhance the region's reputation. The DRPA's newfound interest in culture surely indicates the degree to which the arts have begun to seem like a good investment to regional players concerned with economic development. These interests on the part of grant-makers has given a new focus to the GPCA, which now is very much involved in creating bridges between economic development interests and cultural groups.

#### *5.4.6 Application to the Policy Communities Model*

Again, applying the specific example of Philadelphia to the Policy Communities model gives an idea of the situation experienced by Pennsylvania as a whole. In regards to the first part (instead of a major interest group being affected, there are multiple interest groups involved), the relationship between the arts, the economy, and cultural development obviously not only affects the PAC, but the cities in state. The fact that the PAC supports such development through its mission as an organization, and the fact that Mayor (at the time) played such a large role in the development of Philadelphia, Kingdon's theory of a tightly-knit group consensus is supported. This idea of little fragmentation is supported by the fact that the Pennsylvania Legislature delegates a good deal of responsibility to bureaucrats – the PAC Council. The Council consists of 19 members, 15 of which are private citizens appointed by the Governor. Therefore, it is likely that those appointed have an interest in the arts community, and thus, increases the strength of the state bureaucracy and increases the relationship

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<sup>193</sup> Ibid, p. 16.

between actors. Additionally, Pennsylvania employs many in-house employees and is highly ranked on the legislative professionalism scale, thus confirming the hypotheses presented in the previous chapter, and, thus, support Kingdon's idea of tightly-knit group consensus. Moreover, there has been a link to a broader policy community of experts created by this relationship. The main source for the case study came not from the PAC but from an university in New Jersey.

## 5.5 Case Study: California

### *5.5.1 Organizational Structure of the California Arts Council*

The California Arts Council (CAC) was established in January 1976 by the state Legislature. The CAC was established to encourage artistic awareness, participation, and expression; to help independent local groups develop their own arts programs; to promote the employment of artists and those skilled in crafts in both the public and private sector; to provide for the exhibition of art works in public buildings throughout California; and to enlist the aid of all state agencies in the task of ensuring the fullest expression of our artistic potential.

The CAC has the mission to advance California through the arts and creativity with an emphasis on children and artistically under-served communities. The agency encourages widespread public participation in the arts; helps build strong arts organizations at the local level; assists with the professional development of arts leaders; promotes awareness of the value of the arts; and directly support arts program for children and communities. The arts spark the engine of Creative California, and the CAC's goal is to ensure that they are available for every Californian.

The CAC consists of an 11 member Council who serve four year staggered terms. The Governor appoints nine members, the Legislature appoints two members – one from the Assembly and one from the Senate Council Members. Members serve without salary, elect their own chair, and meet throughout the state to encourage public attendance. This body has final approval of CAC grants and contracts. All appointments made to the council by the Governor shall be subject to confirmation by the Senate. The CAC also has a professional staff consisting of 23 in-house employees who have expertise in the arts, creative industries,

education, community development, state and local government, and the nonprofit and for-profit sectors.

It is also important to note that even though California is considered a liberal state and “soft” on the arts, the state legislature is significantly more conservative than the state as a whole, often leaving the state fractured ideologically.

#### *5.5.2 Programs Offered by the California Arts Council*

The CAC offers a variety of programs and initiatives, including: American Masterpieces; Artists in Schools; California Poetry Out Loud; Creating Public Value through the Arts; State-Local Partnership Program. CAC staff travels the state, conducting program guideline workshops and consultations to applicants and grantees and is available for assistance on a daily basis via phone, email, or the CAC offices.

#### *5.5.3 Current State of California Arts Funding*

In July 2003, California’s Senate approved a hotly contested measure to stanch the state’s \$38 billion deficit. Six days later, Governor Davis signed the bill into law. However, in the process, the Legislature shocked the CAC. The new budget reduced the Council’s General Fund appropriation to \$1 million, down from \$18 million in 2002 and \$35 million in 2001.<sup>194</sup> Even though the CAC managed to escape outright extermination, the aftershocks of the budget cut have left side-effects even today. Artists and arts administrators are still wondering how they are going to continue bringing their programming to the public. Even though the NEA is still appropriating money to the CAC, an SAA can not fully function without support from its state Legislature (currently the CAC’s Congressional appropriations total \$2,111,000). In 2003, and in comes cases still today, museums, galleries, and theatre companies have had to reduce their hours of operation, cut their staff, and slash performance schedules.<sup>195</sup>

More nearly 30 years, the CAC has provided matching grants for artists and organizations in the fields of visual, performing, literary, musical, and new-media arts. The CAC

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<sup>194</sup> Lisa Drostova, “California Arts Funding: RIP,” East Bay Express, September 10, 2003.

<sup>195</sup> Ibid.

also provides money for operating expenses, touring companies, and arts educational programs. But with their budget cut so dramatically in 2003, and struggling through a rebuilding process currently, many are concerned about what will happen to organizations just starting out. “Funders are going to be less likely to risk money on new programs or projects [if] there’s less money to go out and more people who need it....They’ll fund proven projects and programs.”<sup>196</sup>

#### *5.5.4 Effects of the Budget Cut on the California Community*

California has some of the wealthiest and some of the poorest communities in the nation. As more wealthy people seek real estate on California’s coastal areas, the cost of living is rising and lower and middle income residents are moving inland. “The substantial migration from the coastal areas to inland communities is causing a rapid increase in population in areas that do not yet have the infrastructure to handle it.”<sup>197</sup> This is affecting the allocation of income levels. Income levels are widely disparate by demographic group, and are expected to grow if real wages for the bottom 50 percent continue to decline as they have for the last 20 years, and those for the top 10 percent continue to rise.<sup>198</sup> And, income is tightly linked to educational attainment, and California is facing a significant challenge to prepare its population with the skills and knowledge necessary to sustain itself. Let alone, continue to push for further culturally development.

But California is home to 90,000 arts-related businesses, and its creative industries employ more than 516,000 people, the most of any state in the nation. California has over 10,000 nonprofit cultural institutions that attract more than 71 million attendees annually. Four out of 10 of the cities with the largest concentration of artists in the country are in California. Additionally, California has a “highly diverse population representing cultures from around the world and an economy larger than all but five nations.”<sup>199</sup> If any state can rebound from its

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<sup>196</sup> Ibid.

<sup>197</sup> “Critical Issues Facing the Arts in California,” James Irvine Foundation, September 2006, p. 5.

<sup>198</sup> RAND, “The Threat from Within.”

<sup>199</sup> “Critical Issues Facing the Arts in California,” James Irvine Foundation, September 2006, p. 24.



budget cuts, it's California. The James Irvine Foundation has been constructing innovative solutions to the challenges that California is facing, and they claim that these solutions will leverage the rich cultural and artistic assets in California. They also claim that "if investments and policies are shaped strategically and informed by solid information about key trends, there is every reason to believe that the state will continue to be one of the most dynamic and generative environments for culture in the world."<sup>200</sup>

#### *5.5.5. Application to the Policy Communities Model*

When applying the Policy Communities Model to the case study of California, the fit is not as good as it was in the previous cases. California fits the Model in regards to the first part (instead of a major interest group being affected, there are multiple interest groups involved) because when the CAC's budget was cut dramatically in 2003, the effects were felt by the CAC and every local arts agency, arts organizations, the entertainment industry housed in the state, all artists, and all citizens who actively participate in the arts. In 2003, the Senate acted with no consideration to the CAC's needs, and this represents Kingdon's theory of fragmentation. He states that fragmentation has three consequences: policy fragmentation, lack of a common outlook, and instability. All three of those consequences are present in the case of California. The Senate's decision to cut the budget profoundly affected the CAC and related arts organizations. Thus, the decisions made by the legislature to cut the CAC's budget have profoundly affected arts policy outcomes in the state. The state has little money to work with, has received less than average Congressional appropriations, and cannot support its arts programs. This idea is also supported by the fact that the state legislature is significantly more conservative than the state as a whole, by the fact that the state is fractured ideologically, and by the fact that California is perpetually involved in a financial crisis.

California's perpetual budget woes also contribute to policy outcomes. As stated above, the CAC's budget was cut in 2003 as a result of Governor Arnold Schwarzenegger's attempt at resolving the state's perpetual budget deficit. He stated that the way to fix the

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<sup>200</sup> Ibid, p. 24.

system was to just spend less money.<sup>201</sup> But now that the dimensions of recent years' revenue shortfalls are becoming clear, Schwarzenegger is falling into the same trap as his predecessors: the budget is just staying a mess.

Therefore, Kingdon's idea of a tightly knit communication network is not supported; instead, California represents the idea of fragmented communication. The difference between the state government's political ideology and the citizen's ideology leads to fragmented, and a lack of communication. No *lingua franca* has been created, because each party assumes they know what is right. They have not been able to compromise. This is supported by the fact that California has not increased the CAC's budget since 2003. This lack of fragmentation definitely lead to instability, because many Californians were, and still are concerned about what will happen to arts organizations just starting out. But the budget cut spurred outside research fulfilling one part of the Model – creating a link to a broader policy community of experts. However, in the other cases, and in the Texas case below, this link was creating by a positive relationship, but California's link was created by a negative relationship.

#### 5.6 Case Study: Texas

The Texas Commission on the Arts is charged with the development of a receptive climate for the arts in Texas. The TCA serves constituents in each of the six artistic disciplines – visual arts, theatre, dance, music, media, and literature – as well as local arts agencies. For more than 30 years, TCA has accomplished its mission, which is to develop a receptive climate for the arts through the conservation and advancement of the state's rich and diverse arts and culture industries by providing grants, information, and technical assistance to artists, arts organizations, and the general public.

##### *5.6.1 Organizational Structure of the Texas Commission on the Arts<sup>202</sup>*

Created by the Texas Legislature in 1965, the TCA operates under the statutory authority of V.T.C.A., Government Code Chapter 444. TCA is committed to keeping itself

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<sup>201</sup> "California needs budget realism," Los Angeles Times, November 9, 2007.

<sup>202</sup> Information gathered from the Texas Commission on the Arts webpage; <http://www.arts.state.tx.us/>

accessible, accountable for public investment, efficient in the delivery of services, reflective of the diverse population and geography of Texas, and responsive to the needs of state government and the people of Texas. TCA approaches its activities with a deep sense of purpose and responsibility; the arts and cultural heritage of Texas are a public trust that must be preserved.

It is governed by 17 Commissioners appointed by the Governor. Each Commissioner serves a six-year term and is appointed on a rotating basis, with six Commissioners appointed every odd-numbered year. Commissioners establish agency policy, review long-range plans, secure funding for the agency, and award financial assistance funds. They meet at least four times a year and generally makes financial assistance decisions in June. Aside from the commissioners, the TCA employs an in-house agency staff. The staff includes an Executive Director, Director of Finance and Administration, Program Administrators, and administrative support staff. Currently, the TCA employs 17 in-house staff members.

#### *5.6.2 Equity Plan for the Texas Commission on the Arts*

Following the close of the 72nd Legislature, the TCA developed operating principles to ensure equity in the allocation of financial assistance and services. As a part of the establishment of the Texas Cultural Endowment Fund, and as codified in the TCA's amended enabling legislation, the TCA is mandated to "adopt an equitable procedure for the distribution of grants to recipients who reflect the geographical, cultural, and ethnic diversity of the state's population."<sup>203</sup>

In September of 1992, the TCA adopted by rule an equitable procedure for distributing grant funds to local organizations. The adopted procedure bases grant allocations on an organization's substantiated need and the rating given to that organization during the advisory panel review process. The rules include provisions for equitable distribution of grant funds to organizations with a predominately ethnically-specific/minority audience and to organizations that serve predominately ethnically-specific/minority geographical areas.

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<sup>203</sup> "Enabling Legislation." Texas Commission on the Arts.

In the development of its biennial Legislative Appropriation Request, the agency staff reports to the TCA and the Legislature regarding the specific efforts made by the agency to distribute grants equitably. Grantees of TCA will comply with this equity mandate as part of their contractual relationship with TCA and part of their services to the citizens of Texas.

#### *5.6.3 Programs Offered by the Texas Commission on the Arts*

To support its mission and to fulfill its equity plan, TCA has established numerous grants and programs for city and regional arts organization, arts educators, and artists. The grants and programs include: Artistic Organization grants; K-12 public school grants; College arts institution grants; Statewide service organization grants; Company/unincorporated group grants; Emerging/up and coming minority arts organization grants; Minority organization grants; Local arts agency grants; Festival and tourism organization grants; Individual artists grants; Financial assistance program; TCA Tools for Results Took-Kit.

TCA also partners with many local arts agencies to sponsor and develop arts programs in cities. These programs are an essential part of the Texas arts structure, but they are also a substantial contributor to the Texas economy. The arts, overall, are, in fact, “totally engrained in our economic system. Virtually all segments of the global economy have at least some component of their production tied to cultural activity.”<sup>204</sup> Based on the findings of 2000 study on the relationship between arts, culture, and Texas, this trend is visible, and the arts are “a vital and indispensable element of [the Texan] economic universe.”<sup>205</sup>

#### *5.6.4 The Role of Cultural Arts in the Texas Economy – A Comprehensive View*

According to M. Ray Perryman, the aggregate impact of the cultural arts across the entire Texas economy in 2000 is estimated to be \$190.2 billion in annual total expenditures, \$98.4 billion in annual gross product, \$61.7 billion in personal income, and \$28.3 billion in

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<sup>204</sup> Perryman, M. Ray. “The Catalyst for Creativity and the Incubator for Progress: The Arts, Culture, and the Texas Economy.” Perryman Group. January 2001.

<sup>205</sup> Ibid, p.ii.

annual retail sales.<sup>206</sup> About 1.918 million permanent jobs were created; about one of every 6.3 workers in Texas reflects the role of the cultural arts in the state.

Additionally, these amounts include approximately \$6.9 billion (19.8 percent of the states total) in direct tourism expenditures stemming from trips specifically taken for cultural activities, extensions of stays for purposes of attending cultural events, and incremental local spending directly attributed to arts activities. These effects are also seen across a wide variety of production sectors, ranging from manufacturing to services and from transportation to retail trade (see Table 5.2).<sup>207</sup>

Table 5.2 Impact of the Cultural Arts on Aggregate Production in Texas, 2000

<b>Industrial Sector<sup>a</sup></b>	<b>Total Expenditures</b>	<b>Gross Product</b>	<b>Personal Income</b>	<b>Employment (Permanent Jobs)</b>
Agricultural Products and Services	\$2,699,903,820	\$923,983,188	\$532,182,033	21,159
Forestry & Fishery Products	\$67,991,012	\$80,161,801	\$21,183,698	813
Coal Mining	\$232,832,029	\$95,113,517	\$70,491,154	830
Crude Petroleum & Natural Gas	\$3,430,633,726	\$1,003,195,470	\$363,791,455	4,011
Apparel	\$1,103,265,637	\$523,425,987	\$310,432,078	14,397
Printing & Publishing	\$10,747,097,601	\$5,361,961,552	\$3,679,861,818	\$97,164
Primary Metal	\$440,931,157	\$128,072,817	\$93,497,661	2,050
Electric & Electronic Equipment	\$1,799,449,323	\$1,199,230,441	\$604,104,163	11,065
Transportation	\$8,480,067,850	\$5,095,221,084	\$3,374,485,969	73,195
Communication	\$15,036,746,202	\$9,807,360,693	\$4,329,247,645	\$66,562
Electric, Gas, Water, Sanitary Services	\$7,683,477,050	\$1,980,949,557	\$812,580,297	6,701
Retail Trade	\$18,603,818,461	\$14,834,363,877	\$9,303,414,746	409,749
Finance	\$3,229,274,408	\$2,305,788,773	\$1,163,884,267	22,666
Real Estate	\$18,157,439,899	\$4,544,092,232	\$490,773,148	10,683
Hotels, Lodging Places, Amusements	\$10,285,602,039	\$4,742,387,129	\$3,219,840,314	136,826
Business Services <sup>b</sup>	\$16,205,641,084	\$10,655,176,635	\$9,016,412,056	188,687
Misc. Services <sup>c</sup>	\$9,980,629,542	\$5,368,250,684	\$4,695,361,549	197,482
Households	\$165,215,284	\$165,215,284	\$161,708,448	19,258
<sup>a</sup> Randomly chosen industrial sectors were included. <sup>b</sup> Includes non-educational impacts in the public sector. <sup>c</sup> Includes educational impacts in the public sector.				

<sup>206</sup> Ibid, p. 5

<sup>207</sup> "US Multi-Regional Impact Assessment System," The Perryman Group, 2000.

According to Perryman, this activity contributes almost \$5.9 billion to annual state fiscal revenues, approximately 12.2 percent of the total. When viewed in terms of total expenditures, the five metropolitan areas with the greatest volume of arts contributions to their economies are Dallas with \$57.6 billion (303.3 percent of the state total), Houston with \$45.9 billion (24.1 percent of the state total), Fort Worth-Arlington with \$17.8 billion (9.4 percent of the state total), San Antonio with \$13.8 billion (7.3 percent of the state total), and Austin-San Marcos with \$12.8 billion (6.7 percent of the state total).<sup>208</sup> Thus, these areas account for about 77.8 percent of the composite cultural impact in Texas, as compared with 73.7 percent of aggregate state business activity (gross product).<sup>209</sup> This finding suggests that arts benefits are somewhat more prevalent in the urban centers than other segments of the economy. In other words, these areas tend to exhibit such characteristics as:

- A relatively strong concentration of high value-added industries with a large creative component,
- An active set of arts industries, and
- A rich variety of cultural opportunities which induce substantial tourism spending activity.

Nonetheless, according to Perryman, even the smallest urban areas have experienced notable benefits from the presence of the cultural arts in their industrial output. Sherman-Denison receives \$561.7 million, Victoria receives \$559.1 million, and Texarkana (Texas portion only), which has the smallest overall impact, enjoys an annual contribution of \$470.7 million in aggregate spending.<sup>210</sup> Overall, the rural segment of the state exhibits annual arts-related activity within its production of \$11.8 billion, representing 6.2 percent of aggregate output.

But for the purpose of this study, it is best to look at the role of cultural arts in Texas through a more traditional approach; one which “corresponds to the generally accepted view of cultural factors as they relate to the economy and our daily lives.”<sup>211</sup>

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<sup>208</sup> Perryman, M. Ray. “The Catalyst for Creativity and the Incubator for Progress: The Arts, Culture, and the Texas Economy.” Perryman Group. January 2001, p. 8.

<sup>209</sup> Ibid, p. 8.

<sup>210</sup> Ibid, p. 8.

<sup>211</sup> Ibid, p. 14.

### *5.6.5 Arts and the Texas Economy – A Traditional Approach*

Under this traditional framework, the effect of the arts is shown through exhibitions and productions associated with the visual, performing, media, and literary arts, industrial activity directly tied to the creation of the arts, the incremental tourism spending brought into an area as a result of cultural endeavors, and the construction, remodeling, and maintenance of arts-related facilities. For the purposes of the report, the last two issues will be considered.

According to the Perryman Group, direct spending on the arts in Texas on an annual basis totaled almost \$22.1 billion in 2000.<sup>212</sup> A substantial portion of those outlays (\$6.9 billion) reflects incremental audience and tourism outlays and the construction and maintenance of facilities (\$427.4 million). About \$13.7 billion represents the specific activities associated with creating and presenting artistic endeavors of various types.

On a per capita basis, the most “art intensive” urban areas – which is defined here as the amount of production complexes with major arts components – of the state are Dallas (\$6,654 per person), Fort Worth-Arlington (\$4,397), San Antonio (\$3,265), and Austin-San Marcos (\$3,216).<sup>213</sup> Approximately 5.5 percent of the economic impact of traditional cultural arts occurs in rural segments of the state (see Figure 5.1).

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<sup>212</sup> *Ibid*, p. 15.

<sup>213</sup> *Ibid*, p. 9.

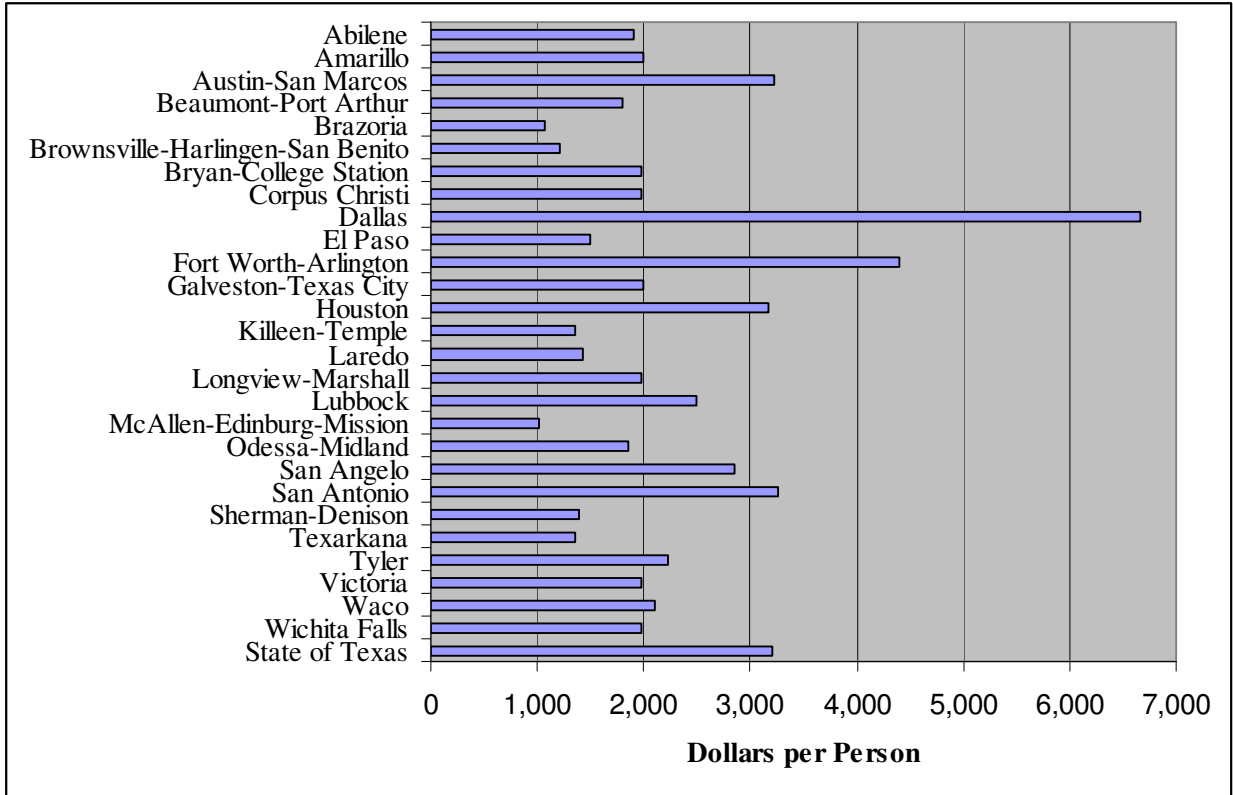


Figure 5.1 Per Capita Impact of Traditional Cultural Arts Activity in the Urban Areas of Texas, 2000

The pattern shows that

1. The large urban centers tend to dominate the cultural arts even when viewed on a per capita basis, and
2. The lower income areas along the border lag in cultural opportunities.

These findings reflect the potential value of proactive efforts to promote the arts in less prosperous areas as a mechanism for economic development.<sup>214</sup> That being said, the cultural arts are responsible for about 19.8 percent of the total tourism in the state. A majority of those tourism activities are sponsored and produced by arts nonprofits. The nonprofit segment of the arts brings in a net benefit to Texas of \$19.0 billion in total expenditures, \$9.5 billion in gross product, \$5.9 billion in personal income, and over 200,000 permanent jobs. The areas with the highest levels of per capita nonprofit arts activity are Fort Worth-Arlington (\$1,890 per person), Dallas (\$1,219), and Houston (\$1,138).<sup>215</sup> Rural

<sup>214</sup> Ibid, p. 23.

<sup>215</sup> Ibid, p. 33.



regions of Texas enjoy 6.6 percent of all nonprofit arts activity. The nonprofits arts sector has proven itself to be the incubator for the vast role of cultural activity in the economy. For every \$1 spent on those activities, more than \$298 of cultural impact on the economy occurs. These findings demonstrate that the cultural arts are vital to the social fabric and economic life of the entire state. "Large cities and small communities alike provide a vast cornucopia of cultural enrichment programs which, in turn, bring a substantial net stimulus to business activity."<sup>216</sup>

Moreover, this study found that:

- The large metropolitan areas generally tend to have the most significant production complexes with major arts components.
- But all regions of Texas unfailingly exhibit a significant dependence on cultural phenomena in their economic structure. "When viewed in the context of development strategy, the greater commitment to cultural activity may be an effective long-range method for achieving greater diversification."<sup>217</sup>
- The large urban areas in Texas attract cultural activities and the associated tourism activity at a pace above that observed in the aggregate production. Even the smallest metropolitan areas in the state have a rich array of cultural opportunities and receive associated economic benefits.<sup>218</sup>
- Even when adjusted for population, the large metropolitan areas exhibit a diverse production mix which is characterized by a strong cultural component, and

From a policy perspective, all of these findings suggest that supporting additional arts activity in economically disadvantaged areas can be an effective tool in promoting long-term business development. But to fully appreciate the financial impact of Texas' public investment in arts, music, and cultural programs, it is important to examine the "real money match."<sup>219</sup>

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<sup>216</sup> *Ibid*, p. 21.

<sup>217</sup> *Ibid*, p. 10.

<sup>218</sup> For more information, access the Perryman Group's "US Multi-Regional Impact Assessment System."

<sup>219</sup> Richard Von Hatten, "The Arts Economy," Fiscal Notes (from the office of the Texas Comptroller of Public Accounts), June 2006.

### 5.6.6 *The Arts and Economic Benefit in Texas*

A majority of the economic activity from the arts comes from the private sector but requires logistical help from local governments, particularly cities. Take for example the annual South by Southwest Music and Media Conference and Festival (SXSW) and Austin City Limits Festival (ACLF) held every year in March and September, respectively, in Austin. Thousands of eager musicians and tourists from around the world flood the city, and flood the city's coffers.

In 2007, SXSW generated \$43.5 million for the local economy; that is an increase of \$5.5 million from 2006, and 12.6 million from 2005.<sup>220</sup> In 2006, ACLF generated \$27 million, and in 2005 was voted the nation's best music festival! The total economic activity generated by Austin's music industry in 2005 was more than \$600 million. It created 11,200 jobs and \$11 million in sales tax revenue.<sup>221</sup> Texas has also been the location for more than 1,300 film and television projects since 1910. A film's economic impact on a locality is typically about half of the film's budget, and over the last 10 years, film and television productions have generated about \$1.3 billion for the state and local economies.

From big cities to small towns, other various cultural events also contribute to the Texas economy.<sup>222</sup> For example, The Cowboy Roundup USA is a charitable event held in Amarillo to celebrate the city's ranching heritage. Proceeds enable the charitable organization to profile aspects of cowboy life.<sup>223</sup> Since 1983, the city of El Paso Arts and Culture Department has hosted a series of annual free concerts called Music Under the Stars World Festival. In the first year, the free concerts attracted about 3,500 people; more recently, the festival has attracted more than 95,000 people.<sup>224</sup> The Institute of Texan Cultures hosts the annual Texas Folklife Festival in San Antonio. The festival attracts about 70,000 people and features about 40 different cultures, 50 ethnic dance groups, 150 ethnic foods, and 65 music groups.<sup>225</sup> The proceeds from the festival are given back to the cultural groups, who in turn use the revenue to promote their culture through outreach programs, other events, and scholarships to Texas youth.

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<sup>220</sup> Data pulled from South by Southwest Conference headquarters.

<sup>221</sup> Richard Von Hatten, "The Arts Economy," Fiscal Notes (from the office of the Texas Comptroller of Public Accounts), June 2006.

<sup>222</sup> Note that the examples provided are endorsed by the TCA.

<sup>223</sup> "Step Into the Real Texas." Cowboy Roundup USA.

<sup>224</sup> Ness, Virginia. "Music Under the Stars World Festival." National Park Service (Case Study). August 12, 2004.

<sup>225</sup> Texas Folklife Festival. "General Information." Texas Folklife Festival,

### *5.6.7 Application to the Policy Communities Model*

When the relationship between the arts and the Texas economy is applied to the Policy Communities model, the results show that Texas fulfills all the requirements of the Model. In regards to the first part (instead of a major interest group being affected, there are multiple interest groups involved), the relationship between the arts and the economy affects not only the TCA, but various local arts organizations and the citizens in each city. The relationship is a positive one that has experienced little conflict because events such as SXSW, ACLF, and Cowboy Roundup USA are successful and profitable. Moreover, the relationship can be deemed positive because currently, in Dallas, the second largest performing arts center in the United States is being built. The Dallas Center for the Performing Arts would not be being built in Texas if the cultural environment was not a healthy one, and one ripe for moving the arts world forward. Additionally, the relationship can be seen as positive because the Texas Legislature delegates a great deal of responsibility to the TCA governing board (they only meet with them twice a year), and since the board is appointed by the governor, it is likely that those appointed have a vested interest in the Texas art community; thus, increasing the strength of the state bureaucracy and increasing the relationship between the actors. These factors combined with Texas' high rank on the legislative professionalism scale and the fact that TCA employing a large number of employees confirms Kingdon's idea of tightly-knit group consensus and good communication.

Further, there has been a link to a broader policy community of experts created by this relationship. The main source for the case study came not from the TCA but from an economic and financial analysis firm, The Perryman Group. By bringing in such an outside source as The Perryman Group, and using the resources that come available through its support of the arts and culture across Texas, TCA has a wellspring of experts that they can call upon to seek solutions to problems before those problems concern the government.

In summary, the arts exert an enormous influence on the overall economy of Texas. Their effects span a broad range of industries and every region of the state. By their very nature, the arts will not experience the same level of productivity growth as other sectors, but they are still essential to the long-term economic development initiatives of any community. This is particularly vital to regions characterized by low incomes, inferior workforce skills, or lack of diversification since investment in the

arts can be a fundamental force in providing greater opportunities for the least advantaged segments of society.

### 5.7 Comments on Case Study Findings

These case studies all illustrate the creative economy movement. Over the past decade, there has been a change in thinking regarding economic development. Conventional economic development, organized around real estate development and subsidies to individual firms, has been challenged by new ideas. These six states have, for the most part, grown their economies and share common features that reflect the new priorities.

First, people take center stage in the new regional economic development agenda. The focus is on attracting and retaining skilled workers and entrepreneur-innovators. It is on building the skills of those who already live and work in the state. Second, the quality of place is important to people who work in innovative and high skilled industries so the new agenda is also about quality of life in the region – good schools, and recreational and cultural opportunities. And finally, innovation and outside the box thinking is not just the province of entrepreneurs but also of civic leaders. They understand that politicians need to know that they have a diverse constituency behind proposals for change.<sup>226</sup>

The case studies accomplished their goals of identifying the salient actors, identify the structure of communication, finding evidence of a connection to outside actors, and identifying if those actors generate solutions to problems. In every case, the salient actors included the SAA, the state Legislature, and local or regional arts organizations. Communication was found to be tightly knit in five of the six case studies; the only outlier was California, which is surprising since is one of the oldest SAA's with a large staff and many supporters. But case study showed that outside actors influenced recent events and affected the status of the SAA. The relevant actor here was the California State Senate (which falls in line with the California Syndrome pattern detailed in Chapter 4; however this pattern did not emerge in any other state examined). In the five other states, the Legislature tended to take a backseat when it came to the governing and decision-making of the SAA. But in all six states, outside actors, as well as the SAA, all worked to generate solutions to problems that were currently occurring or could occur.

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<sup>226</sup> Susan Christopherson, "Creative Economy Strategies For Small and Medium Size Cities: Options for New York State," Cornell University, July 20, 2004.

Sources outside of the SAA were used to conduct the research, and those sources all provide ideas for the SAA to use when deciding to promote cultural development opportunities.

CHAPTER 6  
SUMMARY AND CONCLUSIONS

6.1 Summary of Findings

The purpose of this study was to determine what factors explain the differences in levels of state funding for the arts, specifically changes in state-level funding from 1985-2007. An analysis of the federal stimulus, NEA funding for the arts, show that almost all 50 states experienced a decrease in the amount of Congressional appropriations they received in 1996 since the NEA lost 40 percent of its budget from Congress due to the “Cultural Wars” of the 1990s. By 1999, overall aggregate Congressional appropriations decreased by \$10.7 million. But fiscal year 1999 marked the start of an upward trend in appropriations that peaked in fiscal year 2001. However, states experienced another decrease in 2002 and in 2004. In fact, appropriation decreases were largest in magnitude both during the economic recessions in 1991 and 2002, and in the two years that followed (continuing until 2004). In 2004, Congressional appropriations were 79.7 percent of all SAA revenue.

In 2007, states’ fiscal conditions were extremely favorable. Fiscal year 2007 marked the third consecutive year of gains for the arts following the end of the recession in 2004. Thirty-six SAAs showed appropriation growth in 2007, while thirteen SAAs showed flat funding, and seven showed declines. These favorable conditions have spurred state legislatures to respond by increasing arts funding by more than \$81 million. These findings support the hypothesis that the more federal arts aid given to states, the higher a state’s expenditure.

To test the hypothesis that the political party in power will affect the amount of funding appropriated, the Ranney Index data was compared against the dependent variable. Spearman’s Rho correlation was run and the findings show that the correlation between state expenditures and interparty competition for both time periods are statistically significant. There was a .294 correlation between the two variables for 1985-1995, a .312 correlation between the two variables for 1996-2007, and the 2-tailed significance tests show a probability of .038 and .028, respectively, indicating statistical significance.

These results offer strong support of the hypothesis that states that the political party in power will affect the amount of money spent on the arts. Thus, where parties are more competitive, funding is higher. When a state is dominated by a single party, funding is lower.

To test the hypothesis that states higher in legislative professionalism will have higher funding for the arts, and thus, higher expenditures, the Squire ranking data was compared against the dependent variable. There was a .727 correlation between the two variables for 1985-1995, and a .640 correlation between the two variables for 1996-2007. The positive directionality of these findings offer strong support of the hypothesis that states with higher legislative professionalism will receive more funding for the arts and spend more on the arts. Further, when the data is compared to Congressional appropriations for the time periods there is a .696 correlation between legislative professionalism and Congressional appropriations. Additionally, the 2-tailed significance tests show a probability of .000, indicating statistical significance. Again, the positive directionality presented offers strong support for the hypothesis.

An analysis of the environmental conditions was divided into an analysis of commercial appeal, participation, age and size of agency, and education and income levels. The analysis of commercial appeal found that all 50 states have grant programs available for their constituents to increase their access to the arts, 49 states have instituted arts education programs, 40 states have instituted cultural development programs, and 32 states have visual arts programs. The latter two programs directly related to the measurement of commercial appeal which is marked by the building, or restoration, of arts centers, and tourism. Tourism is America's largest service export, one of America's largest employers, and is the third-largest American retail sales industry. This study found that states attempting to boost their commercial appeal will use the arts as a commodity. Nearly all 50 states have used either cultural development programs or visual arts programs to boost their commercial appeal. In fact, the 32 states that have Public Arts programs have appealed for more arts funding in the last decade. The arts have been proven to be an economic benefit; they arts attract visitors, residents, businesses, and investments.<sup>227</sup>

To test participation, data for only 1992 and 2002 were examined. For 1992,  $\rho = -.700$  for participation and Congressional appropriations and  $\rho = -.700$  for participation and expenditures.

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<sup>227</sup> "How the Arts Impact Communities," Prepared by Joshua Guetzkow, for the Taking the Measure of Culture Conference, Princeton University, June 7-8, 2002.

Additionally, the 2-tailed significance test showed a probability of .016 (correlation is significant at the 0.05 level), indicating statistical significance. There is an obvious relationship between the three variables, but the negative directionality offsets the impact of participation on Congressional appropriations and the dependent variable, state expenditures. And even though participation does not provide a direct effect, the findings show modest support in confirming the hypothesis that the greater level of participation in various arts activities, the greater the federal funding. Moreover, funding for arts organizations produced at higher levels will increase the participation in arts activities, and the more participation in arts activities would support the adoption of increased state arts funding policies. The correlation is highest for participation in jazz concerts, classical music concerts and non-musical plays.

The analysis of agency age showed that there was no statistically significant correlation between agency age and Congressional appropriations. This means that the age of the state arts agency has no effect on the amount of funding an agency receives, or on how much an agency spending on the arts. Therefore, the first part of the hypothesis is not confirmed. However, agency size was found to be significant. Comparing the agencies with the most employees to the amount of Congressional appropriations they receive show that the larger the size of the SAA, the higher the funding for the arts; thus, confirming the second part of the hypothesis.

Finally, when education levels are tested against participation in arts activities, Congressional appropriations, and expenditures there is no statistically significant relationship present. And when income levels were tested against participation in arts activities, Congressional appropriations, and expenditures there is no statistically significant relationship present.

These findings were supplemented by six case studies on the states: New York, Utah, Washington, Pennsylvania, California, and Texas. These case studies all illustrate the creative economy movement. Over the past decade, there has been a change in thinking regarding economic development. Conventional economic development, organized around real estate development and subsidies to individual firms, has been challenged by new ideas. These six states have, for the most part, grown their economies and share common features that reflect the new priorities.

First, people take center stage in the new regional economic development agenda. The focus is on attracting and retaining skilled workers and entrepreneur-innovators. It is on building the skills of those



who already live and work in the state. Second, the quality of place is important to people who work in innovative and high skilled industries so the new agenda is also about quality of life in the region – good schools, and recreational and cultural opportunities. And finally, innovation and outside the box thinking is not just the province of entrepreneurs but also of civic leaders. They understand that politicians need to know that they have a diverse constituency behind proposals for change.<sup>228</sup>

The case studies accomplished their goals of identifying the salient actors, identify the structure of communication, finding evidence of a connection to outside actors, and identifying if those actors generate solutions to problems. In every case, the salient actors included the SAA, the state Legislature, and local or regional arts organizations. But in several cases, it appears that the prime actors were state agency bureaucrats, not legislative committees. When looking at both the cross-state quantitative study and the qualitative case studies, two common actors were found, large city arts communities and leading private cultural organizations; participation by universities and public schools was limited to a few states.

Communication was found to be tightly knit in five of the six case studies; the only outlier was California, which is surprising since is one of the oldest SAA's with a large staff and many supporters. And this case study shows that outside actors influenced recent events and affected the status of the SAA. The relevant actor was the California State Senate (which falls in line with the California Syndrome pattern detailed in Chapter 4; however this pattern did not emerge in any other state examined). In the five other states, the Legislature tended to take a backseat when it came to the governing and decision-making of the SAA. But in all six states, outside actors, as well as the SAA, all worked to generate solutions to problems that were currently occurring or could occur. Sources outside of the SAA were used to conduct the research, and those sources all provide ideas for the SAA to use when deciding to promote cultural development opportunities. Additionally, the case studies suggest that the Policy Communities model works in five of the states studied. The cohesiveness appears to be high in the five case suggesting consensus and the ability to get issues on the agenda.

## 6.2 Conclusion

In conclusion, the findings show that all the factors studied can explain the differences in levels of state funding for the arts, but the most relevant factors are the environmental factors. This is best shown

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<sup>228</sup> Christopherson, "Creative Economy Strategies For Small and Medium Size Cities: Options for New York State."

through the case studies, where culture is viewed through the lens of development. As cultural activities become infused with business and tourism promotion, local cultural policy communities will be altered.

Three such ways are:

1. Existing organizations may be transformed as they accommodate the re-framing of their policy areas.
2. Existing organizations can create partnerships with up-and-coming arts organizations and businesses to promote the arts.
3. New organizations can be created designed to specifically promote one facet of the arts world.

The creation of new organizations acknowledges that “culture as development” constitutes its own policy arena. This supports the idea of “issue framing” – a common element in explaining both agenda setting and policy adoption – which has been an underlying factor throughout this study. This study shows that ideas matter in policymaking and that both of the models used have undervalued the importance of ideas, particularly new frames. Take for example, the case of California, which illustrates the effects of increased competition for state resources and conflict within the arts community. These two factors are not unrelated of course – if funds are more limited, claimants may compete for them to a great extent. Thus, should there be more reductions in federal funding or downturns in state economies, there may be change in the policy communities of affected states. Specifically, if arts funding is framed as a luxury in competition with basic service, then funding may be cut. This fiscal concern was one reason why Republicans in 1994 cut arts funding.

Moreover, this study emphasizes the importance of framing, not only in terms of the arts as economic development, but the salience of certain federal initiatives, such as Challenge America, which is based on an equity or inclusiveness frame. Its implementation resulted in a significant redistribution of federal funds to the states. Further, the idea of economic development may involve community building or the development of social capital as well as business development at least in terms of framing in some states. That being said, the models presented in this study should be updated to include ideas as well as interests and institutions flowing from the agenda setting and policy regimes literature, so that they can be used as a basis for further research on arts policies.

APPENDIX A

TOTAL CONGRESSIONAL APPROPRIATIONS FROM 1985-2007

State	Fiscal Year	Total Congressional Appropriations	State	Fiscal Year	Total Congressional Appropriations
Alabama	1985	\$1,000,000.00	Montana	1985	\$702,636.00
Alaska	1985	\$5,294,600.00	Nebraska	1985	\$634,717.00
Arizona	1985	\$616,600.00	Nevada	1985	\$123,549.00
Arkansas	1985	\$795,998.00	New Hampshire	1985	\$129,456.00
California	1985	\$10,422,000.00	New Jersey	1985	\$6,216,900.00
Colorado	1985	\$928,655.00	New Mexico	1985	\$700,100.00
Connecticut	1985	\$1,121,974.00	New York	1985	\$39,087,600.00
Delaware	1985	\$450,300.00	North Carolina	1985	\$2,921,109.00
Florida	1985	\$9,045,182.00	North Dakota	1985	\$174,971.00
Georgia	1985	\$1,719,528.00	Ohio	1985	\$5,784,562.00
Hawaii	1985	\$1,591,820.00	Oklahoma	1985	\$1,596,499.00
Idaho	1985	\$124,956.00	Oregon	1985	\$456,082.00
Illinois	1985	\$5,648,300.00	Pennsylvania	1985	\$5,585,000.00
Indiana	1985	\$1,450,128.00	Rhode Island	1985	\$419,301.00
Iowa	1985	\$492,237.00	South Carolina	1985	\$1,857,856.00
Kansas	1985	\$487,534.00	South Dakota	1985	\$251,028.00
Kentucky	1985	\$1,536,000.00	Tennessee	1985	\$718,900.00
Louisiana	1985	\$1,133,361.00	Texas	1985	\$4,239,910.00
Maine	1985	\$324,758.00	Utah	1985	\$1,399,900.00
Maryland	1985	\$1,795,627.00	Vermont	1985	\$225,710.00
Massachusetts	1985	\$13,602,727.00	Virginia	1985	\$1,747,865.00
Michigan	1985	\$8,817,400.00	Washington	1985	\$1,746,900.00
Minnesota	1985	\$2,265,160.00	West Virginia	1985	\$1,848,734.00
Mississippi	1985	\$436,438.00	Wisconsin	1985	\$968,000.00
Missouri	1985	\$3,067,071.00	Wyoming	1985	\$144,606.00
Alabama	1986	\$1,045,000.00	Montana	1986	\$649,068.00
Alaska	1986	\$4,000,800.00	Nebraska	1986	\$582,749.00
Arizona	1986	\$1,010,200.00	Nevada	1986	\$174,270.00
Arkansas	1986	\$836,226.00	New Hampshire	1986	\$323,000.00
California	1986	\$11,793,000.00	New Jersey	1986	\$10,391,000.00
Colorado	1986	\$971,459.00	New Mexico	1986	\$713,500.00
Connecticut	1986	\$1,479,000.00	New York	1986	\$44,218,900.00
Delaware	1986	\$496,000.00	North Carolina	1986	\$3,936,067.00
Florida	1986	\$9,761,077.00	North Dakota	1986	\$238,268.00
Georgia	1986	\$2,200,588.00	Ohio	1986	\$7,493,265.00
Hawaii	1986	\$2,170,485.00	Oklahoma	1986	\$1,821,462.00
Idaho	1986	\$131,400.00	Oregon	1986	\$463,553.00
Illinois	1986	\$6,559,400.00	Pennsylvania	1986	\$6,724,000.00
Indiana	1986	\$1,830,576.00	Rhode Island	1986	\$444,357.00
Iowa	1986	\$522,593.00	South Carolina	1986	\$2,555,563.00
Kansas	1986	\$596,288.00	South Dakota	1986	\$283,912.00
Kentucky	1986	\$1,564,400.00	Tennessee	1986	\$3,615,800.00
Louisiana	1986	\$1,205,431.00	Texas	1986	\$4,846,084.00
Maine	1986	\$420,292.00	Utah	1986	\$1,568,200.00

Maryland	1986	\$1,909,382.00	Vermont	1986	\$242,902.00
Massachusetts	1986	\$16,379,066.00	Virginia	1986	\$1,947,865.00
Michigan	1986	\$10,291,500.00	Washington	1986	\$1,879,419.00
Minnesota	1986	\$2,502,961.00	West Virginia	1986	\$2,117,238.00
Mississippi	1986	\$465,837.00	Wisconsin	1986	\$1,151,500.00
Missouri	1986	\$6,904,051.00	Wyoming	1986	\$144,605.00
Alabama	1987	\$969,020.00	Montana	1987	\$844,384.00
Alaska	1987	\$2,189,800.00	Nebraska	1987	\$583,280.00
Arizona	1987	\$1,140,400.00	Nevada	1987	\$178,642.00
Arkansas	1987	\$1,007,835.00	New Hampshire	1987	\$337,164.00
California	1987	\$12,589,000.00	New Jersey	1987	\$13,453,000.00
Colorado	1987	\$1,628,647.00	New Mexico	1987	\$698,800.00
Connecticut	1987	\$1,666,166.00	New York	1987	\$48,590,702.00
Delaware	1987	\$603,900.00	North Carolina	1987	\$3,972,491.00
Florida	1987	\$12,710,386.00	North Dakota	1987	\$238,268.00
Georgia	1987	\$2,687,779.00	Ohio	1987	\$9,088,539.00
Hawaii	1987	\$2,282,092.00	Oklahoma	1987	\$1,535,253.00
Idaho	1987	\$134,000.00	Oregon	1987	\$517,916.00
Illinois	1987	\$8,758,300.00	Pennsylvania	1987	\$7,780,000.00
Indiana	1987	\$1,867,303.00	Rhode Island	1987	\$599,854.00
Iowa	1987	\$731,590.00	South Carolina	1987	\$2,771,838.00
Kansas	1987	\$561,104.00	South Dakota	1987	\$286,873.00
Kentucky	1987	\$1,983,300.00	Tennessee	1987	\$1,382,500.00
Louisiana	1987	\$960,212.00	Texas	1987	\$2,983,955.00
Maine	1987	\$482,867.00	Utah	1987	\$1,626,000.00
Maryland	1987	\$4,776,096.00	Vermont	1987	\$264,900.00
Massachusetts	1987	\$18,265,924.00	Virginia	1987	\$2,979,540.00
Michigan	1987	\$11,426,104.00	Washington	1987	\$1,705,539.00
Minnesota	1987	\$2,767,647.00	West Virginia	1987	\$2,130,353.00
Mississippi	1987	\$411,986.00	Wisconsin	1987	\$1,148,600.00
Missouri	1987	\$4,193,966.00	Wyoming	1987	\$171,658.00
Alabama	1988	\$1,319,020.00	Montana	1988	\$730,423.00
Alaska	1988	\$1,275,000.00	Nebraska	1988	\$608,323.00
Arizona	1988	\$1,323,100.00	Nevada	1988	\$270,425.00
Arkansas	1988	\$1,016,027.00	New Hampshire	1988	\$450,848.00
California	1988	\$13,677,000.00	New Jersey	1988	\$20,101,000.00
Colorado	1988	\$1,040,647.00	New Mexico	1988	\$706,300.00
Connecticut	1988	\$2,000,000.00	New York	1988	\$53,563,775.00
Delaware	1988	\$686,300.00	North Carolina	1988	\$4,505,493.00
Florida	1988	\$17,339,509.00	North Dakota	1988	\$222,416.00
Georgia	1988	\$3,023,671.00	Ohio	1988	\$9,591,028.00
Hawaii	1988	\$3,902,112.00	Oklahoma	1988	\$1,678,607.00
Idaho	1988	\$197,600.00	Oregon	1988	\$1,292,538.00
Illinois	1988	\$7,580,975.00	Pennsylvania	1988	\$9,780,000.00
Indiana	1988	\$1,969,472.00	Rhode Island	1988	\$1,070,165.00
Iowa	1988	\$729,020.00	South Carolina	1988	\$2,800,713.00

Kansas	1988	\$583,057.00	South Dakota	1988	\$330,265.00
Kentucky	1988	\$2,031,700.00	Tennessee	1988	\$1,522,600.00
Louisiana	1988	\$930,581.00	Texas	1988	\$3,382,956.00
Maine	1988	\$514,753.00	Utah	1988	\$1,517,900.00
Maryland	1988	\$5,157,002.00	Vermont	1988	\$350,200.00
Massachusetts	1988	\$21,148,270.00	Virginia	1988	\$3,016,781.00
Michigan	1988	\$12,611,306.00	Washington	1988	\$1,704,024.00
Minnesota	1988	\$3,030,438.00	West Virginia	1988	\$1,810,904.00
Mississippi	1988	\$421,062.00	Wisconsin	1988	\$1,276,000.00
Missouri	1988	\$4,660,007.00	Wyoming	1988	\$203,457.00
Alabama	1989	\$1,476,485.00	Montana	1989	\$726,063.00
Alaska	1989	\$1,692,110.00	Nebraska	1989	\$868,177.00
Arizona	1989	\$1,545,000.00	Nevada	1989	\$268,817.00
Arkansas	1989	\$1,021,027.00	New Hampshire	1989	\$473,863.00
California	1989	\$15,682,000.00	New Jersey	1989	\$22,760,000.00
Colorado	1989	\$1,107,561.00	New Mexico	1989	\$710,200.00
Connecticut	1989	\$2,119,476.00	New York	1989	\$53,529,000.00
Delaware	1989	\$785,000.00	North Carolina	1989	\$4,996,471.00
Florida	1989	\$24,179,056.00	North Dakota	1989	\$213,515.00
Georgia	1989	\$3,247,833.00	Ohio	1989	\$10,023,924.00
Hawaii	1989	\$6,747,192.00	Oklahoma	1989	\$2,669,705.00
Idaho	1989	\$339,200.00	Oregon	1989	\$1,431,058.00
Illinois	1989	\$7,508,679.00	Pennsylvania	1989	\$12,753,000.00
Indiana	1989	\$1,970,305.00	Rhode Island	1989	\$1,440,402.00
Iowa	1989	\$824,659.00	South Carolina	1989	\$3,158,702.00
Kansas	1989	\$1,072,064.00	South Dakota	1989	\$338,411.00
Kentucky	1989	\$2,368,000.00	Tennessee	1989	\$3,506,400.00
Louisiana	1989	\$995,977.00	Texas	1989	\$2,680,157.00
Maine	1989	\$636,114.00	Utah	1989	\$1,602,700.00
Maryland	1989	\$5,971,010.00	Vermont	1989	\$456,916.00
Massachusetts	1989	\$19,538,727.00	Virginia	1989	\$3,770,625.00
Michigan	1989	\$12,465,600.00	Washington	1989	\$2,062,799.00
Minnesota	1989	\$3,184,346.00	West Virginia	1989	\$1,133,490.00
Mississippi	1989	\$496,230.00	Wisconsin	1989	\$1,725,200.00
Missouri	1989	\$4,913,477.00	Wyoming	1989	\$206,149.00
Alabama	1990	\$1,949,133.00	Montana	1990	\$781,015.00
Alaska	1990	\$1,217,200.00	Nebraska	1990	\$1,025,413.00
Arizona	1990	\$2,570,400.00	Nevada	1990	\$352,786.00
Arkansas	1990	\$1,016,270.00	New Hampshire	1990	\$497,390.00
California	1990	\$16,795,000.00	New Jersey	1990	\$19,722,000.00
Colorado	1990	\$1,308,403.00	New Mexico	1990	\$905,500.00
Connecticut	1990	\$2,148,012.00	New York	1990	\$59,484,000.00
Delaware	1990	\$1,206,600.00	North Carolina	1990	\$4,978,017.00
Florida	1990	\$23,635,298.00	North Dakota	1990	\$262,711.00
Georgia	1990	\$3,413,126.00	Ohio	1990	\$12,111,324.00
Hawaii	1990	\$8,776,855.00	Oklahoma	1990	\$3,178,285.00

Idaho	1990	\$434,300.00	Oregon	1990	\$1,358,931.00
Illinois	1990	\$10,704,500.00	Pennsylvania	1990	\$12,814,000.00
Indiana	1990	\$2,317,119.00	Rhode Island	1990	\$1,382,552.00
Iowa	1990	\$1,442,033.00	South Carolina	1990	\$3,533,668.00
Kansas	1990	\$1,237,682.00	South Dakota	1990	\$347,646.00
Kentucky	1990	\$2,387,400.00	Tennessee	1990	\$3,782,500.00
Louisiana	1990	\$909,245.00	Texas	1990	\$3,436,687.00
Maine	1990	\$701,741.00	Utah	1990	\$2,868,800.00
Maryland	1990	\$6,331,651.00	Vermont	1990	\$509,371.00
Massachusetts	1990	\$17,685,000.00	Virginia	1990	\$5,391,876.00
Michigan	1990	\$12,232,700.00	Washington	1990	\$2,231,672.00
Minnesota	1990	\$4,207,918.00	West Virginia	1990	\$1,675,094.00
Mississippi	1990	\$497,097.00	Wisconsin	1990	\$2,253,700.00
Missouri	1990	\$5,007,519.00	Wyoming	1990	\$235,163.00
Alabama	1991	\$1,578,774.00	Montana	1991	\$779,629.00
Alaska	1991	\$1,431,800.00	Nebraska	1991	\$1,047,932.00
Arizona	1991	\$2,067,800.00	Nevada	1991	\$359,308.00
Arkansas	1991	\$972,702.00	New Hampshire	1991	\$518,539.00
California	1991	\$15,736,000.00	New Jersey	1991	\$11,703,000.00
Colorado	1991	\$1,536,172.00	New Mexico	1991	\$1,119,000.00
Connecticut	1991	\$2,197,217.00	New York	1991	\$50,980,900.00
Delaware	1991	\$1,313,200.00	North Carolina	1991	\$5,427,589.00
Florida	1991	\$23,386,463.00	North Dakota	1991	\$274,185.00
Georgia	1991	\$3,337,794.00	Ohio	1991	\$12,129,849.00
Hawaii	1991	\$12,064,718.00	Oklahoma	1991	\$3,195,455.00
Idaho	1991	\$665,400.00	Oregon	1991	\$1,536,549.00
Illinois	1991	\$10,347,600.00	Pennsylvania	1991	\$11,704,000.00
Indiana	1991	\$2,811,820.00	Rhode Island	1991	\$1,009,732.00
Iowa	1991	\$1,249,273.00	South Carolina	1991	\$3,633,006.00
Kansas	1991	\$1,071,659.00	South Dakota	1991	\$404,527.00
Kentucky	1991	\$3,202,200.00	Tennessee	1991	\$4,299,300.00
Louisiana	1991	\$936,328.00	Texas	1991	\$3,386,072.00
Maine	1991	\$755,125.00	Utah	1991	\$4,283,600.00
Maryland	1991	\$7,442,216.00	Vermont	1991	\$479,153.00
Massachusetts	1991	\$12,624,000.00	Virginia	1991	\$4,016,007.00
Michigan	1991	\$9,151,800.00	Washington	1991	\$2,396,322.00
Minnesota	1991	\$4,212,607.00	West Virginia	1991	\$2,384,090.00
Mississippi	1991	\$514,437.00	Wisconsin	1991	\$2,421,800.00
Missouri	1991	\$4,480,026.00	Wyoming	1991	\$350,705.00
Alabama	1992	\$2,078,774.00	Montana	1992	\$959,433.00
Alaska	1992	\$1,199,600.00	Nebraska	1992	\$1,184,703.00
Arizona	1992	\$2,317,000.00	Nevada	1992	\$478,261.00
Arkansas	1992	\$1,032,423.00	New Hampshire	1992	\$490,454.00
California	1992	\$14,871,000.00	New Jersey	1992	\$10,271,000.00
Colorado	1992	\$1,617,817.00	New Mexico	1992	\$1,257,400.00
Connecticut	1992	\$2,897,287.00	New York	1992	\$31,265,500.00

Delaware	1992	\$1,279,424.00	North Carolina	1992	\$4,728,672.00
Florida	1992	\$16,180,265.00	North Dakota	1992	\$289,533.00
Georgia	1992	\$3,059,070.00	Ohio	1992	\$10,245,668.00
Hawaii	1992	\$10,727,352.00	Oklahoma	1992	\$3,457,572.00
Idaho	1992	\$734,900.00	Oregon	1992	\$1,390,305.00
Illinois	1992	\$8,466,600.00	Pennsylvania	1992	\$9,773,000.00
Indiana	1992	\$2,667,214.00	Rhode Island	1992	\$899,518.00
Iowa	1992	\$1,422,888.00	South Carolina	1992	\$3,524,535.00
Kansas	1992	\$1,046,973.00	South Dakota	1992	\$407,527.00
Kentucky	1992	\$4,016,000.00	Tennessee	1992	\$1,422,000.00
Louisiana	1992	\$859,139.00	Texas	1992	\$3,260,516.00
Maine	1992	\$601,914.00	Utah	1992	\$2,258,400.00
Maryland	1992	\$6,396,340.00	Vermont	1992	\$415,749.00
Massachusetts	1992	\$3,587,543.00	Virginia	1992	\$1,500,000.00
Michigan	1992	\$6,034,300.00	Washington	1992	\$2,226,603.00
Minnesota	1992	\$3,942,728.00	West Virginia	1992	\$1,726,687.00
Mississippi	1992	\$488,801.00	Wisconsin	1992	\$2,956,300.00
Missouri	1992	\$4,009,566.00	Wyoming	1992	\$344,991.00
Alabama	1993	\$2,104,048.00	Montana	1993	\$848,870.00
Alaska	1993	\$1,074,300.00	Nebraska	1993	\$1,084,813.00
Arizona	1993	\$2,601,700.00	Nevada	1993	\$464,024.00
Arkansas	1993	\$1,024,433.00	New Hampshire	1993	\$510,319.00
California	1993	\$12,341,000.00	New Jersey	1993	\$10,322,000.00
Colorado	1993	\$1,606,176.00	New Mexico	1993	\$1,323,300.00
Connecticut	1993	\$2,141,982.00	New York	1993	\$26,198,600.00
Delaware	1993	\$1,272,200.00	North Carolina	1993	\$4,754,780.00
Florida	1993	\$13,545,390.00	North Dakota	1993	\$287,453.00
Georgia	1993	\$2,971,701.00	Ohio	1993	\$8,260,686.00
Hawaii	1993	\$11,721,684.00	Oklahoma	1993	\$3,445,072.00
Idaho	1993	\$711,000.00	Oregon	1993	\$1,508,666.00
Illinois	1993	\$6,668,200.00	Pennsylvania	1993	\$9,084,000.00
Indiana	1993	\$2,623,828.00	Rhode Island	1993	\$721,566.00
Iowa	1993	\$1,444,933.00	South Carolina	1993	\$3,450,878.00
Kansas	1993	\$1,231,827.00	South Dakota	1993	\$475,600.00
Kentucky	1993	\$3,269,400.00	Tennessee	1993	\$2,077,200.00
Louisiana	1993	\$790,076.00	Texas	1993	\$3,538,433.00
Maine	1993	\$568,636.00	Utah	1993	\$2,118,500.00
Maryland	1993	\$4,404,138.00	Vermont	1993	\$408,775.00
Massachusetts	1993	\$6,132,381.00	Virginia	1993	\$1,410,365.00
Michigan	1993	\$17,797,300.00	Washington	1993	\$2,637,315.00
Minnesota	1993	\$4,035,092.00	West Virginia	1993	\$1,791,772.00
Mississippi	1993	\$717,266.00	Wisconsin	1993	\$2,974,900.00
Missouri	1993	\$4,573,428.00	Wyoming	1993	\$296,281.00
Alabama	1994	\$2,021,048.00	Montana	1994	\$864,348.00
Alaska	1994	\$1,058,100.00	Nebraska	1994	\$1,151,704.00
Arizona	1994	\$2,425,600.00	Nevada	1994	\$479,147.00



Arkansas	1994	\$1,023,073.00	New Hampshire	1994	\$515,014.00
California	1994	\$12,341,000.00	New Jersey	1994	\$11,251,000.00
Colorado	1994	\$1,574,950.00	New Mexico	1994	\$1,305,200.00
Connecticut	1994	\$2,161,703.00	New York	1994	\$29,378,800.00
Delaware	1994	\$1,285,900.00	North Carolina	1994	\$6,328,081.00
Florida	1994	\$28,467,181.00	North Dakota	1994	\$297,609.00
Georgia	1994	\$3,242,767.00	Ohio	1994	\$10,440,686.00
Hawaii	1994	\$9,185,324.00	Oklahoma	1994	\$3,100,565.00
Idaho	1994	\$724,500.00	Oregon	1994	\$1,032,802.00
Illinois	1994	\$6,657,200.00	Pennsylvania	1994	\$9,000,000.00
Indiana	1994	\$2,671,259.00	Rhode Island	1994	\$723,442.00
Iowa	1994	\$1,414,503.00	South Carolina	1994	\$3,466,086.00
Kansas	1994	\$1,229,021.00	South Dakota	1994	\$491,701.00
Kentucky	1994	\$3,449,800.00	Tennessee	1994	\$4,387,400.00
Louisiana	1994	\$0.00	Texas	1994	\$3,350,769.00
Maine	1994	\$511,773.00	Utah	1994	\$2,062,800.00
Maryland	1994	\$6,213,751.00	Vermont	1994	\$399,840.00
Massachusetts	1994	\$6,309,470.00	Virginia	1994	\$1,621,736.00
Michigan	1994	\$28,978,200.00	Washington	1994	\$1,993,927.00
Minnesota	1994	\$6,255,582.00	West Virginia	1994	\$1,712,317.00
Mississippi	1994	\$704,224.00	Wisconsin	1994	\$2,792,000.00
Missouri	1994	\$4,307,603.00	Wyoming	1994	\$296,281.00
Alabama	1995	\$2,021,048.00	Montana	1995	\$874,933.00
Alaska	1995	\$829,600.00	Nebraska	1995	\$1,226,617.00
Arizona	1995	\$2,571,300.00	Nevada	1995	\$480,144.00
Arkansas	1995	\$1,030,953.00	New Hampshire	1995	\$504,626.00
California	1995	\$12,496,000.00	New Jersey	1995	\$10,657,000.00
Colorado	1995	\$1,622,025.00	New Mexico	1995	\$2,643,100.00
Connecticut	1995	\$2,167,105.00	New York	1995	\$35,219,300.00
Delaware	1995	\$1,298,300.00	North Carolina	1995	\$5,386,463.00
Florida	1995	\$25,179,964.00	North Dakota	1995	\$297,608.00
Georgia	1995	\$3,462,865.00	Ohio	1995	\$10,739,047.00
Hawaii	1995	\$8,651,159.00	Oklahoma	1995	\$3,112,095.00
Idaho	1995	\$801,100.00	Oregon	1995	\$1,114,900.00
Illinois	1995	\$6,714,000.00	Pennsylvania	1995	\$9,000,000.00
Indiana	1995	\$2,749,705.00	Rhode Island	1995	\$654,964.00
Iowa	1995	\$1,404,621.00	South Carolina	1995	\$3,436,227.00
Kansas	1995	\$1,344,270.00	South Dakota	1995	\$447,117.00
Kentucky	1995	\$3,441,400.00	Tennessee	1995	\$3,825,500.00
Louisiana	1995	\$4,190,000.00	Texas	1995	\$3,336,234.00
Maine	1995	\$535,142.00	Utah	1995	\$4,126,000.00
Maryland	1995	\$7,875,830.00	Vermont	1995	\$404,840.00
Massachusetts	1995	\$12,065,981.00	Virginia	1995	\$2,146,500.00
Michigan	1995	\$30,820,900.00	Washington	1995	\$2,295,266.00
Minnesota	1995	\$6,681,145.00	West Virginia	1995	\$1,590,919.00
Mississippi	1995	\$1,031,791.00	Wisconsin	1995	\$2,834,200.00
Missouri	1995	\$4,539,714.00	Wyoming	1995	\$314,887.00

Alabama	1996	\$2,008,432.00	Montana	1996	\$120,393.00
Alaska	1996	\$564,000.00	Nebraska	1996	\$1,272,450.00
Arizona	1996	\$2,590,000.00	Nevada	1996	\$639,027.00
Arkansas	1996	\$1,275,532.00	New Hampshire	1996	\$486,093.00
California	1996	\$12,496,000.00	New Jersey	1996	\$13,657,000.00
Colorado	1996	\$1,691,077.00	New Mexico	1996	\$1,760,167.00
Connecticut	1996	\$3,150,185.00	New York	1996	\$31,687,000.00
Delaware	1996	\$1,307,900.00	North Carolina	1996	\$5,410,954.00
Florida	1996	\$26,293,366.00	North Dakota	1996	\$288,309.00
Georgia	1996	\$4,396,670.00	Ohio	1996	\$11,536,596.00
Hawaii	1996	\$6,122,649.00	Oklahoma	1996	\$3,038,037.00
Idaho	1996	\$836,500.00	Oregon	1996	\$1,142,323.00
Illinois	1996	\$5,543,200.00	Pennsylvania	1996	\$9,100,000.00
Indiana	1996	\$3,002,971.00	Rhode Island	1996	\$626,562.00
Iowa	1996	\$1,407,124.00	South Carolina	1996	\$3,361,661.00
Kansas	1996	\$1,343,043.00	South Dakota	1996	\$403,116.00
Kentucky	1996	\$3,594,100.00	Tennessee	1996	\$3,009,850.00
Louisiana	1996	\$4,176,000.00	Texas	1996	\$3,316,170.00
Maine	1996	\$513,389.00	Utah	1996	\$2,442,500.00
Maryland	1996	\$7,625,642.00	Vermont	1996	\$430,000.00
Massachusetts	1996	\$14,162,525.00	Virginia	1996	\$2,668,552.00
Michigan	1996	\$21,734,700.00	Washington	1996	\$2,264,373.00
Minnesota	1996	\$6,936,395.00	West Virginia	1996	\$2,060,475.00
Mississippi	1996	\$1,323,295.00	Wisconsin	1996	\$2,693,300.00
Missouri	1996	\$8,522,600.00	Wyoming	1996	\$331,562.00
Alabama	1997	\$3,008,423.00	Montana	1997	\$121,233.00
Alaska	1997	\$456,958.00	Nebraska	1997	\$1,281,918.00
Arizona	1997	\$2,547,100.00	Nevada	1997	\$648,060.00
Arkansas	1997	\$1,286,651.00	New Hampshire	1997	\$482,951.00
California	1997	\$12,432,000.00	New Jersey	1997	\$11,657,000.00
Colorado	1997	\$1,835,268.00	New Mexico	1997	\$1,822,700.00
Connecticut	1997	\$3,675,652.00	New York	1997	\$32,375,000.00
Delaware	1997	\$2,315,600.00	North Carolina	1997	\$5,421,473.00
Florida	1997	\$27,299,672.00	North Dakota	1997	\$288,309.00
Georgia	1997	\$4,420,782.00	Ohio	1997	\$11,867,073.00
Hawaii	1997	\$6,429,988.00	Oklahoma	1997	\$3,036,037.00
Idaho	1997	\$808,500.00	Oregon	1997	\$1,142,322.00
Illinois	1997	\$7,502,300.00	Pennsylvania	1997	\$9,100,000.00
Indiana	1997	\$3,002,971.00	Rhode Island	1997	\$619,920.00
Iowa	1997	\$1,430,229.00	South Carolina	1997	\$3,603,519.00
Kansas	1997	\$1,346,123.00	South Dakota	1997	\$395,943.00
Kentucky	1997	\$3,668,200.00	Tennessee	1997	\$3,083,800.00
Louisiana	1997	\$4,135,742.00	Texas	1997	\$3,323,816.00
Maine	1997	\$524,567.00	Utah	1997	\$2,561,700.00
Maryland	1997	\$7,726,374.00	Vermont	1997	\$410,000.00
Massachusetts	1997	\$14,646,541.00	Virginia	1997	\$2,668,552.00

Michigan	1997	\$21,730,100.00	Washington	1997	\$2,025,409.00
Minnesota	1997	\$6,936,395.00	West Virginia	1997	\$2,000,000.00
Mississippi	1997	\$1,533,437.00	Wisconsin	1997	\$2,551,600.00
Missouri	1997	\$10,016,130.00	Wyoming	1997	\$331,561.00
Alabama	1998	\$3,993,423.00	Montana	1998	\$232,923.00
Alaska	1998	\$503,700.00	Nebraska	1998	\$1,397,822.00
Arizona	1998	\$1,950,200.00	Nevada	1998	\$1,137,042.00
Arkansas	1998	\$1,520,606.00	New Hampshire	1998	\$552,113.00
California	1998	\$13,287,000.00	New Jersey	1998	\$13,704,000.00
Colorado	1998	\$1,811,534.00	New Mexico	1998	\$1,771,500.00
Connecticut	1998	\$3,748,990.00	New York	1998	\$41,050,400.00
Delaware	1998	\$1,386,900.00	North Carolina	1998	\$5,474,382.00
Florida	1998	\$24,613,564.00	North Dakota	1998	\$386,650.00
Georgia	1998	\$4,502,137.00	Ohio	1998	\$14,513,312.00
Hawaii	1998	\$6,039,390.00	Oklahoma	1998	\$3,495,267.00
Idaho	1998	\$834,300.00	Oregon	1998	\$1,230,605.00
Illinois	1998	\$13,532,300.00	Pennsylvania	1998	\$9,282,000.00
Indiana	1998	\$3,089,429.00	Rhode Island	1998	\$674,587.00
Iowa	1998	\$1,562,860.00	South Carolina	1998	\$3,974,911.00
Kansas	1998	\$1,346,123.00	South Dakota	1998	\$467,252.00
Kentucky	1998	\$4,295,700.00	Tennessee	1998	\$3,458,300.00
Louisiana	1998	\$4,385,742.00	Texas	1998	\$5,165,129.00
Maine	1998	\$522,292.00	Utah	1998	\$2,643,900.00
Maryland	1998	\$8,201,878.00	Vermont	1998	\$470,000.00
Massachusetts	1998	\$14,691,657.00	Virginia	1998	\$3,181,194.00
Michigan	1998	\$21,676,500.00	Washington	1998	\$2,038,036.00
Minnesota	1998	\$13,018,000.00	West Virginia	1998	\$1,697,150.00
Mississippi	1998	\$1,667,056.00	Wisconsin	1998	\$2,520,000.00
Missouri	1998	\$10,105,839.00	Wyoming	1998	\$338,204.00
Alabama	1999	\$4,593,423.00	Montana	1999	\$237,580.00
Alaska	1999	\$458,200.00	Nebraska	1999	\$1,408,628.00
Arizona	1999	\$2,353,600.00	Nevada	1999	\$1,162,061.00
Arkansas	1999	\$1,581,053.00	New Hampshire	1999	\$573,751.00
California	1999	\$45,102,000.00	New Jersey	1999	\$15,829,000.00
Colorado	1999	\$1,841,179.00	New Mexico	1999	\$2,781,000.00
Connecticut	1999	\$4,715,755.00	New York	1999	\$45,670,000.00
Delaware	1999	\$1,515,400.00	North Carolina	1999	\$5,859,303.00
Florida	1999	\$34,702,056.00	North Dakota	1999	\$386,650.00
Georgia	1999	\$4,639,681.00	Ohio	1999	\$14,877,380.00
Hawaii	1999	\$6,197,718.00	Oklahoma	1999	\$4,020,808.00
Idaho	1999	\$869,500.00	Oregon	1999	\$1,455,605.00
Illinois	1999	\$16,809,800.00	Pennsylvania	1999	\$10,600,000.00
Indiana	1999	\$3,090,180.00	Rhode Island	1999	\$884,178.00
Iowa	1999	\$1,676,545.00	South Carolina	1999	\$4,167,104.00
Kansas	1999	\$1,472,549.00	South Dakota	1999	\$475,147.00
Kentucky	1999	\$4,345,800.00	Tennessee	1999	\$3,623,600.00

Louisiana	1999	\$5,041,770.00	Texas	1999	\$5,165,129.00
Maine	1999	\$756,013.00	Utah	1999	\$2,909,000.00
Maryland	1999	\$8,582,891.00	Vermont	1999	\$681,750.00
Massachusetts	1999	\$17,329,850.00	Virginia	1999	\$3,812,243.00
Michigan	1999	\$21,677,800.00	Washington	1999	\$2,050,051.00
Minnesota	1999	\$13,035,063.00	West Virginia	1999	\$2,089,140.00
Mississippi	1999	\$2,126,078.00	Wisconsin	1999	\$2,670,100.00
Missouri	1999	\$10,259,913.00	Wyoming	1999	\$342,115.00
Alabama	2000	\$4,750,875.00	Montana	2000	\$273,221.00
Alaska	2000	\$455,800.00	Nebraska	2000	\$1,461,384.00
Arizona	2000	\$2,365,900.00	Nevada	2000	\$1,335,429.00
Arkansas	2000	\$1,792,350.00	New Hampshire	2000	\$589,776.00
California	2000	\$48,842,000.00	New Jersey	2000	\$19,169,000.00
Colorado	2000	\$1,863,183.00	New Mexico	2000	\$2,184,800.00
Connecticut	2000	\$5,300,560.00	New York	2000	\$50,169,000.00
Delaware	2000	\$1,560,300.00	North Carolina	2000	\$7,504,207.00
Florida	2000	\$28,146,619.00	North Dakota	2000	\$421,692.00
Georgia	2000	\$4,750,591.00	Ohio	2000	\$16,456,606.00
Hawaii	2000	\$6,127,405.00	Oklahoma	2000	\$4,083,091.00
Idaho	2000	\$912,800.00	Oregon	2000	\$1,520,465.00
Illinois	2000	\$21,952,900.00	Pennsylvania	2000	\$12,000,000.00
Indiana	2000	\$3,842,783.00	Rhode Island	2000	\$973,776.00
Iowa	2000	\$1,887,985.00	South Carolina	2000	\$5,208,089.00
Kansas	2000	\$1,662,957.00	South Dakota	2000	\$481,003.00
Kentucky	2000	\$4,466,600.00	Tennessee	2000	\$3,672,000.00
Louisiana	2000	\$5,041,770.00	Texas	2000	\$5,284,429.00
Maine	2000	\$1,239,557.00	Utah	2000	\$3,117,700.00
Maryland	2000	\$10,633,340.00	Vermont	2000	\$557,739.00
Massachusetts	2000	\$17,533,646.00	Virginia	2000	\$4,379,749.00
Michigan	2000	\$21,704,100.00	Washington	2000	\$2,346,748.00
Minnesota	2000	\$13,064,000.00	West Virginia	2000	\$2,145,947.00
Mississippi	2000	\$2,230,193.00	Wisconsin	2000	\$2,687,300.00
Missouri	2000	\$11,663,118.00	Wyoming	2000	\$342,115.00
Alabama	2001	\$6,121,164.00	Montana	2001	\$285,930.00
Alaska	2001	\$458,500.00	Nebraska	2001	\$1,454,726.00
Arizona	2001	\$2,376,100.00	Nevada	2001	\$1,342,071.00
Arkansas	2001	\$1,667,998.00	New Hampshire	2001	\$588,643.00
California	2001	\$68,063,400.00	New Jersey	2001	\$22,089,000.00
Colorado	2001	\$1,886,452.00	New Mexico	2001	\$1,921,000.00
Connecticut	2001	\$13,582,642.00	New York	2001	\$56,739,000.00
Delaware	2001	\$1,650,700.00	North Carolina	2001	\$7,832,771.00
Florida	2001	\$36,935,278.00	North Dakota	2001	\$421,692.00
Georgia	2001	\$4,835,331.00	Ohio	2001	\$15,791,294.00
Hawaii	2001	\$6,005,715.00	Oklahoma	2001	\$4,235,497.00
Idaho	2001	\$951,200.00	Oregon	2001	\$1,632,461.00
Illinois	2001	\$19,788,839.00	Pennsylvania	2001	\$14,000,000.00

Indiana	2001	\$3,842,783.00	Rhode Island	2001	\$1,745,777.00
Iowa	2001	\$1,708,406.00	South Carolina	2001	\$5,421,706.00
Kansas	2001	\$1,643,623.00	South Dakota	2001	\$512,485.00
Kentucky	2001	\$4,733,200.00	Tennessee	2001	\$4,900,700.00
Louisiana	2001	\$4,898,143.00	Texas	2001	\$4,739,335.00
Maine	2001	\$797,286.00	Utah	2001	\$2,776,300.00
Maryland	2001	\$12,646,294.00	Vermont	2001	\$565,396.00
Massachusetts	2001	\$17,780,458.00	Virginia	2001	\$4,682,112.00
Michigan	2001	\$25,836,200.00	Washington	2001	\$2,628,293.00
Minnesota	2001	\$13,094,000.00	West Virginia	2001	\$2,342,597.00
Mississippi	2001	\$3,283,961.00	Wisconsin	2001	\$2,562,600.00
Missouri	2001	\$11,971,858.00	Wyoming	2001	\$352,603.00
Alabama	2002	\$5,704,653.00	Montana	2002	\$331,928.00
Alaska	2002	\$457,400.00	Nebraska	2002	\$1,440,556.00
Arizona	2002	\$2,365,843.00	Nevada	2002	\$1,426,559.00
Arkansas	2002	\$1,966,843.00	New Hampshire	2002	\$651,417.00
California	2002	\$43,399,000.00	New Jersey	2002	\$22,740,000.00
Colorado	2002	\$1,860,417.00	New Mexico	2002	\$1,968,500.00
Connecticut	2002	\$12,301,847.00	New York	2002	\$51,493,500.00
Delaware	2002	\$1,657,600.00	North Carolina	2002	\$6,025,242.00
Florida	2002	\$32,833,356.00	North Dakota	2002	\$491,214.00
Georgia	2002	\$5,179,841.00	Ohio	2002	\$14,668,902.00
Hawaii	2002	\$6,370,207.00	Oklahoma	2002	\$4,475,313.00
Idaho	2002	\$958,800.00	Oregon	2002	\$1,121,797.00
Illinois	2002	\$19,568,900.00	Pennsylvania	2002	\$14,000,000.00
Indiana	2002	\$3,673,094.00	Rhode Island	2002	\$2,537,740.00
Iowa	2002	\$1,597,824.00	South Carolina	2002	\$4,493,485.00
Kansas	2002	\$1,649,406.00	South Dakota	2002	\$519,517.00
Kentucky	2002	\$4,626,300.00	Tennessee	2002	\$4,242,700.00
Louisiana	2002	\$5,196,440.00	Texas	2002	\$5,743,976.00
Maine	2002	\$822,200.00	Utah	2002	\$3,015,000.00
Maryland	2002	\$13,554,113.00	Vermont	2002	\$564,206.00
Massachusetts	2002	\$19,144,688.00	Virginia	2002	\$4,880,239.00
Michigan	2002	\$26,933,600.00	Washington	2002	\$2,844,821.00
Minnesota	2002	\$13,118,000.00	West Virginia	2002	\$2,527,017.00
Mississippi	2002	\$2,122,086.00	Wisconsin	2002	\$2,576,200.00
Missouri	2002	\$6,180,244.00	Wyoming	2002	\$426,275.00
Alabama	2003	\$4,828,285.00	Montana	2003	\$319,085.00
Alaska	2003	\$457,400.00	Nebraska	2003	\$1,229,822.00
Arizona	2003	\$2,073,300.00	Nevada	2003	\$1,439,917.00
Arkansas	2003	\$1,413,371.00	New Hampshire	2003	\$646,840.00
California	2003	\$20,312,000.00	New Jersey	2003	\$21,613,000.00
Colorado	2003	\$963,863.00	New Mexico	2003	\$1,727,190.00
Connecticut	2003	\$9,302,836.00	New York	2003	\$51,473,500.00
Delaware	2003	\$1,614,700.00	North Carolina	2003	\$5,661,737.00
Florida	2003	\$30,042,433.00	North Dakota	2003	\$480,899.00

Georgia	2003	\$4,478,490.00	Ohio	2003	\$12,988,187.00
Hawaii	2003	\$6,025,396.00	Oklahoma	2003	\$3,979,482.00
Idaho	2003	\$854,800.00	Oregon	2003	\$959,742.00
Illinois	2003	\$18,000,300.00	Pennsylvania	2003	\$13,734,000.00
Indiana	2003	\$3,378,717.00	Rhode Island	2003	\$2,555,655.00
Iowa	2003	\$1,259,329.00	South Carolina	2003	\$3,820,987.00
Kansas	2003	\$1,522,850.00	South Dakota	2003	\$526,650.00
Kentucky	2003	\$4,523,800.00	Tennessee	2003	\$4,882,100.00
Louisiana	2003	\$4,921,013.00	Texas	2003	\$5,624,829.00
Maine	2003	\$748,936.00	Utah	2003	\$2,482,200.00
Maryland	2003	\$12,106,546.00	Vermont	2003	\$517,206.00
Massachusetts	2003	\$7,294,921.00	Virginia	2003	\$4,224,028.00
Michigan	2003	\$22,484,200.00	Washington	2003	\$2,855,356.00
Minnesota	2003	\$12,217,884.00	West Virginia	2003	\$2,701,895.00
Mississippi	2003	\$1,660,536.00	Wisconsin	2003	\$2,455,200.00
Missouri	2003	\$3,641,776.00	Wyoming	2003	\$425,044.00
Alabama	2004	\$4,544,407.00	Montana	2004	\$290,117.00
Alaska	2004	\$461,100.00	Nebraska	2004	\$1,114,077.00
Arizona	2004	\$1,802,200.00	Nevada	2004	\$1,473,194.00
Arkansas	2004	\$1,481,148.00	New Hampshire	2004	\$666,792.30
California	2004	\$1,962,000.00	New Jersey	2004	\$18,930,000.00
Colorado	2004	\$200,000.00	New Mexico	2004	\$1,647,005.00
Connecticut	2004	\$8,890,715.00	New York	2004	\$44,677,500.00
Delaware	2004	\$1,627,100.00	North Carolina	2004	\$5,673,868.00
Florida	2004	\$6,706,621.00	North Dakota	2004	\$502,201.00
Georgia	2004	\$4,446,672.00	Ohio	2004	\$12,065,625.00
Hawaii	2004	\$6,020,009.00	Oklahoma	2004	\$3,864,077.00
Idaho	2004	\$822,800.00	Oregon	2004	\$584,337.00
Illinois	2004	\$18,515,630.00	Pennsylvania	2004	\$14,000,000.00
Indiana	2004	\$3,596,567.00	Rhode Island	2004	\$2,300,441.00
Iowa	2004	\$1,347,086.00	South Carolina	2004	\$3,384,937.00
Kansas	2004	\$1,504,041.00	South Dakota	2004	\$532,171.00
Kentucky	2004	\$4,210,900.00	Tennessee	2004	\$5,320,800.00
Louisiana	2004	\$4,967,418.00	Texas	2004	\$4,752,253.00
Maine	2004	\$845,443.00	Utah	2004	\$2,484,800.00
Maryland	2004	\$11,072,298.00	Vermont	2004	\$516,618.00
Massachusetts	2004	\$7,594,921.00	Virginia	2004	\$2,922,342.00
Michigan	2004	\$11,734,400.00	Washington	2004	\$2,253,000.00
Minnesota	2004	\$8,584,000.00	West Virginia	2004	\$2,038,218.00
Mississippi	2004	\$3,758,473.00	Wisconsin	2004	\$2,159,800.00
Missouri	2004	\$0.00	Wyoming	2004	\$533,025.00
Alabama	2005	\$3,169,195.00	Montana	2005	\$290,260.00
Alaska	2005	\$461,300.00	Nebraska	2005	\$1,118,697.00
Arizona	2005	\$1,818,200.00	Nevada	2005	\$1,735,576.00
Arkansas	2005	\$1,473,795.00	New Hampshire	2005	\$691,465.00
California	2005	\$2,047,000.00	New Jersey	2005	\$28,680,000.00

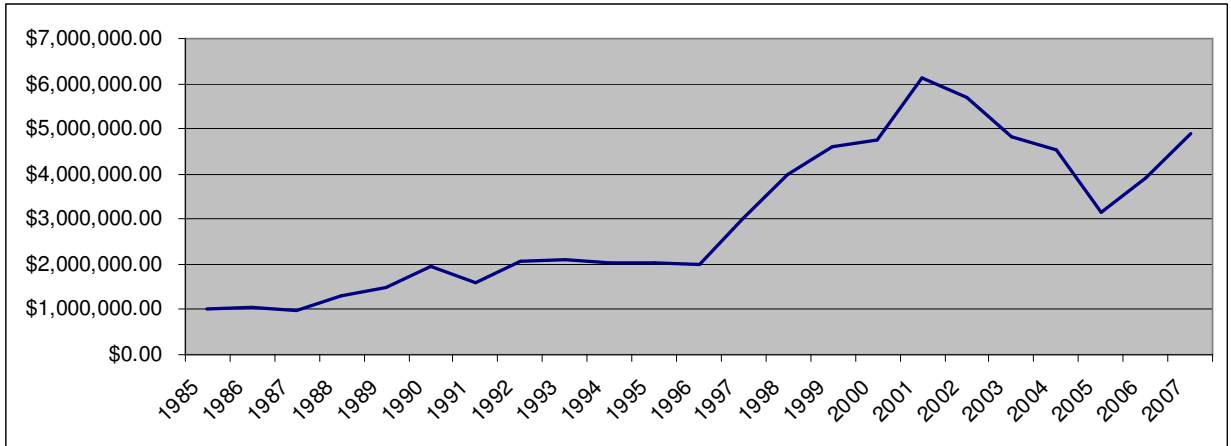
Colorado	2005	\$500,000.00	New Mexico	2005	\$1,478,000.00
Connecticut	2005	\$7,538,079.00	New York	2005	\$44,455,000.00
Delaware	2005	\$1,808,900.00	North Carolina	2005	\$5,933,646.00
Florida	2005	\$15,111,774.00	North Dakota	2005	\$512,166.00
Georgia	2005	\$3,629,008.00	Ohio	2005	\$11,375,734.00
Hawaii	2005	\$5,906,112.00	Oklahoma	2005	\$3,923,871.00
Idaho	2005	\$836,100.00	Oregon	2005	\$584,337.00
Illinois	2005	\$18,865,200.00	Pennsylvania	2005	\$14,500,000.00
Indiana	2005	\$3,605,885.00	Rhode Island	2005	\$2,643,965.00
Iowa	2005	\$1,157,486.00	South Carolina	2005	\$3,320,517.00
Kansas	2005	\$1,516,857.00	South Dakota	2005	\$586,842.00
Kentucky	2005	\$4,210,900.00	Tennessee	2005	\$5,946,500.00
Louisiana	2005	\$4,934,961.00	Texas	2005	\$4,510,252.00
Maine	2005	\$855,834.00	Utah	2005	\$2,564,700.00
Maryland	2005	\$11,001,522.00	Vermont	2005	\$519,618.00
Massachusetts	2005	\$8,346,874.00	Virginia	2005	\$3,001,535.00
Michigan	2005	\$11,719,300.00	Washington	2005	\$2,306,853.00
Minnesota	2005	\$8,593,000.00	West Virginia	2005	\$2,378,218.00
Mississippi	2005	\$1,661,551.00	Wisconsin	2005	\$2,159,800.00
Missouri	2005	\$449,819.00	Wyoming	2005	\$432,494.00
Alabama	2006	\$3,920,237.00	Montana	2006	\$406,356.00
Alaska	2006	\$540,200.00	Nebraska	2006	\$1,367,878.00
Arizona	2006	\$1,837,000.00	Nevada	2006	\$1,688,043.00
Arkansas	2006	\$1,519,022.00	New Hampshire	2006	\$726,494.00
California	2006	\$2,111,000.00	New Jersey	2006	\$29,810,000.00
Colorado	2006	\$700,000.00	New Mexico	2006	\$1,954,100.00
Connecticut	2006	\$7,083,876.00	New York	2006	\$45,333,000.00
Delaware	2006	\$1,780,800.00	North Carolina	2006	\$7,944,133.00
Florida	2006	\$29,416,410.00	North Dakota	2006	\$499,845.00
Georgia	2006	\$3,900,546.00	Ohio	2006	\$11,238,161.00
Hawaii	2006	\$6,832,797.00	Oklahoma	2006	\$4,243,338.00
Idaho	2006	\$849,600.00	Oregon	2006	\$634,025.00
Illinois	2006	\$19,799,300.00	Pennsylvania	2006	\$14,500,000.00
Indiana	2006	\$3,383,349.00	Rhode Island	2006	\$3,245,981.00
Iowa	2006	\$1,206,329.00	South Carolina	2006	\$3,567,186.00
Kansas	2006	\$1,497,554.00	South Dakota	2006	\$602,895.00
Kentucky	2006	\$4,126,700.00	Tennessee	2006	\$6,616,163.00
Louisiana	2006	\$5,012,767.00	Texas	2006	\$3,943,167.00
Maine	2006	\$764,294.00	Utah	2006	\$2,705,400.00
Maryland	2006	\$11,280,137.00	Vermont	2006	\$494,618.00
Massachusetts	2006	\$9,702,571.00	Virginia	2006	\$3,543,395.00
Michigan	2006	\$10,454,600.00	Washington	2006	\$2,322,000.00
Minnesota	2006	\$8,593,000.00	West Virginia	2006	\$2,423,718.00
Mississippi	2006	\$1,568,498.00	Wisconsin	2006	\$2,420,100.00
Missouri	2006	\$1,164,000.00	Wyoming	2006	\$654,270.00
Alabama	2007	\$4,878,778.00	Montana	2007	\$396,315.00

Alaska	2007	\$601,300.00	Nebraska	2007	\$1,350,741.00
Arizona	2007	\$1,888,100.00	Nevada	2007	\$1,541,288.00
Arkansas	2007	\$1,523,754.00	New Hampshire	2007	\$739,634.00
California	2007	\$4,024,000.00	New Jersey	2007	\$24,312,000.00
Colorado	2007	\$1,500,000.00	New Mexico	2007	\$1,846,200.00
Connecticut	2007	\$7,362,302.00	New York	2007	\$45,232,000.00
Delaware	2007	\$2,062,800.00	North Carolina	2007	\$8,540,979.00
Florida	2007	\$40,934,727.00	North Dakota	2007	\$499,846.00
Georgia	2007	\$4,135,459.00	Ohio	2007	\$11,238,161.00
Hawaii	2007	\$7,089,085.00	Oklahoma	2007	\$4,442,810.00
Idaho	2007	\$899,300.00	Oregon	2007	\$714,025.00
Illinois	2007	\$19,799,300.00	Pennsylvania	2007	\$15,225,000.00
Indiana	2007	\$3,632,224.00	Rhode Island	2007	\$2,688,665.00
Iowa	2007	\$1,212,611.00	South Carolina	2007	\$5,409,120.00
Kansas	2007	\$1,561,118.00	South Dakota	2007	\$609,572.00
Kentucky	2007	\$4,203,200.00	Tennessee	2007	\$6,714,550.00
Louisiana	2007	\$4,968,272.00	Texas	2007	\$3,917,160.00
Maine	2007	\$757,461.00	Utah	2007	\$3,028,200.00
Maryland	2007	\$14,350,605.00	Vermont	2007	\$569,618.00
Massachusetts	2007	\$12,121,107.00	Virginia	2007	\$4,873,428.00
Michigan	2007	\$6,508,400.00	Washington	2007	\$2,367,580.00
Minnesota	2007	\$8,593,000.00	West Virginia	2007	\$2,423,718.00
Mississippi	2007	\$1,826,205.00	Wisconsin	2007	\$2,420,100.00
Missouri	2007	\$4,845,150.00	Wyoming	2007	\$807,173.00

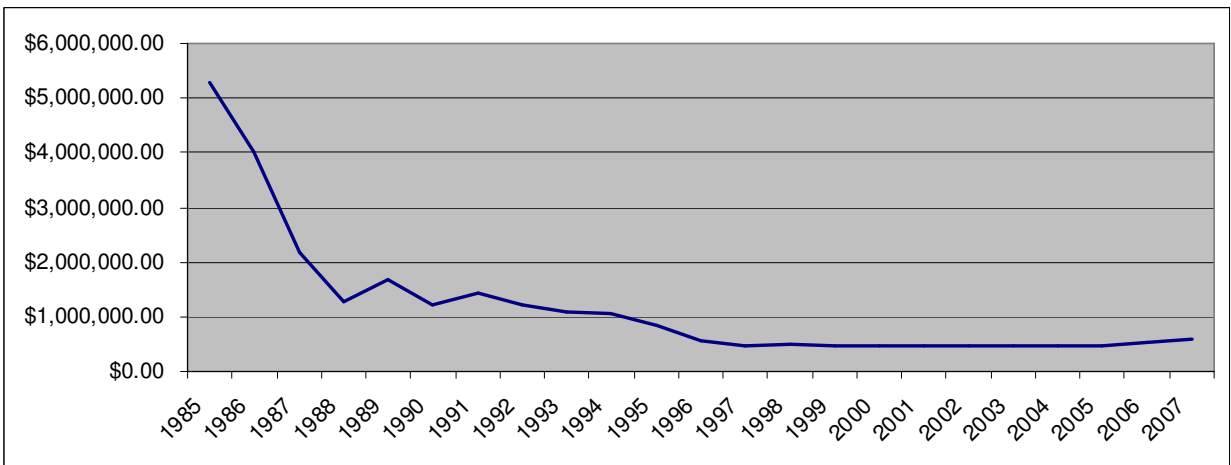


APPENDIX B

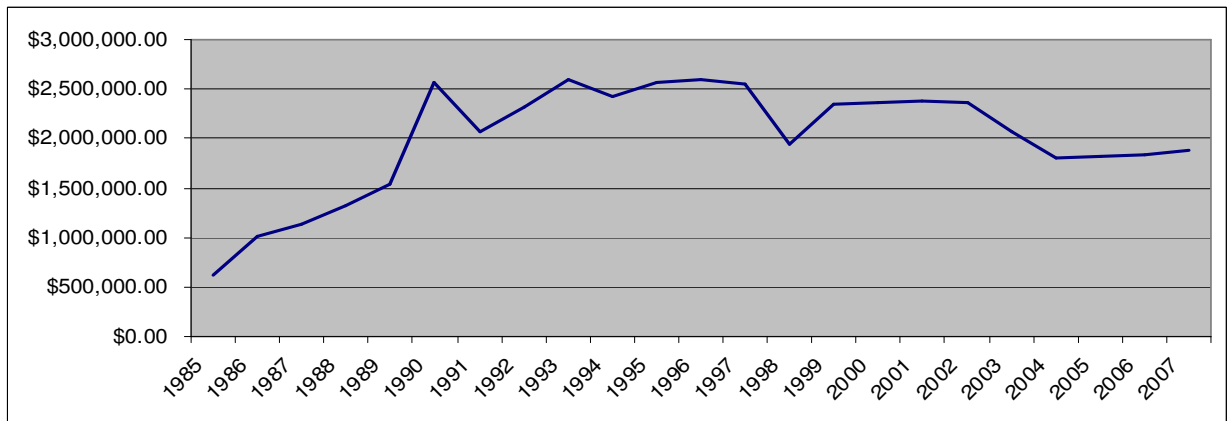
TREND LINES GRAPHS OF STATE CONGRESSIONAL APPROPRIATIONS FROM 1985-  
2007: ALL 50 STATES



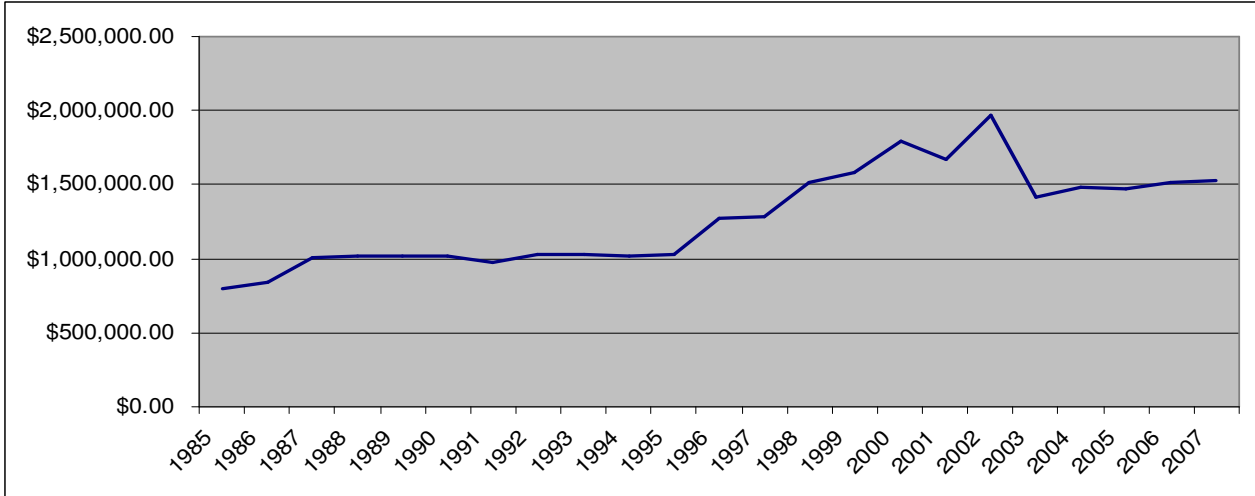
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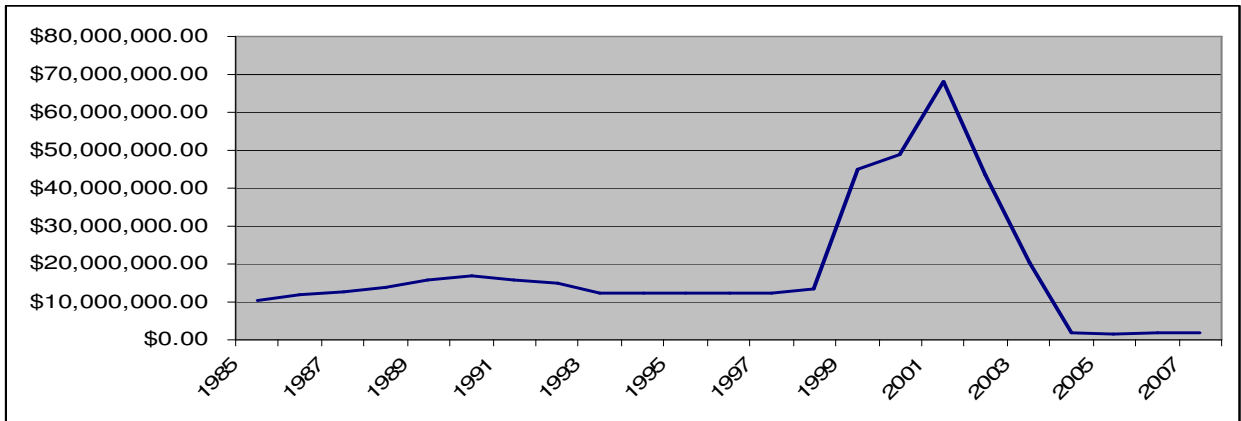
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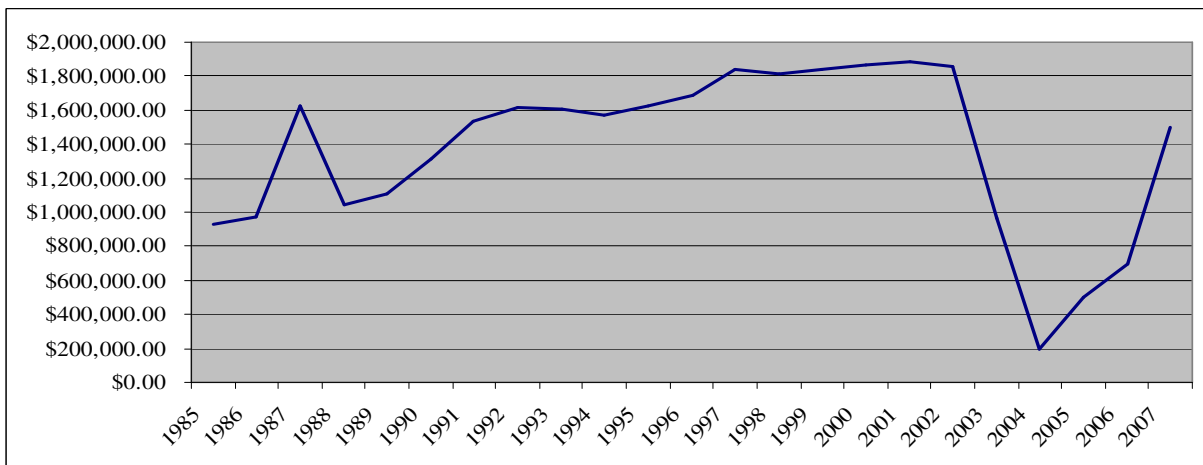
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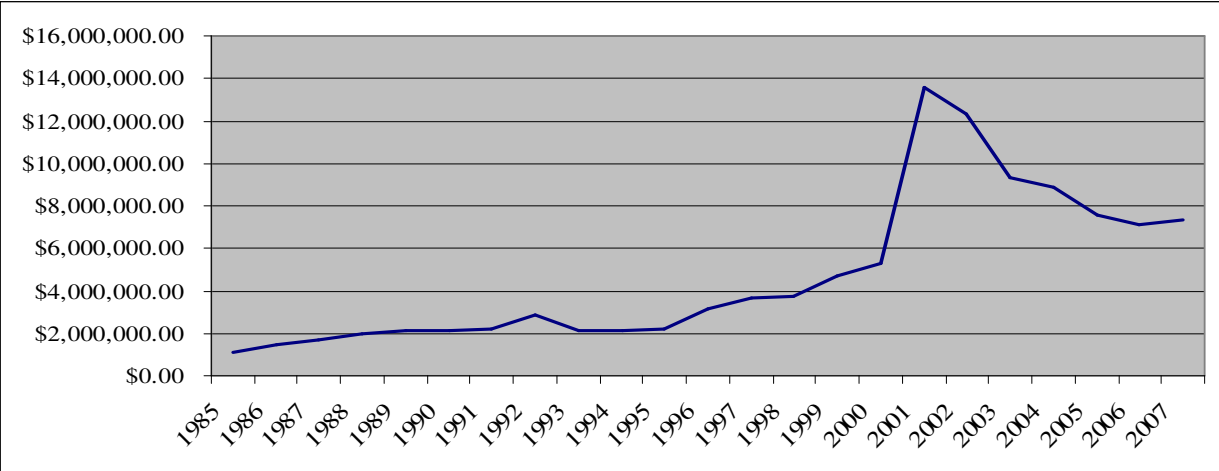
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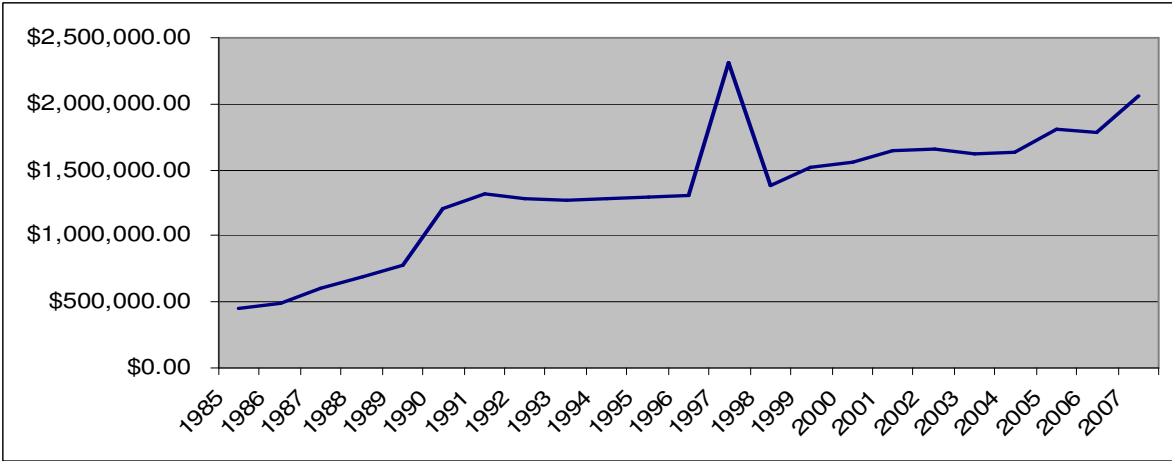
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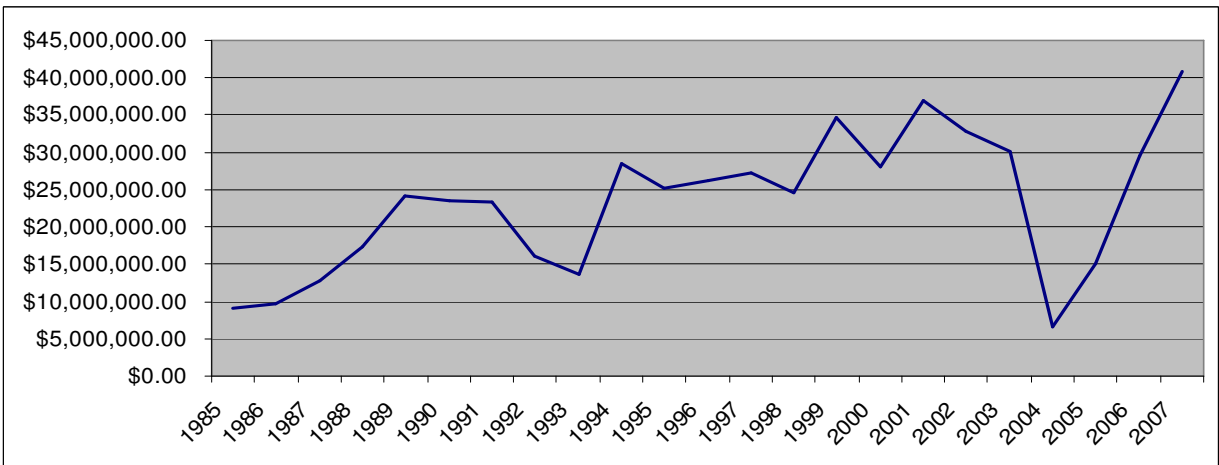
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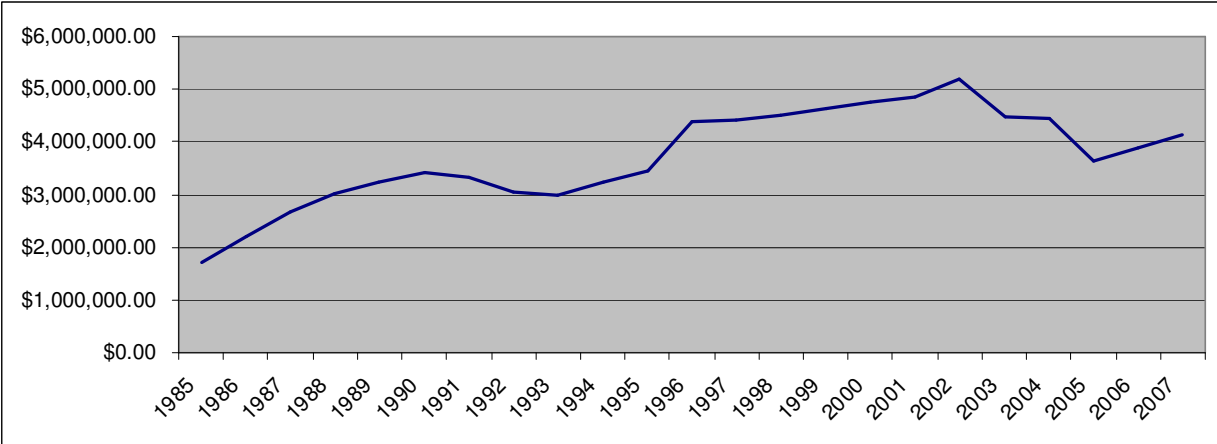
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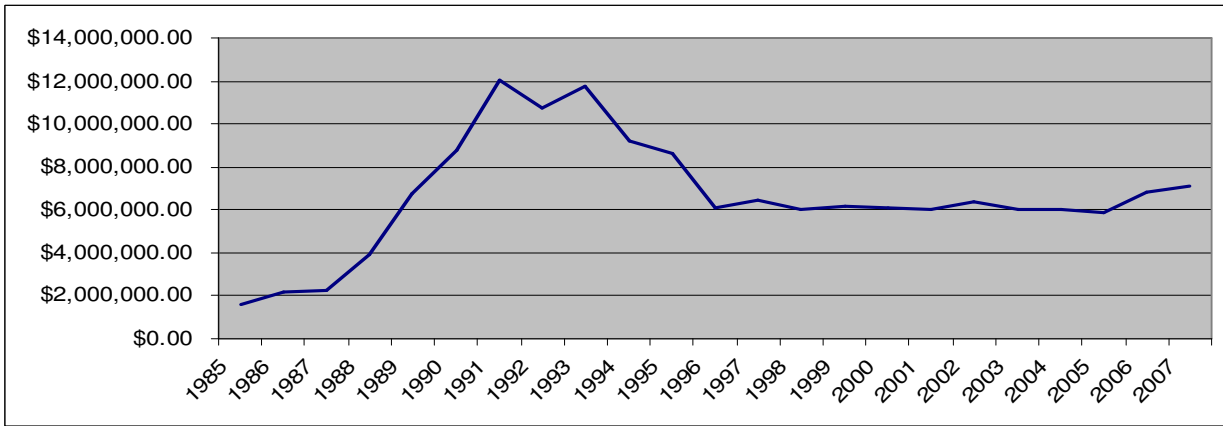
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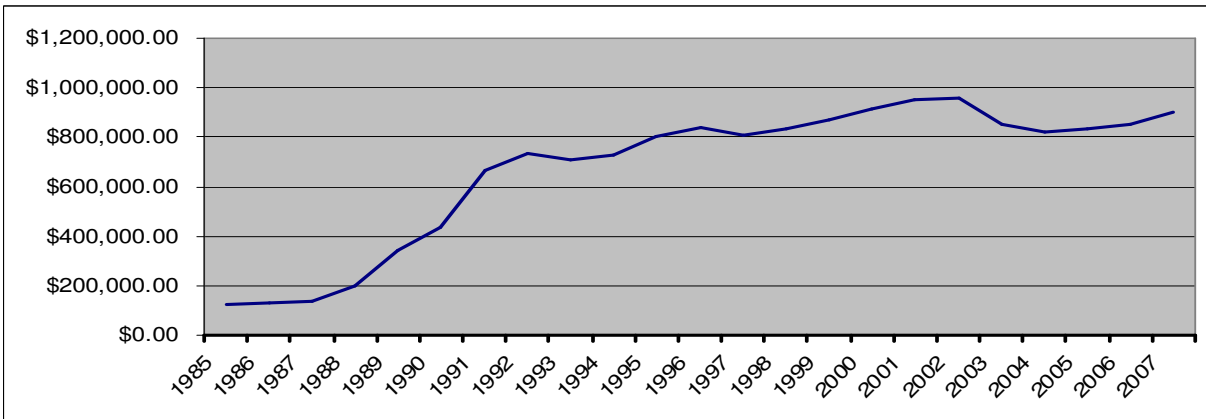
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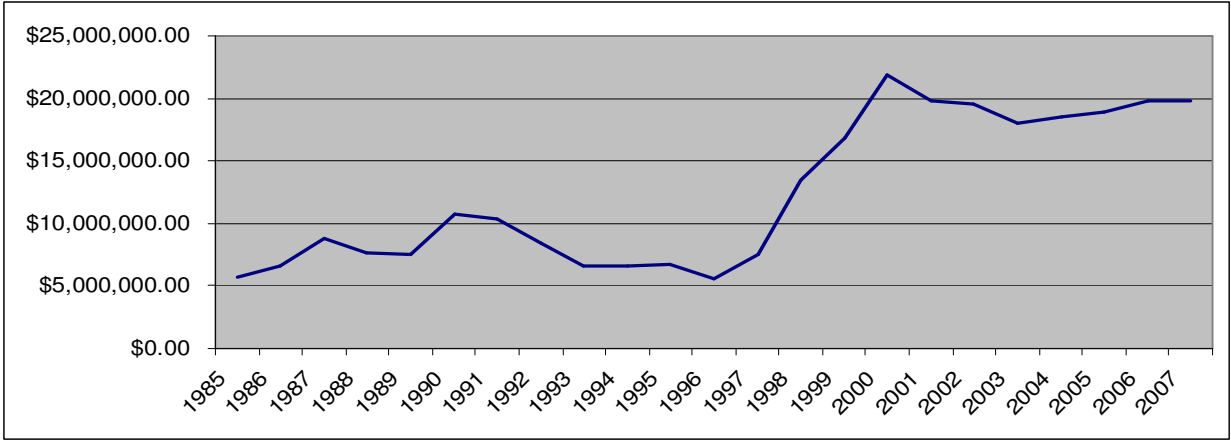
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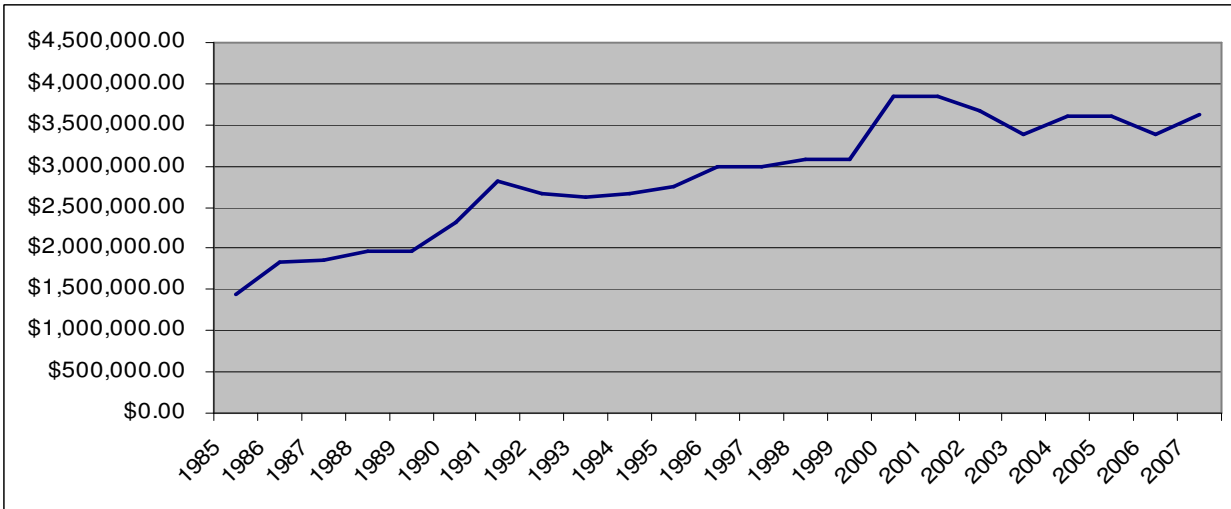
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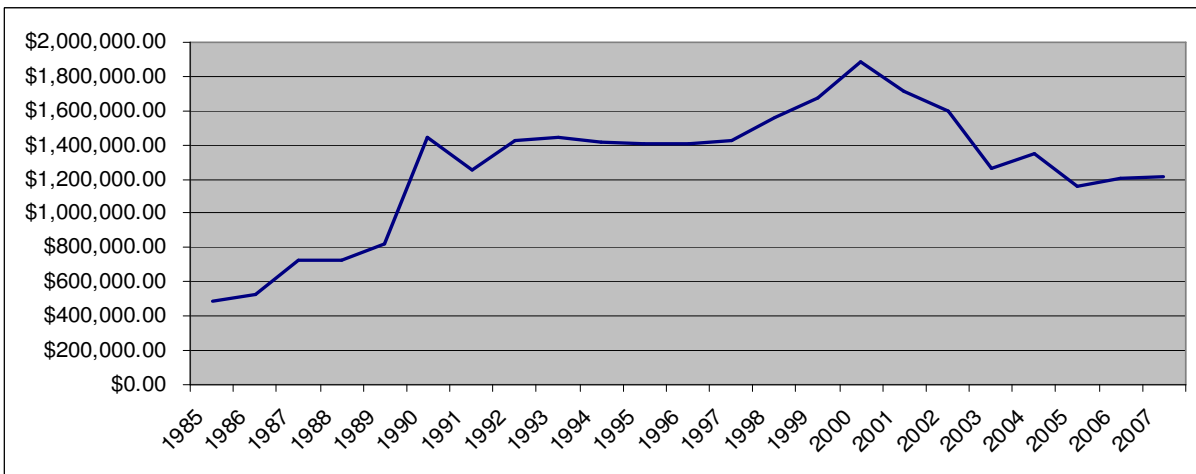
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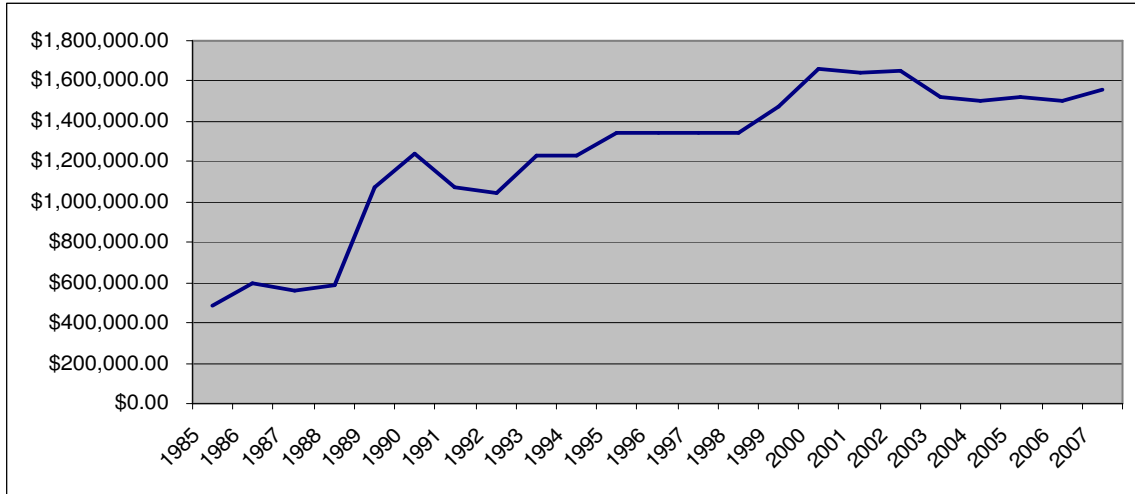
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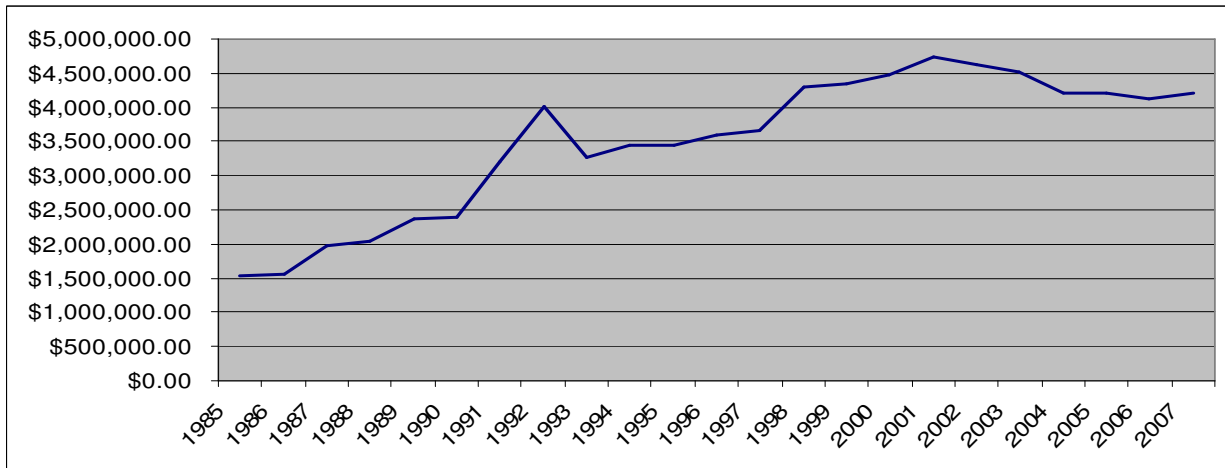
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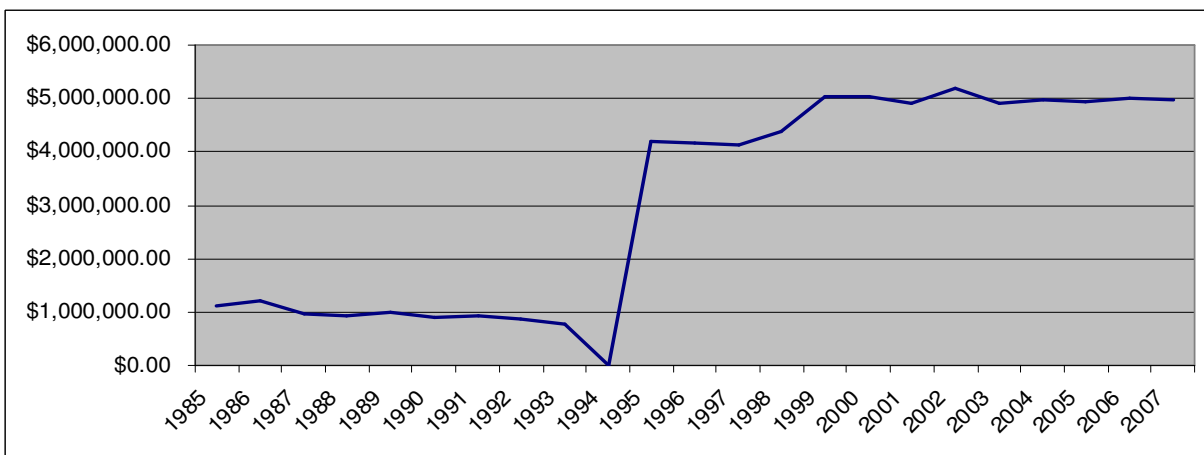
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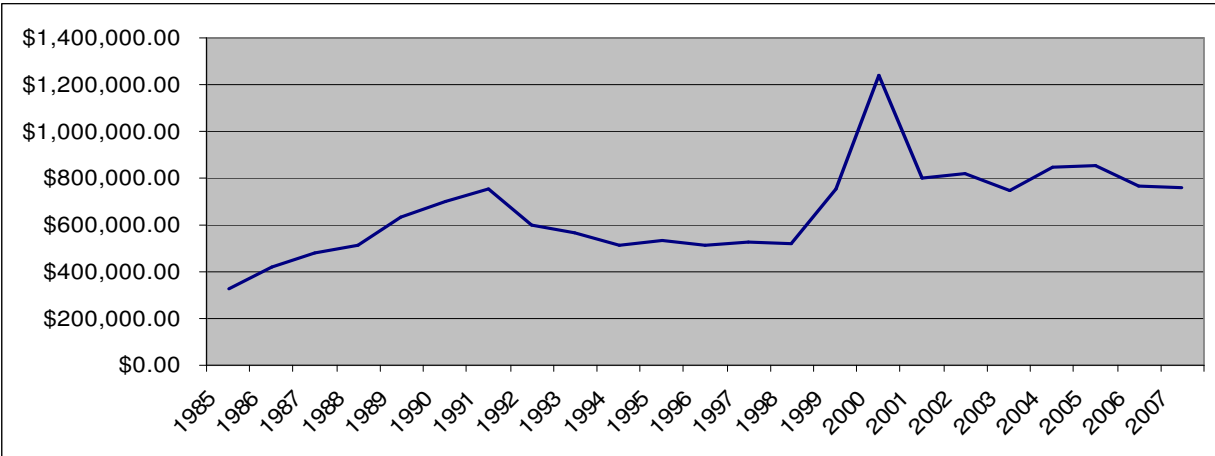
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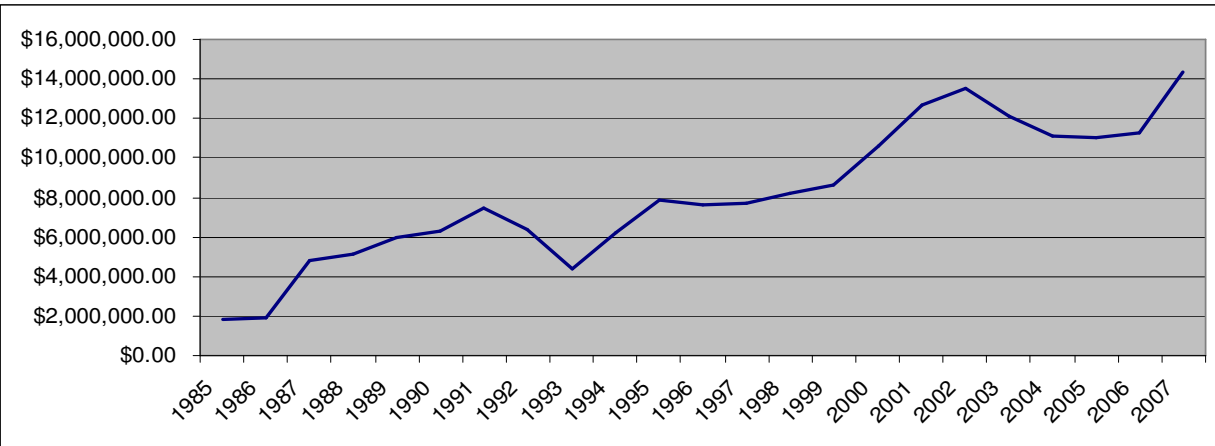
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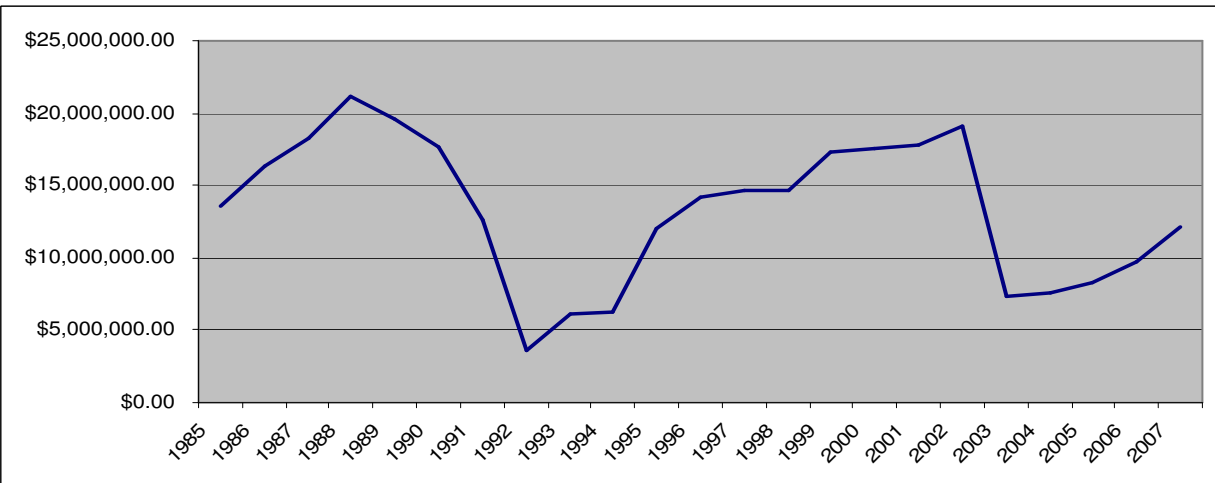
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Total Congressional Appropriations for Maine, 1985-2007

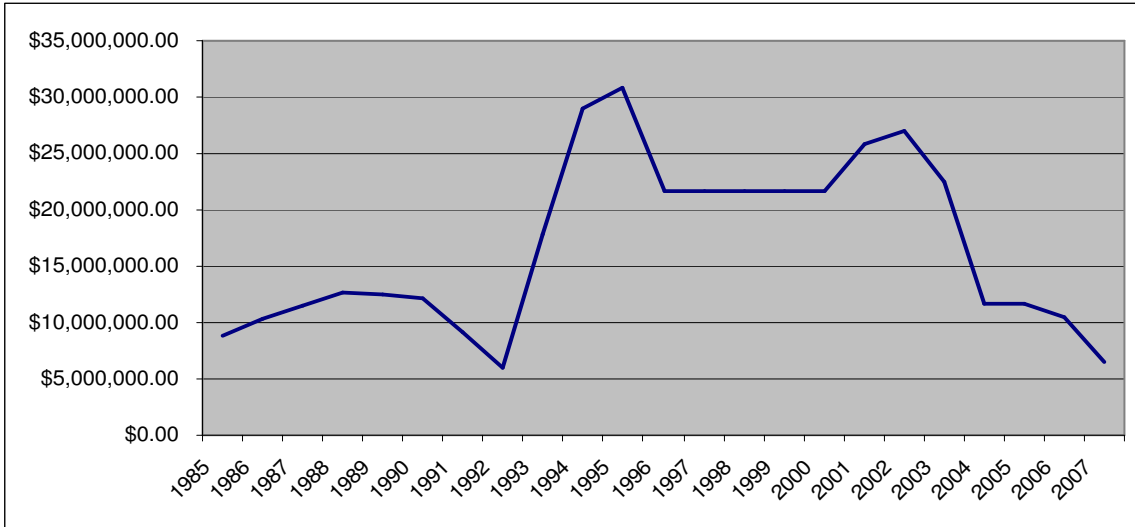


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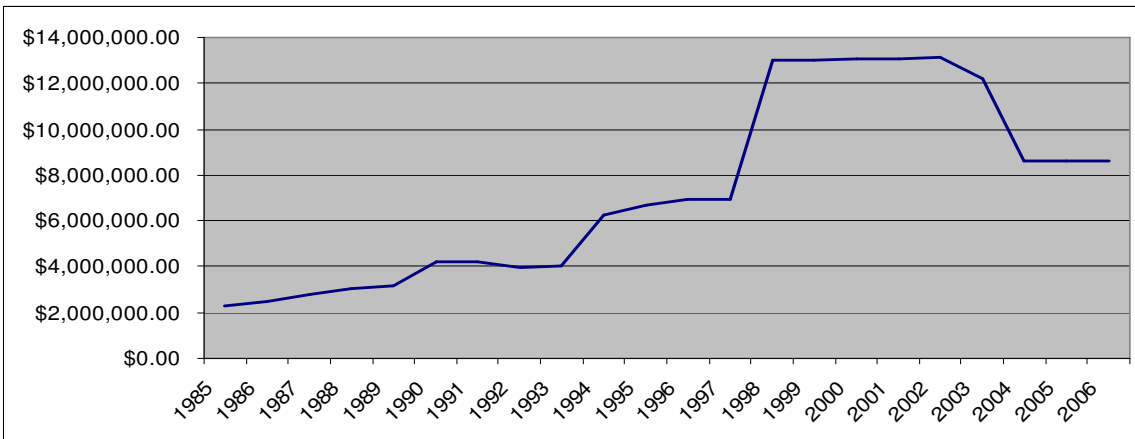


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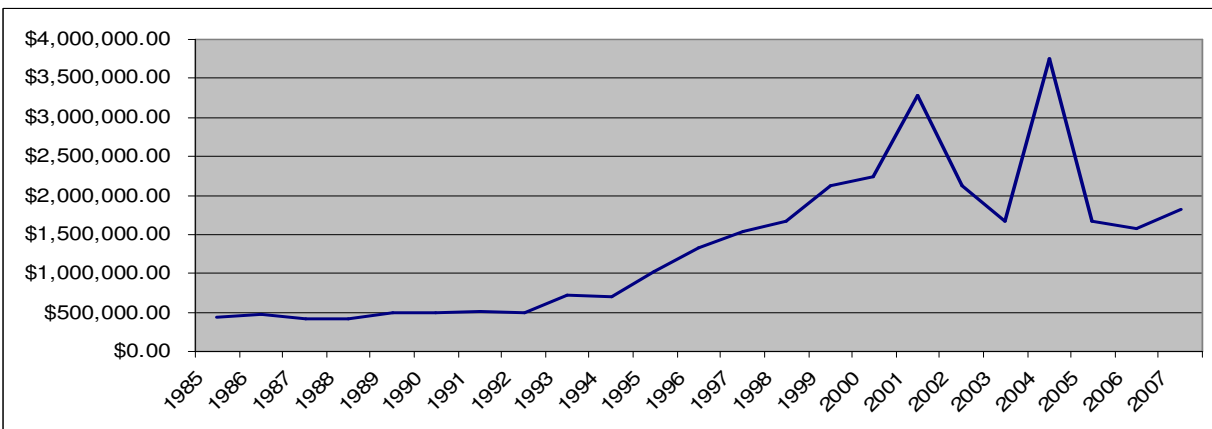




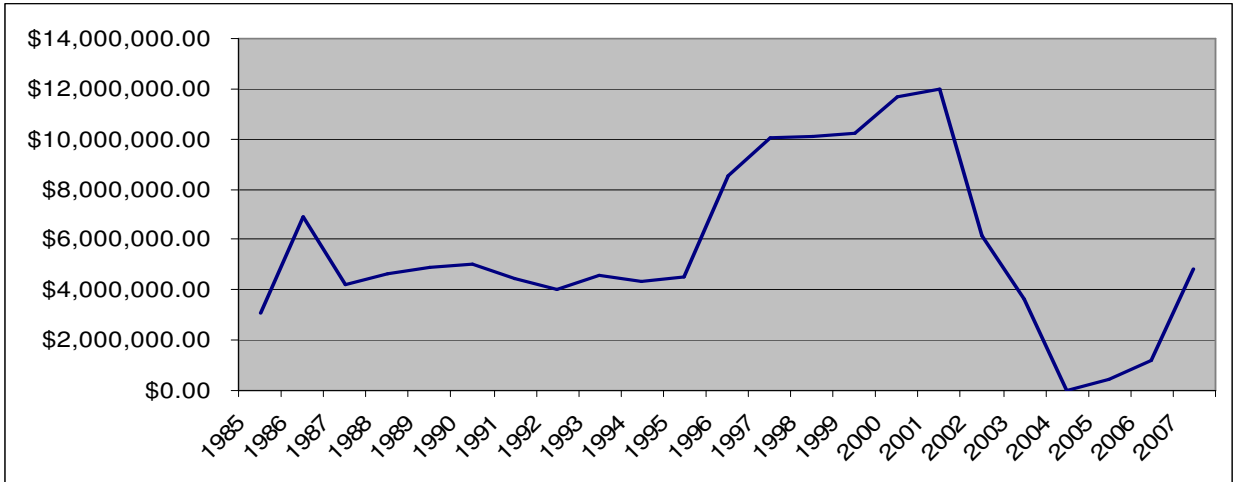
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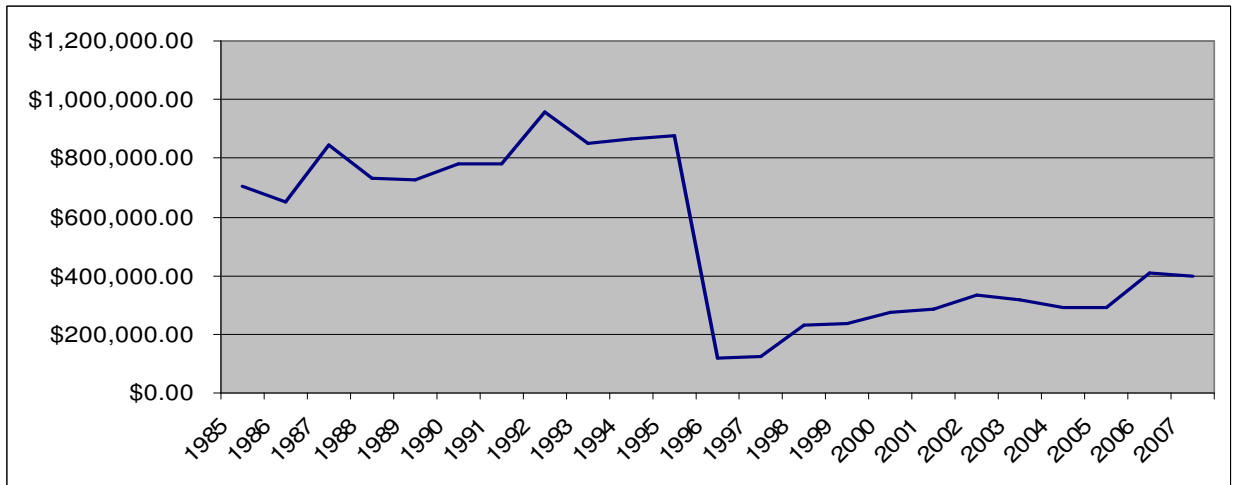
Total Congressional Appropriations for Minnesota, 1985-2007



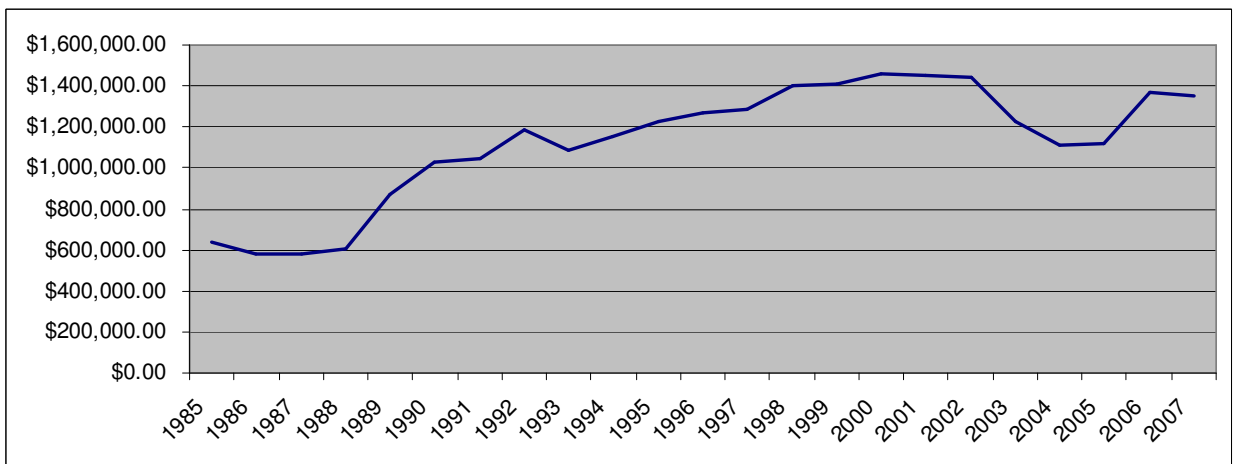
Total Congressional Appropriations for Mississippi, 1985-2007



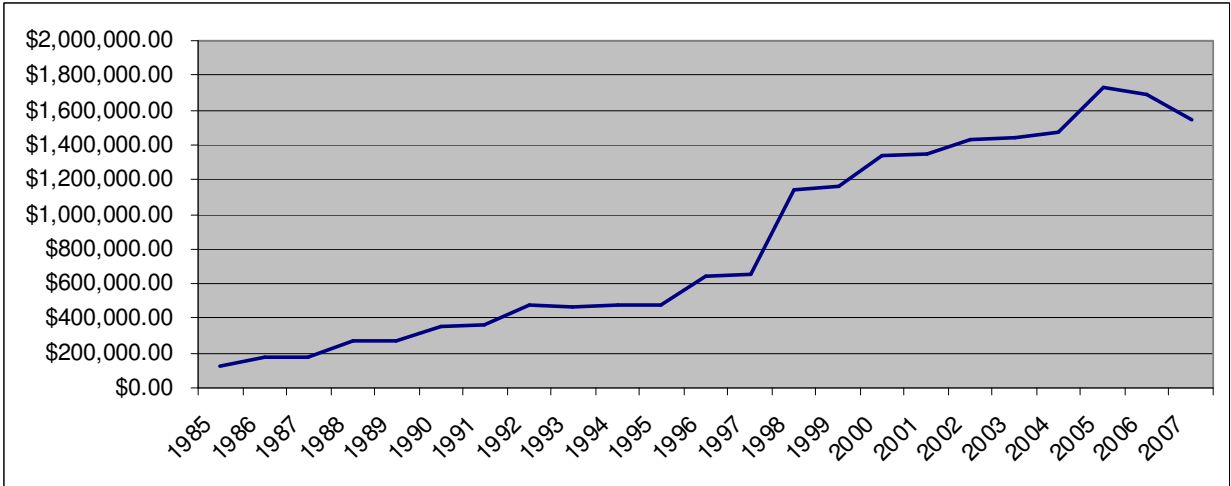
Total Congressional Appropriations for Missouri, 1985-2007



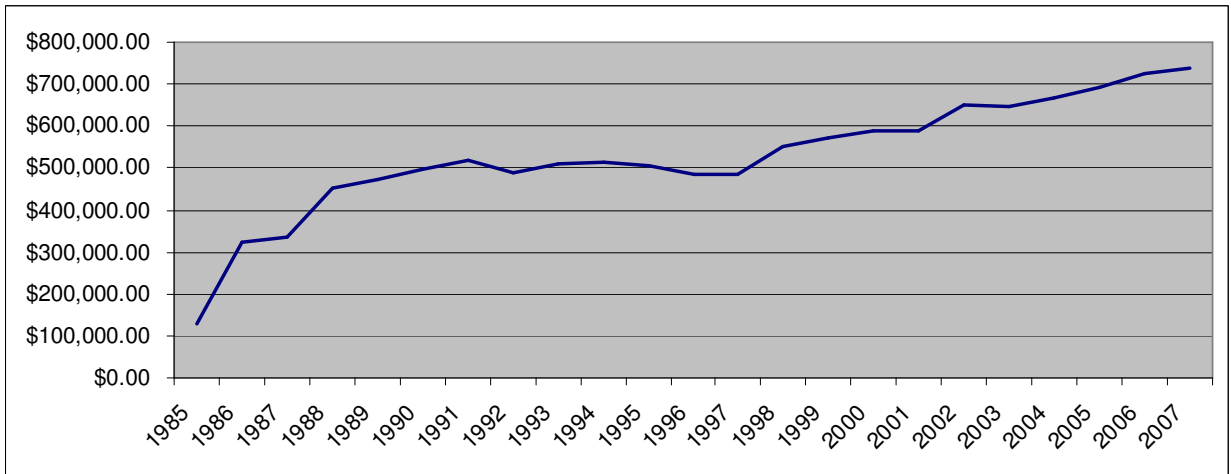
Total Congressional Appropriations for Montana, 1985-2007



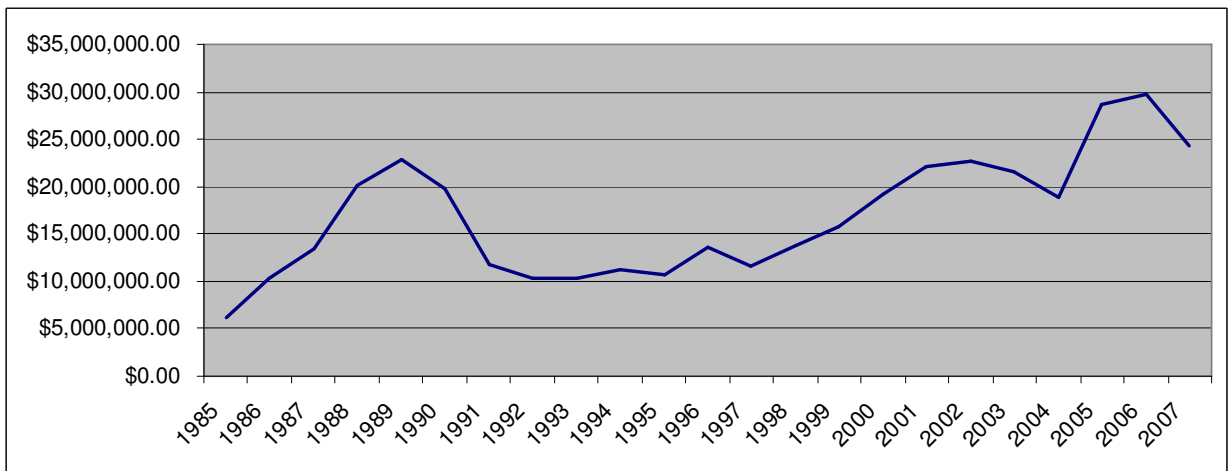
Total Congressional Appropriations for Nebraska, 1985-2007



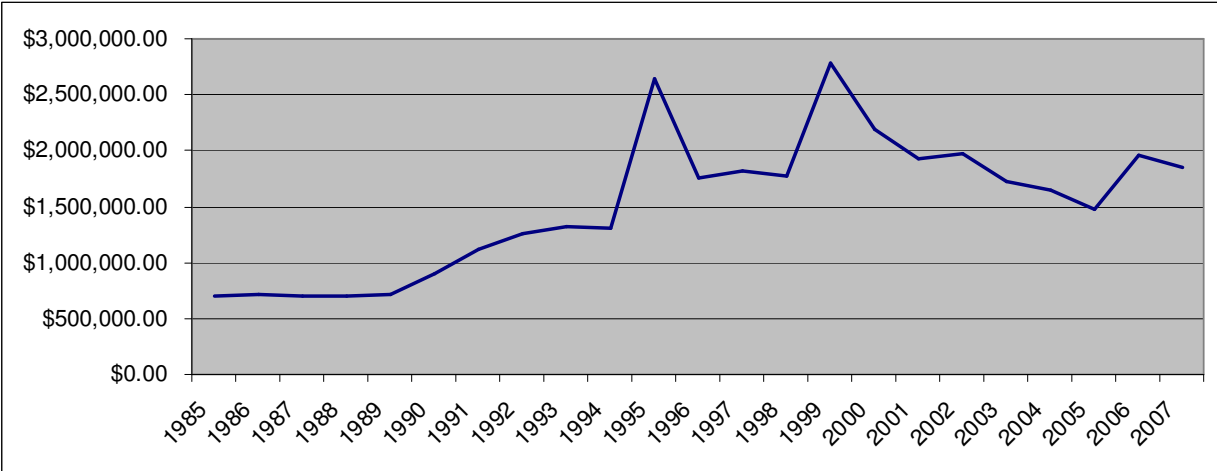
Total Congressional Appropriations for Nevada, 1985-2007



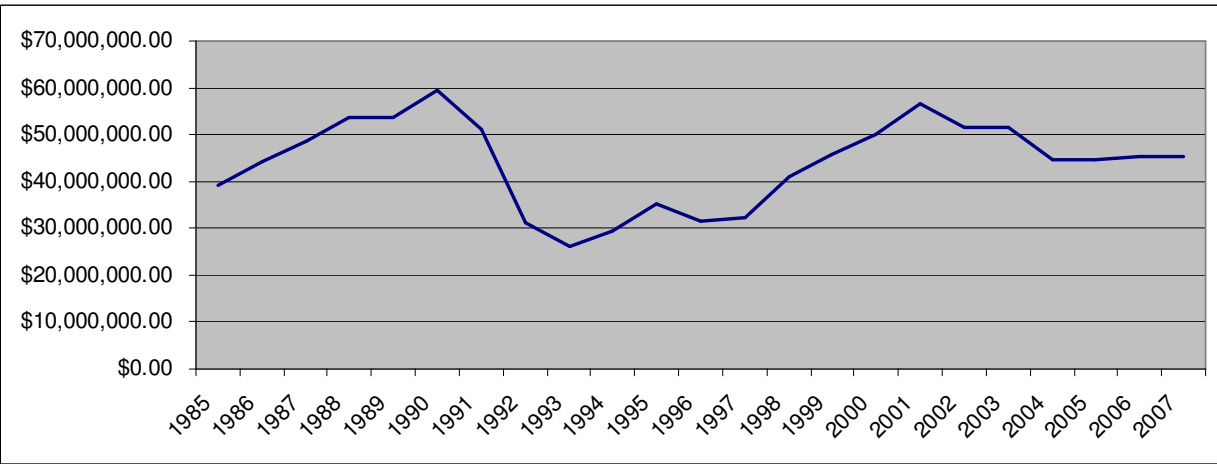
Total Congressional Appropriations for New Hampshire, 1985-2007



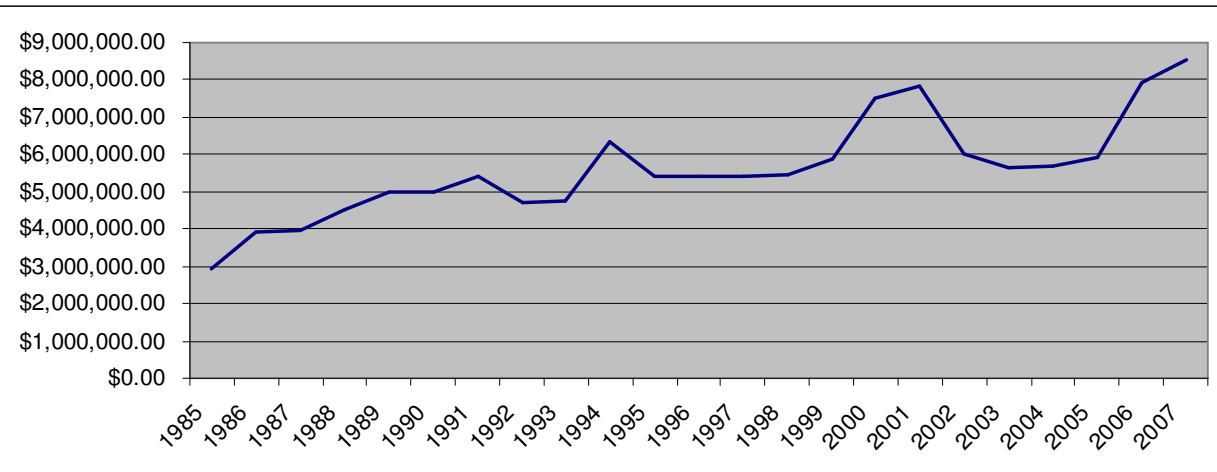
Total Congressional Appropriations for New Jersey, 1985-2007



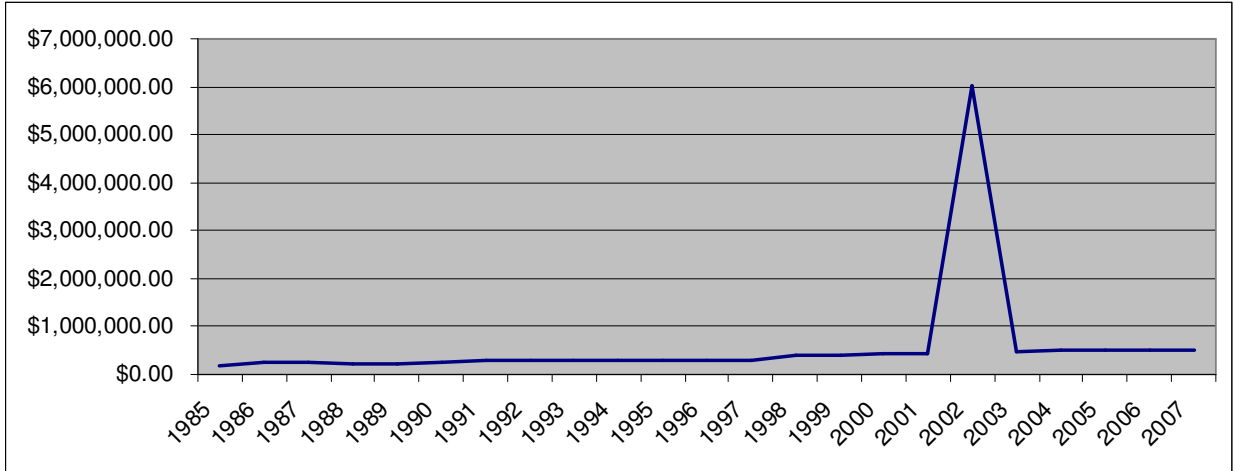
Total Congressional Appropriations for New Mexico, 1985-2007



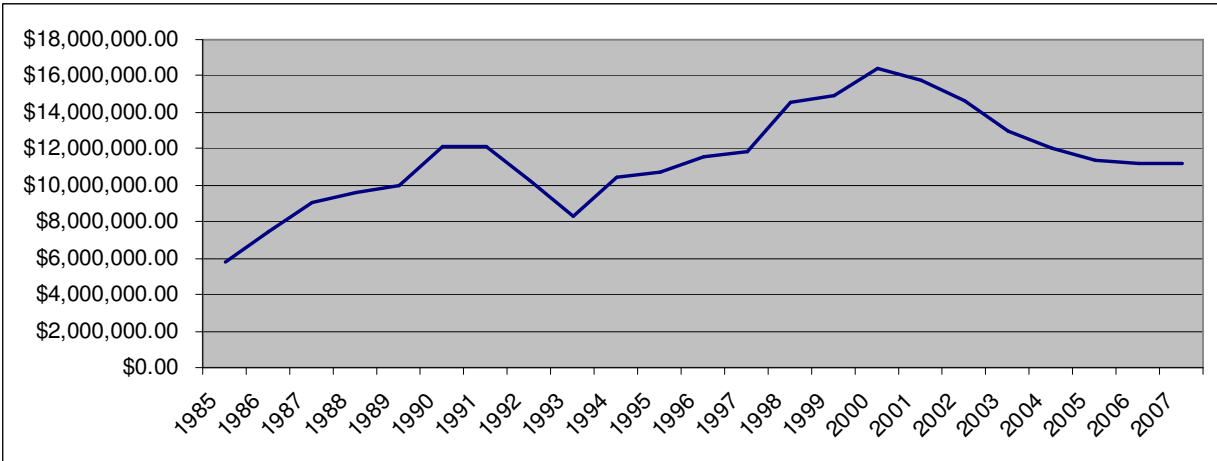
Total Congressional Appropriations for New York, 1985-2007



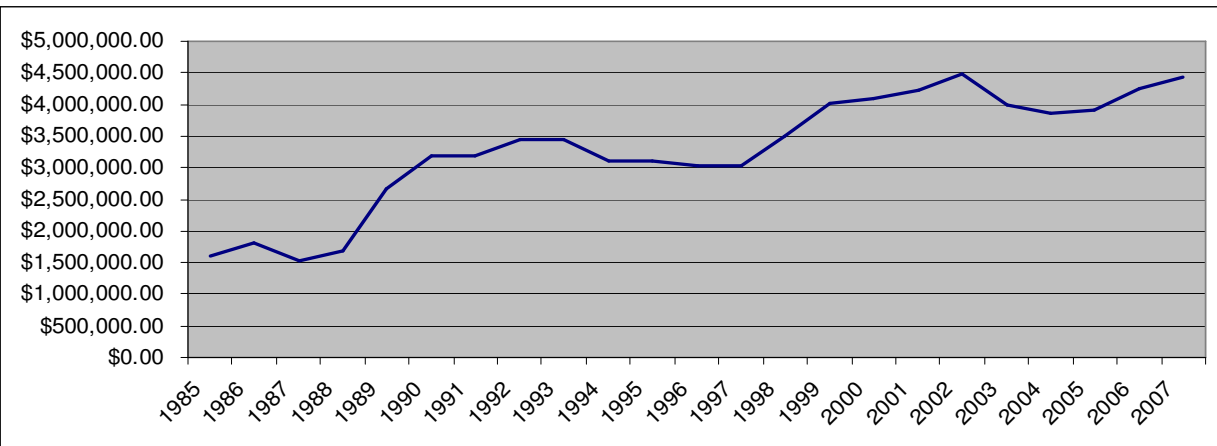
Total Congressional Appropriations for North Carolina, 1985-2007



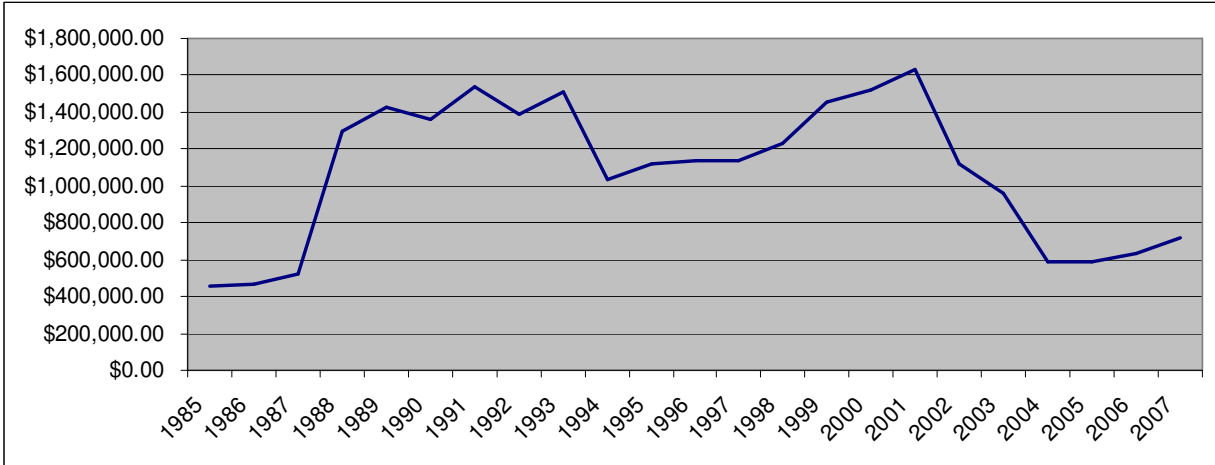
Total Congressional Appropriations for North Dakota, 1985-2007



Total Congressional Appropriations for Ohio, 1985-2007

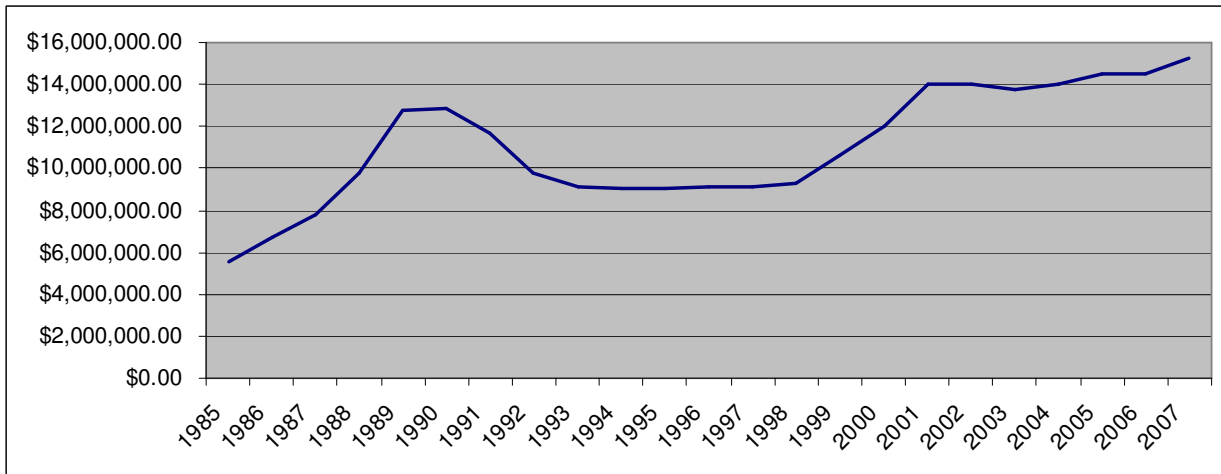


Total Congressional Appropriations for Oklahoma, 1985-2007



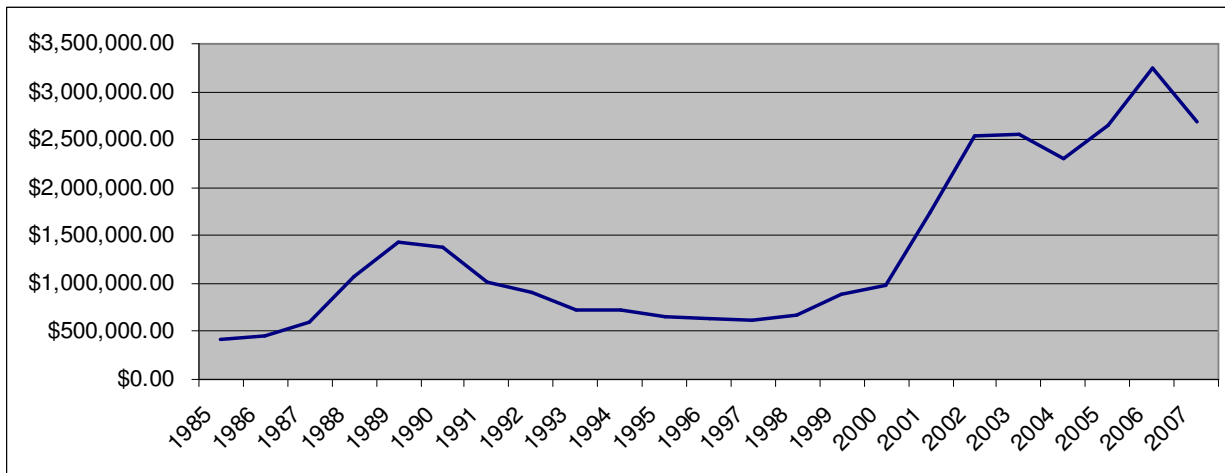
Total Congressional Appropriations for Oregon, 1985-2007

Pennsylvania

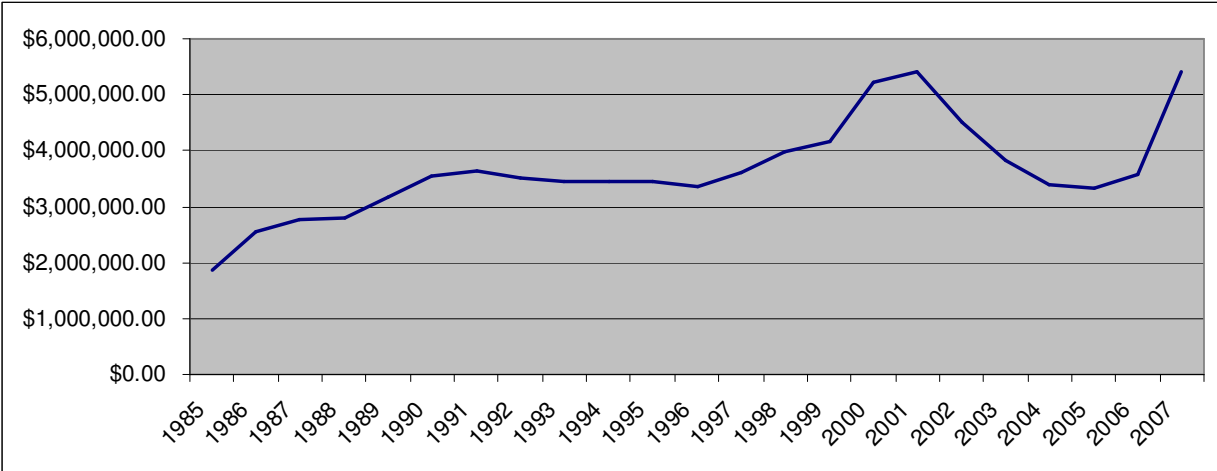


Total Congressional Appropriations for Pennsylvania, 1985-2007

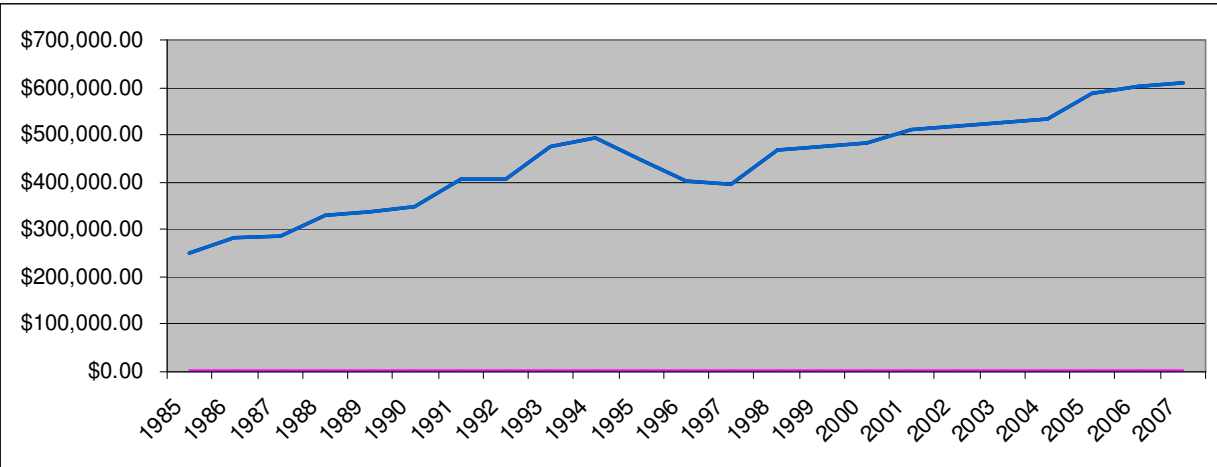
Rhode Island



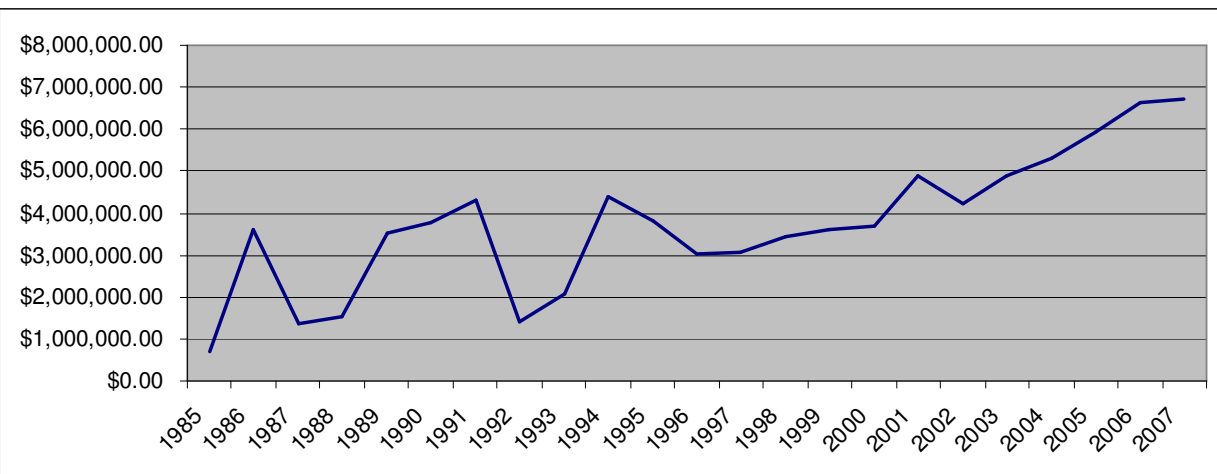
Total Congressional Appropriations for Rhode Island, 1985-2007



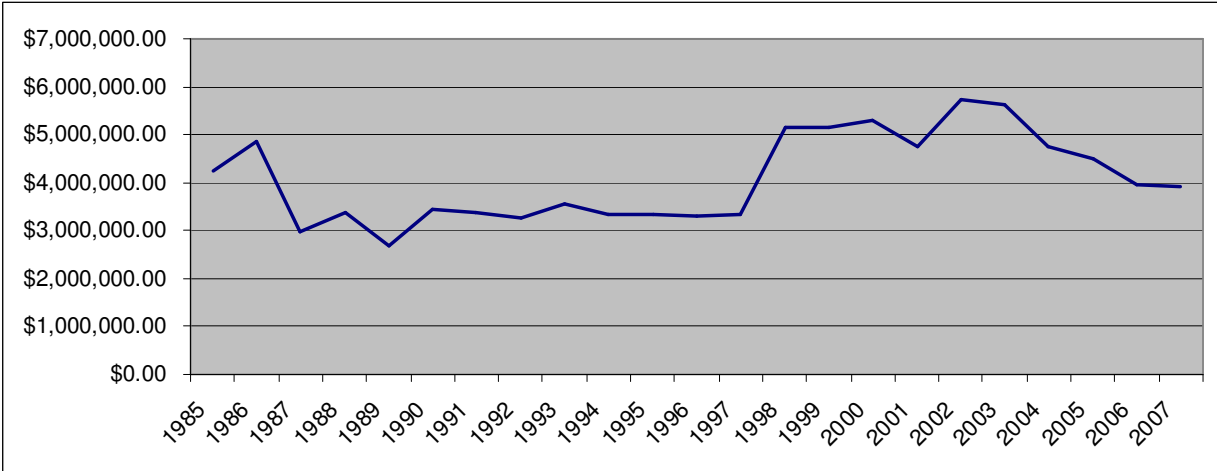
Total Congressional Appropriations for South Carolina, 1985-2007



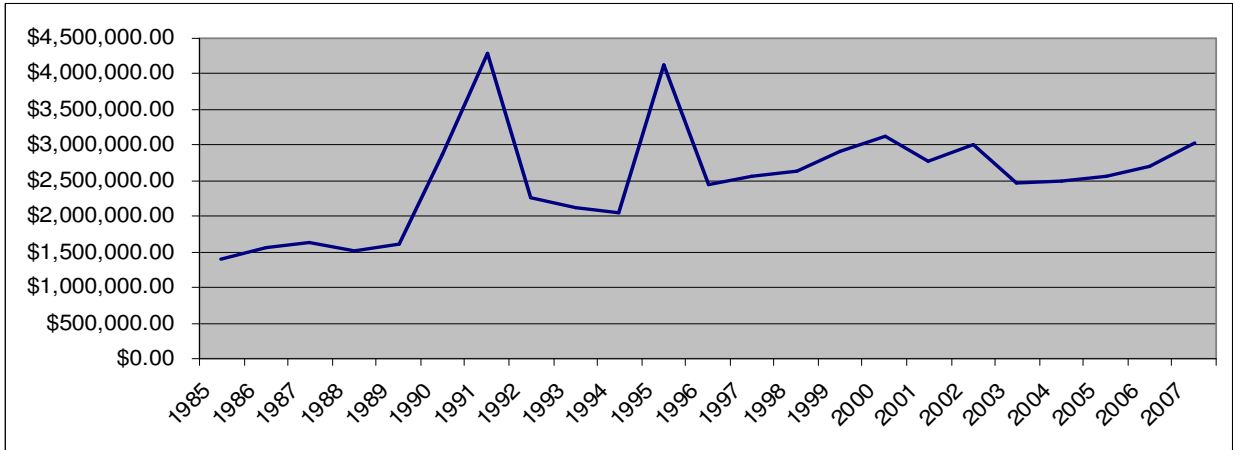
Total Congressional Appropriations for South Dakota, 1985-2007



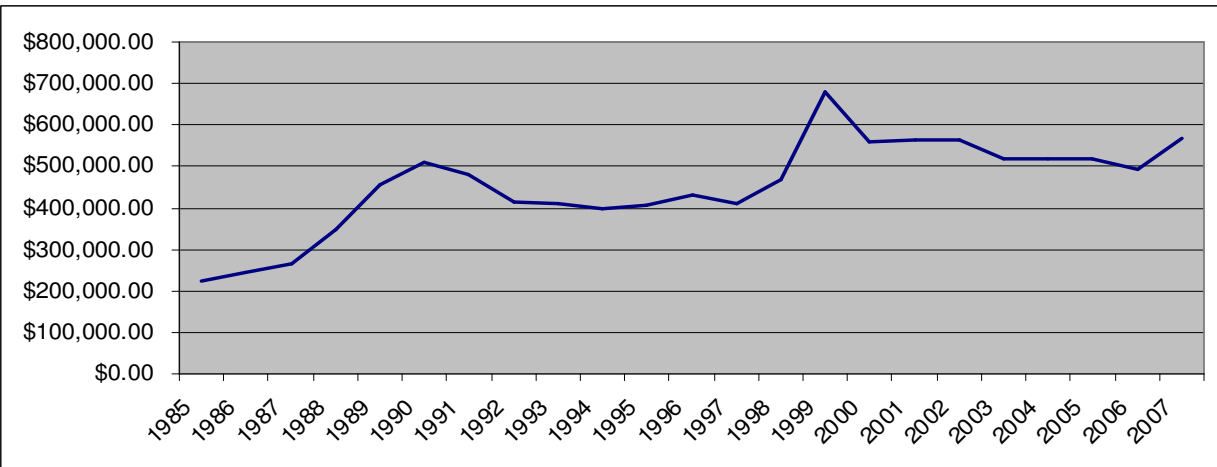
Total Congressional Appropriations for Tennessee, 1985-2007



Total Congressional Appropriations for Texas, 1985-2007

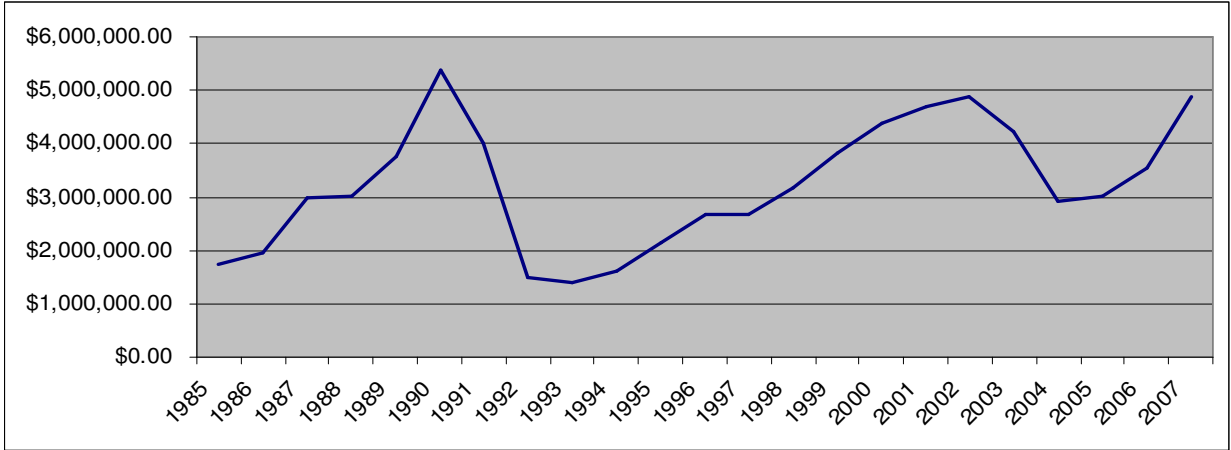


Total Congressional Appropriations for Utah, 1985-2007

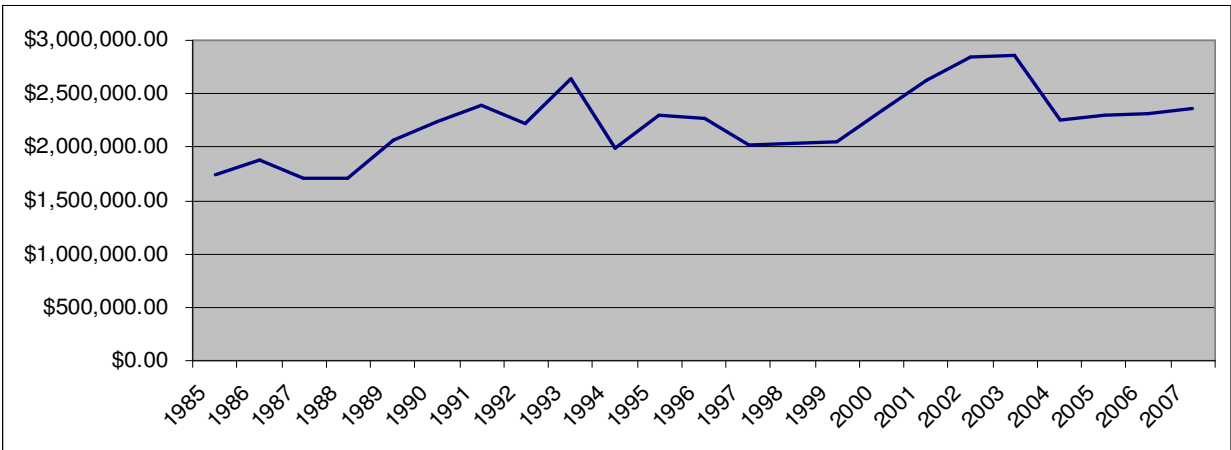


Total Congressional Appropriations for Vermont, 1985-2007

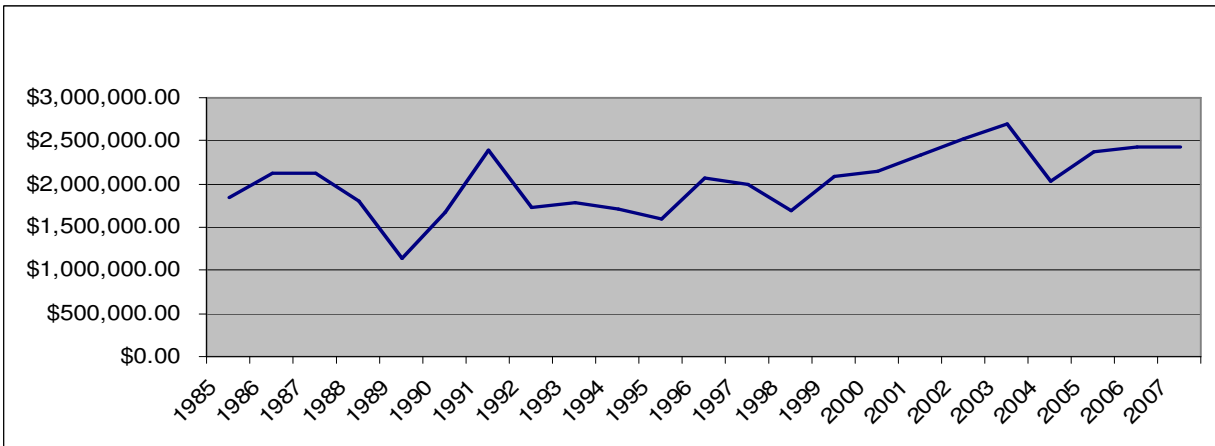




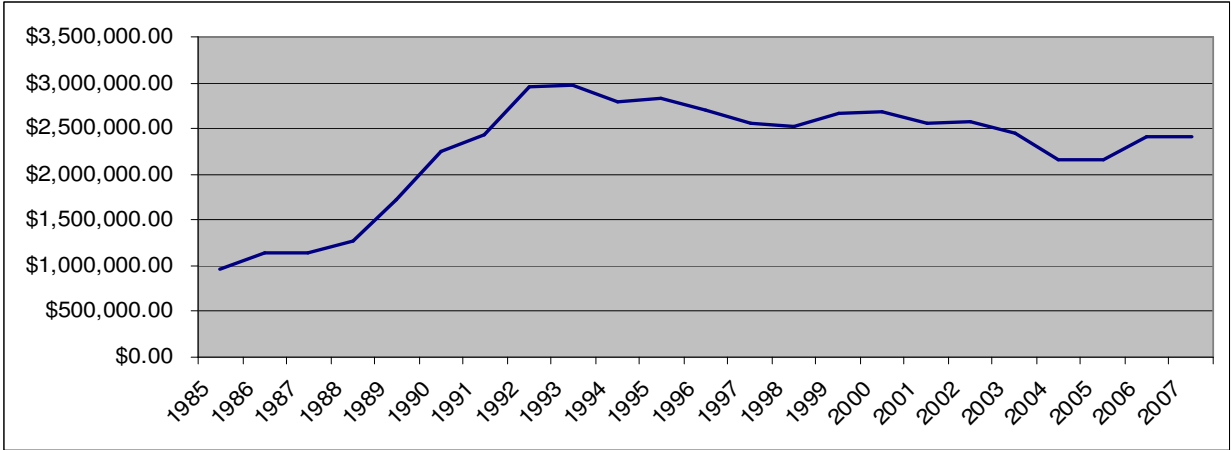
Total Congressional Appropriations for Virginia, 1985-2007



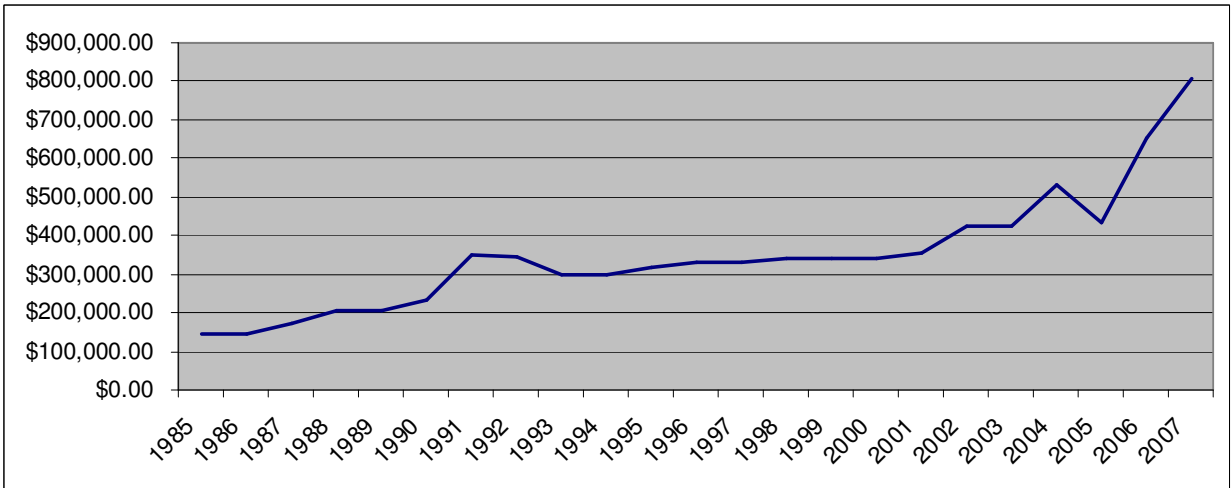
Total Congressional Appropriations for Washington, 1985-2007



Total Congressional Appropriations for West Virginia, 1985-2007



Total Congressional Appropriations for Wisconsin, 1985-2007



Total Congressional Appropriations for Wyoming, 1985-2007

APPENDIX C

RANNEY INDICES

States Classified According to Degree of Interparty Competition for Control of Government, 1981-1988

State	Ranney Party Control Index	State	Ranney Party Control Index
<b>One-Party: Democratic</b>			
Mississippi	0.86		
<b>Modified One-Party Democratic</b>			
Alabama	0.84	Massachusetts	0.74
Louisiana	0.81	Florida	0.74
Arkansas	0.80	Oklahoma	0.74
South Carolina	0.79	Rhode Island	0.72
Kentucky	0.77	Maine	0.70
Hawaii	0.77	North Carolina	0.70
West Virginia	0.77	Wisconsin	0.68
Georgia	0.78	Washington	0.67
Maryland	0.76	New Mexico	0.67
Texas	0.75	California	0.66
Virginia	0.74		
<b>Two-Party</b>			
Iowa	0.64	New Jersey	0.51
Minnesota	0.64	North Dakota	0.50
Illinois	0.64	Delaware	0.50
Tennessee	0.64	New York	0.49
Missouri	0.62	Nevada	0.49
Oregon	0.60	Alaska	0.47
Connecticut	0.58	Pennsylvania	0.47
Ohio	0.54	Arizona	0.39
Vermont	0.53	Pennsylvania	0.47
Michigan	0.52	Arizona	0.39
Nebraska	0.52	Kansas	0.39
Montana	0.51	Indiana	0.36
<b>Modified One-Party: Republican</b>			
Wyoming	0.34	Idaho	0.30
New Hampshire	0.34	South Dakota	0.26
Colorado	0.33	Utah	0.25
Source: John F. Bibby, Cornelius P. Cotter, James L. Gibson, and Robert J. Huckshorn, "Parties in State Politics," in Virginia Gray, Herbert Jacob, and Robert Albritton, eds., <i>Politics in the American States</i> , 5th ed., Glenview, Ill: Scott, Foresman/Little, Brown, 1990, p. 92.			

States Classified According to Degree of Interparty Competition for Control of Government, 1989-1994

State	Ranney Party Control Index	State	Ranney Party Control Index
<b>Modified One-Party Democratic</b>			
Arkansas	.831	Georgia	.739
Louisiana	.828	Mississippi	.709
Hawaii	.814	Alabama	.666
West Virginia	.798	Nebraska	.660
Rhode Island	.776	Oklahoma	.659
Maryland	.776	Massachusetts	.658
Kentucky	.741		
<b>Two-Party</b>			
Tennessee	.649	Delaware	.519
New Mexico	.645	Indiana	.518
North Carolina	.636	Connecticut	.518
Missouri	.633	Wisconsin	.496
Texas	.618	Pennsylvania	.496
Virginia	.617	Iowa	.418
Minnesota	.608	Alaska	.467
Florida	.594	Illinois	.462
Washington	.568	Montana	.453
Vermont	.568	Colorado	.438
South Carolina	.550	Michigan	.421
Nevada	.548	New Jersey	.410
California	.537	North Dakota	.394
Oregon	.534	Ohio	.384
New York	.350	Kansas	.359
Maine	.528		
<b>Modified One-Party Republican</b>			
Idaho	.338	Wyoming	.313
South Dakota	.322	New Hampshire	.259
Arizona	.316	Utah	.232
Source: Eagleton Institute of Politics, Rutgers, The State University of New Jersey, "Table 5: States Categorized According to Intensity of Interparty Competition, 1989-1994" in "Party Strength and Interparty Competition," <a href="http://www.eagleton.rutgers.edu/News-Research/NewVoters/Party.html">http://www.eagleton.rutgers.edu/News-Research/NewVoters/Party.html</a> .			

States Classified According to Degree of Interparty Competition for Control of Government, 1995-1999

State	Ranney party control index	State	Ranney party control index
<b>Modified One-Party: Democratic</b>			
Hawaii	0.775	Georgia	0.681
Arkansas	0.774	Louisiana	0.820
Maryland	0.720	Kentucky	0.672
West Virginia	0.689	Missouri	0.665
Rhode Island	0.688		
<b>Two-Party</b>			
Vermont	0.648	Washington	0.493
Massachusetts	0.634	Florida	0.487
Alabama	0.629	Connecticut	0.486
Mississippi	0.625	Maine	0.464
Oklahoma	0.579	South Carolina	0.461
New Mexico	0.578	New York	0.461
Delaware	0.572	Indiana	0.448
Tennessee	0.566	Colorado	0.425
North Carolina	0.562	Oregon	0.413
Minnesota	0.540	Alaska	0.374
Virginia	0.536	Iowa	0.371
California	0.532	Michigan	0.369
Nevada	0.516	Wisconsin	0.364
Texas	0.507	Illinois	0.363
<b>Modified One-Party: Republican</b>			
Pennsylvania	0.325	Kansas	0.264
New Jersey	0.307	Ohio	0.261
New Hampshire	0.304	North Dakota	0.245
Arizona	0.298	Wyoming	0.242
Utah	0.290	Montana	0.225
South Dakota	0.287	Idaho	0.199
<p>Note: Nebraska is excluded from this table because it has nonpartisan state legislative elections.  Source: Virginia Gray and Russell L. Hanson, <i>Politics in the American States</i>, 7th ed., Washington, D.C.: CQ Press, 1999, p. 95.</p>			

States Classified According to Degree of Interparty Competition for Control of Government, 1999-2003

State	Ranney party control index	State	Ranney party control index
<b>Modified One-Party: Democratic</b>			
Hawaii	0.735	West Virginia	0.689
Mississippi	0.716	Alabama	0.684
Maryland	0.702	California	0.683
Rhode Island	0.700	Arkansas	0.657
Massachusetts	0.694		
<b>Two-Party</b>			
Kentucky	0.629	Oregon	0.461
North Carolina	0.619	Minnesota	0.452
New Mexico	0.617	Iowa	0.453
Georgia	0.599	New York	0.453
Vermont	0.585	South Carolina	0.453
Louisiana	0.577	Wisconsin	0.424
Tennessee	0.576	Colorado	0.417
Oklahoma	0.570	Nevada	0.415
Connecticut	0.576	Michigan	0.389
Washington	0.557	Virginia	0.385
Delaware	0.551	Texas	0.378
Maine	0.537	Nebraska	0.365
Missouri	0.532	New Hampshire	0.358
Illinois	0.519	Pennsylvania	0.356
Indiana	0.514	North Dakota	0.354
New Jersey	0.479		
<b>Modified One-Party: Republican</b>			
Arizona	0.348	Wyoming	0.284
Alaska	0.340	Kansas	0.284
Montana	0.314	Utah	0.249
Florida	0.302	South Dakota	0.247
Ohio	0.289	Idaho	0.167

Source: Virginia Gray and Russell L. Hanson, *Politics in the American States*, 8th ed., Washington, D.C.: CQ Press, 2004, p. 95.

States Classified According to Degree of Interparty Competition for Control of Government, 2003-2006

State	Ranney party control index	State	Ranney party control index
<b>Modified One-Party: Democratic</b>			
Massachusetts	0.776	Louisiana	0.692
West Virginia	0.770	Hawaii	0.672
Arkansas	0.742	North Carolina	0.665
New Mexico	0.735	Illinois	0.655
Rhode Island	0.727	Alabama	0.655
Maryland	0.715	Washington	0.653
New Jersey	0.692		
<b>Two-Party</b>			
Tennessee	0.641	Pennsylvania	0.498
Vermont	0.618	Delaware	0.478
Maine	0.611	Montana	0.473
Oklahoma	0.595	Nevada	0.472
Colorado	0.592	Michigan	0.471
California	0.590	Wisconsin	0.461
New York	0.583	New Hampshire	0.461
Connecticut	0.581	Indiana	0.450
Oregon	0.579	Arizona	0.419
Mississippi	0.565	Virginia	0.411
Iowa	0.532	Wyoming	0.387
Minnesota	0.529	Kansas	0.380
Kentucky	0.514	Ohio	0.360
<b>Modified One-Party: Republican</b>			
Missouri	0.341	Nebraska	0.245
Georgia	0.339	South Dakota	0.243
South Carolina	0.323	North Dakota	0.239
Texas	0.312	Utah	0.234
Florida	0.302	Idaho	0.217
Alaska	0.298		

Source: Virginia Gray and Russell L. Hanson, *Politics in the American States*, 9th ed., Washington, D.C.: CQ Press, 2008, p. 84.



APPENDIX D  
SQUIRE RANKINGS

Squire's Ranking for 1986-1988

Squire Rank	State	Level	Squire Rank	State	Level
1	New York	.659	26	Louisiana	.185
2	Michigan	.653	27	Oregon	.183
3	California	.625	28	South Carolina	.178
4	Massachusetts	.614	29	Virginia	.170
5	Pennsylvania	.336	30	Maine	.161
6	Ohio	.329	31	Mississippi	.160
7	Alaska	.311		Nevada	.160
8	Illinois	.302	33	Alabama	.158
9	Colorado	.300	34	Kansas	.152
10	Missouri	.287	35	Rhode Island	.148
11	Hawaii	.276	36	Vermont	.145
12	Wisconsin	.270	37	Indiana	.139
13	Florida	.255	38	Tennessee	.135
	New Jersey	.255	39	Georgia	.135
15	Arizona	.250	40	West Virginia	.125
	Oklahoma	.250	41	Idaho	.119
17	Connecticut	.233	42	Montana	.110
18	Washington	.230	43	Arkansas	.105
19	Iowa	.255	44	Kentucky	.101
20	Texas	.210	45	New Mexico	.098
21	Maryland	.204	46	South Dakota	.083
22	North Carolina	.203	47	Utah	.082
23	Minnesota	.199	48	North Dakota	.075
24	Delaware	.192	49	Wyoming	.056
25	Nebraska	.186	50	New Hampshire	.042

Source: Gray and Hanson.

Squire's Ranking for 2000

State	Squire Ranking	State	Squire Ranking
<b>Professional Legislature</b>			
California	1	New Jersey	6
Michigan	2	Ohio	7
New York	3	Pennsylvania	8
Wisconsin	4	Illinois	11
Massachusetts	5		
<b>Hybrid Legislature</b>			
Hawaii	9	Oregon	24
Florida	10	Iowa	25
Alaska	12	Delaware	26
Texas	13	Virginia	27
Washington	14	North Carolina	28
Missouri	15	Louisiana	29
Maryland	16	South Carolina	30
Oklahoma	17	Mississippi	31
Arizona	18	Tennessee	32
Minnesota	19	Kansas	37
Connecticut	20	Alabama	45
Colorado	21	Kentucky	42
Nebraska	22		
<b>Citizen Legislature</b>			
Nevada	23	Maine	41
Vermont	33	Montana	43
West Virginia	34	Utah	44
Rhode Island	35	South Dakota	46
Idaho	36	North Dakota	47
Georgia	38	Wyoming	48
Indiana	39	New Mexico	49
Arkansas	40	New Hampshire	50
Source: Gray and Hanson, 2004, p. 158			

Squire's Ranking for 2003

State	Squire Ranking	State	Squire Ranking
<b>Professional Legislature</b>			
California	1	Ohio	7
New York	2	Illinois	8
Michigan	5	New Jersey	9
Pennsylvania	6	Alaska	11
Wisconsin	3	Florida	13
Massachusetts	4		
<b>Hybrid Legislature</b>			
Arizona	10	Minnesota	23
Hawaii	12	Nebraska	24
Colorado	14	Oregon	25
Texas	15	Delaware	26
North Carolina	16	Kentucky	27
Washington	17	Virginia	32
Maryland	18	Louisiana	33
Connecticut	19	South Carolina	36
Oklahoma	20	Tennessee	38
Missouri	21	Arkansas	41
Iowa	22	Alabama	45
<b>Citizen Legislature</b>			
Vermont	28	Indiana	42
Idaho	29	Maine	43
Nevada	30	Montana	44
Rhode Island	31	Utah	46
Kansas	34	South Dakota	47
West Virginia	35	Wyoming	48
Georgia	37	North Dakota	49
New Mexico	39	New Hampshire	50
Mississippi	40		
Source: Gray and Hanson, 2008, p. 155.			

APPENDIX E

ARTS PROGRAMS OFFERED BY STATE ARTS AGENCIES

State	Area Served by Program					Grant Programs	Cultural Development Programs
	Career Building	Performing Arts*	Visual Arts**	Literary Arts	Education		
Alabama			✓	✓	✓	✓	✓
Alaska	✓	✓	✓	✓	✓	✓	✓
Arizona	✓		✓		✓	✓	✓
Arkansas		✓		✓	✓	✓	
California	✓	✓		✓	✓	✓	✓
Colorado	✓	✓	✓	✓	✓	✓	✓
Connecticut	✓	✓			✓		✓
Delaware	✓			✓	✓	✓	✓
Florida	✓				✓	✓	✓
Georgia	✓	✓			✓	✓	✓
Hawaii			✓		✓	✓	✓
Idaho	✓	✓	✓	✓	✓	✓	✓
Illinois		✓			✓	✓	
Indiana	✓				✓	✓	
Iowa	✓	✓	✓		✓	✓	✓
Kansas	✓	✓		✓	✓	✓	
Kentucky		✓			✓	✓	
Louisiana	✓	✓	✓			✓	✓
Maine	✓	✓	✓	✓	✓	✓	✓
Maryland		✓	✓		✓	✓	✓
Massachusetts	✓	✓	✓	✓	✓	✓	✓
Michigan	✓				✓	✓	✓
Minnesota	✓		✓	✓	✓	✓	
Mississippi	✓	✓	✓	✓	✓	✓	✓
Missouri	✓	✓	✓	✓	✓	✓	✓
Montana	✓	✓	✓	✓	✓	✓	
Nebraska					✓	✓	✓
Nevada	✓	✓	✓	✓	✓	✓	✓
New Hampshire	✓	✓	✓		✓	✓	✓
New Jersey	✓	✓			✓	✓	✓
New Mexico		✓			✓	✓	✓
New York	✓	✓	✓	✓	✓	✓	✓
North Carolina	✓	✓	✓	✓	✓	✓	
North Dakota	✓		✓		✓	✓	
Ohio	✓				✓	✓	
Oklahoma	✓				✓	✓	✓
Oregon			✓		✓	✓	✓
Pennsylvania	✓	✓			✓	✓	✓
Rhode Island	✓	✓	✓	✓	✓	✓	✓
South Carolina	✓	✓	✓	✓	✓	✓	✓
South Dakota	✓	✓			✓	✓	
Tennessee		✓	✓	✓	✓	✓	✓
Texas	✓	✓	✓	✓	✓	✓	✓
Utah	✓	✓	✓	✓	✓	✓	✓
Vermont					✓	✓	✓
Virginia					✓	✓	✓
Washington	✓	✓	✓		✓	✓	✓
West Virginia			✓		✓	✓	✓
Wisconsin			✓			✓	✓
Wyoming	✓	✓	✓	✓	✓	✓	✓

\*Includes folk/traditional art; \*\* Includes all Public Art programs.

APPENDIX F

DATES OF ESTABLISHMENT

<b>State Arts Agency</b>	<b>Year Established</b>	<b>State Arts Agency</b>	<b>Year Established</b>
Alabama	1966	Montana Arts Council	1967
Alaska State Council on the Arts	1966	Nebraska Arts Council	1974
Arizona Commission on the Arts	1967*	Nevada Arts Council	1967
Arkansas Arts Council	1971	New Hampshire State Council on the Arts	1965
California Council on the Arts	1967	New Jersey State Council on the Arts	1966
Colorado Council on the Arts	1967	New Mexico Arts	1965
Connecticut Commission on Culture and Tourism	2003	New York State Council on the Arts	1960
Delaware Division of the Arts	1989	North Carolina Arts Council	1964
Division of Cultural Affairs	1963	North Dakota Council on the Arts	1967
Georgia Council for the Arts	1965	Ohio Arts Council	1965
Hawaii State Foundation on Culture and the Arts	1965	Oklahoma Arts Council	1965
Idaho Commission on the Arts	1966	Oregon Arts Commission	1967
Illinois Arts Council	1965	Pennsylvania Council on the Arts	1966
Indiana Arts Commission	1965	Rhode Island State Council on the Arts	1967
Iowa Arts Council	1967	South Carolina Arts Commission	1967
Kansas Arts Commission	1966	South Dakota Arts Council	1966
Kentucky Arts Council	1965	Tennessee Arts Commission	1967
Louisiana Division of the Arts – Louisiana Department of Culture, Recreation, and Tourism	1977	Texas Commission on the Arts	1965
Maine Arts Commission	1966	Utah Arts Council	1899
Maryland State Arts Council	1967	Vermont Arts Council	1964
Massachusetts Cultural Council	1966	Virginia Commission for the Arts	1968
Michigan Council for Arts and Culture	1991	Washington State Arts Commission	1961
Minnesota State Arts Council	1903**	West Virginia Commission on the Arts	1967
Mississippi Arts Commission	1968	Wisconsin Arts Board	1973
Missouri Arts Council	1967	Wyoming Arts Council	1967

\*The Arizona Commission on the Arts was established by executive order on January 24, 1966, and became a permanent state agency on March 13, 1967.  
\*\*The Minnesota State Arts Board was established in 1903, and the name was changed to Minnesota State Arts Council in 1965.



APPENDIX G

ARTS ATTENDANCE RATES BY EDUCATION AND INCOME LEVELS FOR 2002

<b>Participation in Arts Activities (percentage)</b>										
<b>Group</b>	<b>Jazz</b>	<b>Classical Music</b>	<b>Opera</b>	<b>Musicals</b>	<b>Plays</b>	<b>Dance</b>	<b>Museums</b>	<b>Parks</b>	<b>Fairs/Fest</b>	<b>Read Literature</b>
<b>Education</b>										
<b>Grade School</b>	0.9%	1.5%	0.2%	1.6%	1.1%	2.6%	4.5%	6.3%	8.4%	14.0%
<b>Some High School</b>	2.7	1.9	0.8	4.1	3.7	2.5	7.7	11.4	14.0	23.4
<b>High School Grad.</b>	5.3	4.5	0.8	9.1	5.7	4.7	14.2	20.2	25.7	37.7
<b>Some College</b>	12.2	11.5	2.8	19.4	12.7	11.2	29.0	36.5	38.2	52.9
<b>College Grad.</b>	19.4	21.9	6.4	30.2	22.5	17.1	46.6	51.2	49.3	63.1
<b>Grad. School</b>	24.0	34.1	10.9	37.6	31.8	27.7	58.6	56.8	51.9	74.3
<b>Income</b>										
<b>Under \$10,000</b>	5.1	6.7	1.3	7.6	5.3	4.2	12.4	14.1	19.7	32.1
<b>\$10,000-\$19,999</b>	5.4	5.2	1.6	8.2	5.4	5.7	14.0	14.9	21.4	37.5
<b>\$20,000-\$29,999</b>	6.3	6.3	1.6	8.6	6.0	6.2	16.2	20.8	24.5	37.5
<b>\$30,000-\$39,999</b>	10.9	10.3	2.6	13.6	10.0	8.9	23.3	28.6	33.2	44.1
<b>\$40,000-\$49,999</b>	10.3	12.9	2.4	16.1	12.2	9.4	25.3	32.7	34.6	47.9
<b>\$50,000-\$74,999</b>	11.2	12.4	3.4	21.5	14.0	11.8	30.4	39.1	40.3	52.3
<b>\$75,000 or more</b>	18.2	19.9	5.8	29.3	21.8	17.3	44.6	50.9	46.5	60.8

Source: 2002 Survey of Public Participation in the Arts.

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## BIOGRAPHICAL INFORMATION

Danielle Marie Georgiou received her Bachelor of Business Administration in International Business and French from the University of Texas at Arlington in 2006, during which time she was a member of the UTA Honors College, UTA Dance Ensemble, a Fellow in the Goolsby Leadership Academy, and a public policy intern with the National Center for Policy Analysis. She began work on her Master's Degree in Political Science at the University of Texas at Arlington in the fall of 2006, while teaching beginner dance classes and directing the UTA Dance Ensemble. She will be graduating in May 2008. In March of 2008, she presented a portion of her graduate thesis at the Southwestern Political Science Association's annual meeting in Las Vegas, Nevada.

In the fall of 2008, Danielle will be pursuing a Ph.D. in Humanities at the University of Texas at Dallas. Her focus will be on aesthetic studies and the history of cultural and arts policy. Danielle's research interests include: Arts policy; Cultural studies; Cultural development; Socioeconomic development; Public policy. Her future plans involve teaching a university, while continuing her research on arts policy and the connection between arts, technology, and community and economic development. She also plans continue her study of dance and teaching dance.